

立法會
Legislative Council

LC Paper No. CB(4)177/19-20(07)

Ref: CB4/PL/PS

Panel on Public Service

Meeting on 16 December 2019

**Updated background brief on
employment situation of non-civil service contract staff**

Purpose

This paper provides background information on the employment situation of non-civil service contract ("NCSC") staff and summarizes the major views and concerns expressed by members when the subject was discussed by the Panel on Public Service ("the Panel").

The NCSC Staff Scheme

Scope of the Scheme

2. The NCSC Staff Scheme, introduced in 1999, is aimed at providing Permanent Secretaries and Heads of Departments ("HoDs") with a flexible means of employment to respond more promptly to changing operational and service needs of Bureaux/Departments/Offices ("B/Ds"):

- (a) which are time-limited, seasonal, or subject to market fluctuations;
- (b) which require staff to work less than the conditioned hours of civil servants;
- (c) which require tapping the latest expertise in a particular area of the labour market; or
- (d) where the mode of service delivery is under review or likely to be changed.

3. The terms of employment of NCSC staff are separate and different from those of civil servants. HoDs have full discretion to determine the appropriate employment package for their NCSC staff having regard to the state of the employment market, recruitment results, cost of living and other relevant considerations, provided that the terms and conditions of service offered are overall speaking no less favourable than those prescribed under the Employment Ordinance (Cap. 57) and no more favourable than those applicable to civil servants in comparable civil service ranks or with comparable levels of responsibilities.

Replacement of NCSC positions by civil service posts

4. Since 2006 when the number of full-time NCSC staff peaked at around 18 500, B/Ds have reviewed the employment situation of their NCSC staff from time to time to ascertain the need to replace those NCSC positions with established long-term service needs by civil service posts. As at 30 June 2018, about 8 280 full-time NCSC positions in total had been replaced by civil service posts. For the 3 481 new posts created in 2019-2020, 276 of them are for replacing NCSC positions for which the long-term service need has been established.¹

Statistics on the employment of NCSC staff

5. According to the Administration, there were 9 773 full-time NCSC staff employed by B/Ds as at 30 June 2018, a decrease of 607 (around 6%) as compared with one year before. Statistics on the employment situation of full-time NCSC staff from 2006 to 2018, employment of full-time and part-time NCSC staff by B/Ds as at 30 June 2018, a breakdown of full-time NCSC staff employed by B/Ds by years of continuous service, as well as those with continuous service of five years or more in the same position as at 30 June 2018 are in **Appendices I to IV** respectively.

Discussions of the Panel

6. The major concerns and views expressed by Panel members and the Administration's responses are summarized in the ensuing paragraphs.

Replacement of NCSC positions by civil service posts

7. Members have all along expressed concern over the slow progress of replacing NCSC positions by civil service posts. At the Panel meeting on

¹ [Controlling Officer's Reply on the Examination of Estimates of Expenditure 2019-2020 \(Reply Serial No. CSB019\)](#).

19 November 2018, question was raised on the need for retaining 3 400 NCSC staff who had served continuously for five years or more and about 2 000 of them had served continuously for more than 10 years. Members urged the Administration to expedite the replacement of NCSC positions by civil service posts and the employment of NCSC staff who had worked in B/Ds for a long period of time.

8. The Administration pointed out that out of the 3 400 NCSC staff who had served continuously for five years or more as at 30 June 2018, about 1 000 of them had been engaged in different NCSC positions within the same department. The Administration had been constantly reviewing the engagement of NCSC staff and CSB had been liaising with B/Ds to ascertain the need to replace those NCSC positions with established long-term service needs by civil service posts. However, there was still a continued need for some B/Ds to engage a certain number of NCSC staff to meet specific operational and service needs that could not be catered for by civil servants.

Employment of NCSC staff by certain bureau and departments

9. At the Panel meeting on 19 November 2018, members enquired about the employment situation of NCSC staff in the Education Bureau ("EDB") and the Judiciary. The Administration explained that:

- (a) as at 30 June 2018, there were 213 and 535 NCSC staff working in EDB and Government schools respectively to meet service needs that were time-limited or seasonal in nature. Another some 400 NCSC staff were employed by Government schools to meet service needs where the mode of delivery of the service was under review or likely to be changed. EDB had also employed more than 10 NCSC staff to tap the latest expertise in a particular area of the labour market, such as providing consultation services relating to students with specific learning difficulties in reading and writing; and
- (b) additional NCSC staff were engaged by the Judiciary to perform security related duties for the enhanced security measures in various law court buildings.

10. On members' concern that there was no plan to replace NCSC positions at the Efficiency Unit to man the 1823 hotline by civil service posts, the Administration explained that NCSC staff were employed because there was no comparable civil service rank in the Government performing this type of work and it was not appropriate to create a new civil service rank with no potential for development solely for manning the hotline. Moreover, NCSC staff employed

to man the 1823 hotline generally did not intend to stay in the job on a long-term basis.

Recruiting NCSC staff as civil servants

11. Members raised questions as to whether preferential consideration could be given to NCSC staff applying for civil service posts, say, by implementing a marking scheme. To ensure the fairness of the selection process in an open recruitment, the Administration could make known to the public the marking scheme for giving preferential consideration to NCSC staff applying for civil service posts.

12. The Administration pointed out that it would be at variance with the Government's policy to select the most suitable persons to fill civil service vacancies through an open, fair and competitive process. Since relevant working experience was one of the factors considered in the recruitment of civil servants, NCSC staff who met the basic entry requirements should generally enjoy a competitive edge over other applicants because of their working experience in the Government. As an illustration, the Administration advised at the Panel meeting on 19 November 2018 that the average success rate of serving NCSC staff and other applicants was around 15% around 2% respectively.

13. The Administration also advised that when B/Ds identified specific NCSC positions for phasing out, the concerned staff were advised well in advance. B/Ds would offer employment assistance to outgoing NCSC staff where necessary.

14. Members also expressed concern about the layoff of NCSC staff who had worked for more than five years by some B/Ds due to the completion of time-limited projects, outsourcing of their work to contractors, or replacement of NCSC posts by civil service posts. They urged the Administration to employ these NCSC staff as civil servants. The Administration responded that, for those who had worked in some B/Ds for a long period of time, they might not find the entry salary of civil servants attractive considering their cumulative pay rise over the years.

Terms and conditions of service for NCSC staff

15. Some members criticized the Administration for engaging NCSC staff for the reason of cutting costs without caring about their job security and prospect or service quality. The Administration clarified that cost reduction was not a consideration in employing NCSC staff. In fact, B/Ds were required to ensure the competitiveness of the terms and conditions of service of the

NCSC positions so as to be able to recruit and retain NCSC staff of suitable calibre.

16. Taking into account that NCSC staff would not be granted an annual salary increment as their civil service counterparts, question was raised as to whether the salary of NCSC staff would be adjusted according to the gross pay trend indicator without deducting the payroll cost of increments. Members also requested the Administration to improve the remuneration packages for NCSC staff and consider relaxing the existing rule that the salaries of NCSC staff should not exceed the salary mid-point of comparable civil service ranks.

17. The Administration advised that B/Ds would conduct periodic reviews on the pay of their NCSC staff. Under the NCSC staff scheme, HoDs might flexibly handle the salary adjustment of their NCSC staff to best meet their operational needs. In determining the salary adjustment for their NCSC staff, HoDs would take into account a host of considerations, such as the labour market situation and salary adjustment in the market, staff retention needs, etc. As such, the salary adjustment rates for NCSC staff in different departments might vary. The rates of pay adjustments of NCSC staff in major NCSC user B/Ds for 2017 were comparable to those of the 2018-2019 civil service pay adjustment rates. Some NCSC staff even had a higher pay rise than civil servants in comparable ranks.

18. Some members expressed concern that the Administration did not renew the employment contracts of NCSC staff once they had reached 60 years of age. They also urged the Administration, as the employer of NCSC staff, to take the lead in abolishing the offsetting arrangement whereby the employer's contributions to the Mandatory Provident Fund schemes of NCSC staff were used for offsetting the end-of-contract gratuities. There was also suggestion that the Administration should provide medical benefits for NCSC staff comparable to those of civil servants.

19. The Administration said that it had not set any retirement age for NCSC staff, but B/Ds were given the discretion to decide on the retirement age of some NCSC positions having regard to requirements of the positions concerned, such as physical fitness, operational need, etc. The Administration also said that the Chief Executive had announced in the 2018 Policy Address the abolition of offsetting severance payment and long service payment with employers' mandatory contributions under the Mandatory Provident Fund system, employing B/Ds would act in accordance with the new legal arrangement once it was put in place. As regards the provision of medical benefits for NCSC staff, as the remuneration offered to NCSC staff was an all-inclusive pay package, medical benefits would not be separately provided for them.

Latest position

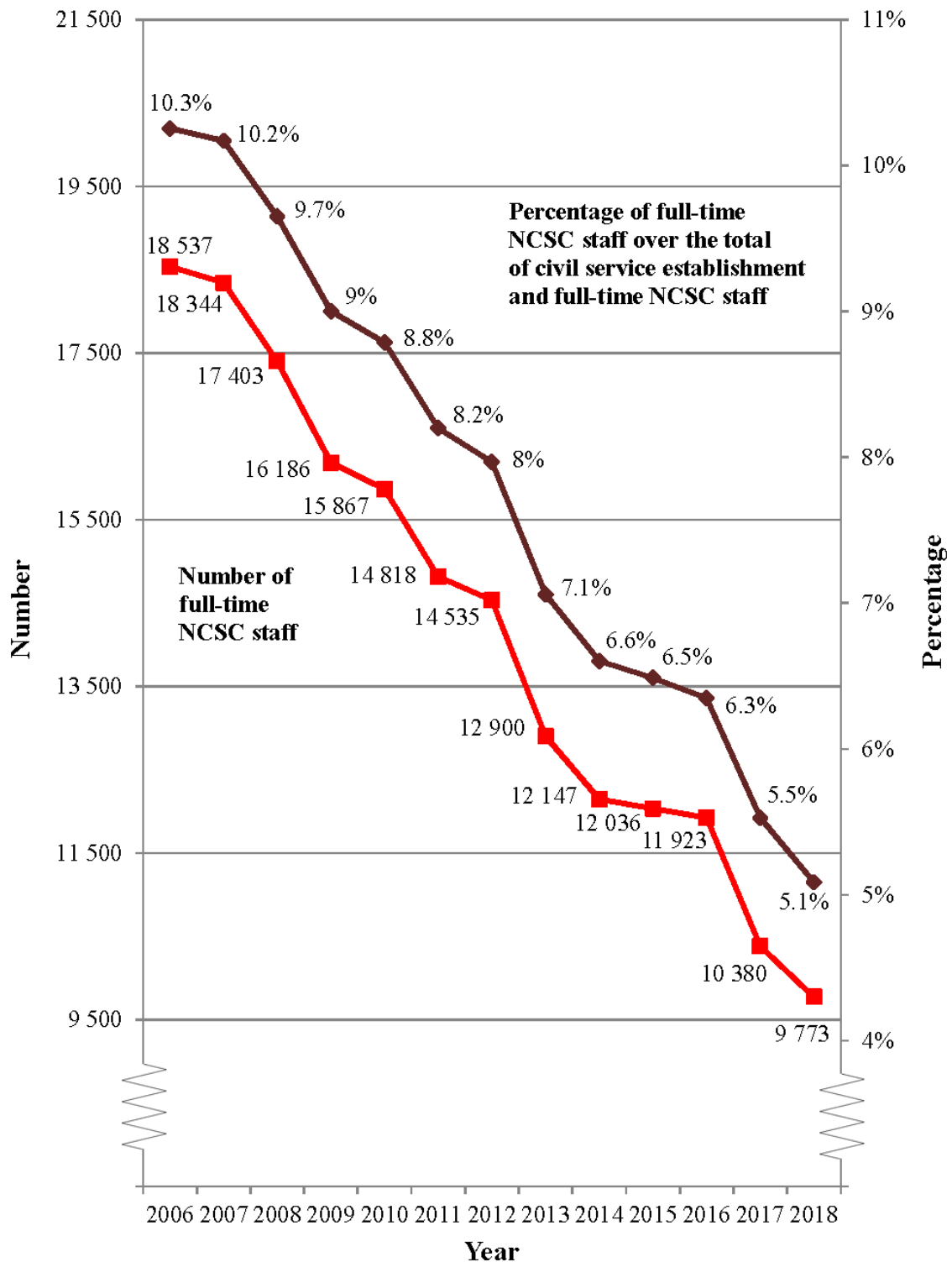
20. The Administration will update the Panel on the employment situation of NCSC staff at the Panel meeting on 16 December 2019.

Relevant papers

21. A list of relevant papers as set in the **Appendix V**.

Council Business Division 4
Legislative Council Secretariat
9 December 2019

**Employment situation of full-time
non-civil service contract ("NCSC") Staff
from 2006 to 2018
(Position as at 30 June 2018)**



Source: Annex A of [LC Paper No. CB\(4\)193/18-19\(04\)](#)

Appendix II

Employment of full-time and part-time non-civil service contract ("NCSC") staff by Bureaux / Departments / Offices (position as at 30 June 2018)

Bureau / Department / Office	No. of full-time ^{Note 1} NCSC staff	No. of part-time ^{Note 2} NCSC staff
Agriculture, Fisheries and Conservation Department	144	107
Architectural Services Department	33	20
Buildings Department	95	-
Census and Statistics Department	132	-
Chief Executive's Office	6	-
Chief Secretary and Financial Secretary's Offices	31	3
Civil Aviation Department	6	89
Civil Engineering and Development Department	41	-
Civil Service Bureau	1	4
Commerce and Economic Development Bureau	34	8
Companies Registry	108	-
Constitutional and Mainland Affairs Bureau	5	-
Correctional Services Department	5	10
Customs and Excise Department	9	-
Department of Health	363	244
Department of Justice	59	2
Development Bureau	46	-
Drainage Services Department	82	-
Education Bureau	1 179	82
Efficiency Office	447	77
Electrical and Mechanical Services Department	712	-
Environment Bureau	4	-
Environmental Protection Department	68	110
Financial Services and the Treasury Bureau	6	-

Bureau / Department / Office	No. of full-time^{Note 1} NCSC staff	No. of part-time^{Note 2} NCSC staff
Fire Services Department	34	234
Food and Environmental Hygiene Department	160	-
Food and Health Bureau	14	-
Government Flying Service	7	2
Government Laboratory	12	-
Government Logistics Department	33	-
Government Property Agency	1	-
Highways Department	66	-
Home Affairs Bureau	24	1
Home Affairs Department	580	394
Hong Kong Observatory	19	-
Hong Kong Police Force	27	8
Hongkong Post	1 780	-
Immigration Department	38	-
Information Services Department	25	1
Inland Revenue Department	168	1
Innovation and Technology Bureau	1	-
Innovation and Technology Commission	42	2
Intellectual Property Department	18	4
Invest Hong Kong	66	-
Judiciary	108	6
Labour and Welfare Bureau	24	1
Labour Department	68	4
Land Registry	87	-
Lands Department	144	-
Legal Aid Department	2	-
Leisure and Cultural Services Department	1 165	5 087

Bureau / Department / Office	No. of full-time^{Note 1} NCSC staff	No. of part-time^{Note 2} NCSC staff
Marine Department	7	13
Office of the Communications Authority	128	-
Office of the Government Chief Information Officer	4	-
Official Receiver's Office	34	-
Planning Department	28	-
Radio Television Hong Kong	180	440
Rating and Valuation Department	25	-
Registration and Electoral Office	309	-
Security Bureau	45	-
Social Welfare Department	62	182
Trade and Industry Department	48	-
Transport and Housing Bureau	10	-
Transport Department	51	44
Treasury	8	-
University Grants Committee Secretariat	23	-
Water Supplies Department	61	-
Working Family and Student Financial Assistance Agency	421	-
Total	9 773	7 180

Note 1: "Full-time" employment means employment under a "continuous contract" as defined by the Employment Ordinance (Cap. 57) ("EO"). According to EO, an employee is regarded as being employed under a continuous contract if he or she works continuously for the same employer for four weeks or more, with at least 18 hours in each week.

Note 2: "Part-time" employment means employment whereby the number of working hours of the NCSC staff is less than those under a "continuous contract" as defined by EO. The number of part-time NCSC staff set out at the above table refers to those with employment contractual relations with the user Bureaux / Departments / Offices as at 30 June 2018 and only some of them were called upon to perform duty on that date.

(Source: [Controlling Officer's Reply on the Examination of Estimates of Expenditure 2019-2020 \(Annex A of Reply Serial No. CSB002\)](#)).

**Breakdown of full-time non-civil service contract ("NCSC") staff
by years of continuous service ^{Note}
(position as at 30 June 2018)**

Bureau / Department / Office	No. of NCSC staff				Total
	with less than three years of continuous service	with three years to less than five years of continuous service	with five years to less than ten years of continuous service	with ten years or more of continuous service	
Agriculture, Fisheries and Conservation Department	106	15	13	10	144
Architectural Services Department	26	7	-	-	33
Buildings Department	39	9	32	15	95
Census and Statistics Department	125	5	2	-	132
Chief Executive's Office	4	1	1	-	6
Chief Secretary and Financial Secretary's Offices	23	4	4	-	31
Civil Aviation Department	4	1	1	-	6
Civil Engineering and Development Department	24	4	8	5	41
Civil Service Bureau	1	-	-	-	1
Commerce and Economic Development Bureau	13	4	13	4	34
Companies Registry	87	15	5	1	108
Constitutional and Mainland Affairs Bureau	5	-	-	-	5
Correctional Services Department	2	3	-	-	5
Customs and Excise Department	6	1	2	-	9

Bureau / Department / Office	No. of NCSC staff				Total
	with less than three years of continuous service	with three years to less than five years of continuous service	with five years to less than ten years of continuous service	with ten years or more of continuous service	
Department of Health	59	9	123	172	363
Department of Justice	41	11	7	-	59
Development Bureau	28	8	9	1	46
Drainage Services Department	39	24	15	4	82
Education Bureau	858	130	125	66	1 179
Efficiency Office	234	65	69	79	447
Electrical and Mechanical Services Department	32	183	220	277	712
Environment Bureau	3	-	1	-	4
Environmental Protection Department	40	22	6	-	68
Financial Services and the Treasury Bureau	6	-	-	-	6
Fire Services Department	24	3	1	6	34
Food and Environmental Hygiene Department	101	21	21	17	160
Food and Health Bureau	6	3	5	-	14
Government Flying Service	4	-	2	1	7
Government Laboratory	6	-	4	2	12
Government Logistics Department	12	6	8	7	33
Government Property Agency	1	-	-	-	1
Highways Department	45	15	4	2	66
Home Affairs Bureau	7	5	10	2	24
Home Affairs Department	446	54	61	19	580

Bureau / Department / Office	No. of NCSC staff				Total
	with less than three years of continuous service	with three years to less than five years of continuous service	with five years to less than ten years of continuous service	with ten years or more of continuous service	
Hong Kong Observatory	17	2	-	-	19
Hong Kong Police Force	17	8	1	1	27
Hongkong Post	535	202	230	813	1 780
Immigration Department	14	-	6	18	38
Information Services Department	9	7	4	5	25
Inland Revenue Department	144	9	5	10	168
Innovation and Technology Bureau	1	-	-	-	1
Innovation and Technology Commission	28	1	6	7	42
Intellectual Property Department	13	1	2	2	18
Invest Hong Kong	17	5	11	33	66
Judiciary	69	12	14	13	108
Labour and Welfare Bureau	10	7	7	-	24
Labour Department	10	7	22	29	68
Land Registry	39	4	12	32	87
Lands Department	105	33	6	-	144
Legal Aid Department	2	-	-	-	2
Leisure and Cultural Services Department	813	63	90	199	1 165
Marine Department	4	3	-	-	7
Office of the Communications Authority	50	22	27	29	128

Bureau / Department / Office	No. of NCSC staff				Total
	with less than three years of continuous service	with three years to less than five years of continuous service	with five years to less than ten years of continuous service	with ten years or more of continuous service	
Office of the Government Chief Information Officer	2	2	-	-	4
Official Receiver's Office	25	2	4	3	34
Planning Department	15	4	8	1	28
Radio Television Hong Kong	86	32	37	25	180
Rating and Valuation Department	15	4	5	1	25
Registration and Electoral Office	192	104	4	9	309
Security Bureau	37	2	5	1	45
Social Welfare Department	44	10	7	1	62
Trade and Industry Department	9	11	27	1	48
Transport and Housing Bureau	9	1	-	-	10
Transport Department	34	5	8	4	51
Treasury	5	1	2	-	8
University Grants Committee Secretariat	13	3	5	2	23
Water Supplies Department	4	13	16	28	61
Working Family and Student Financial Assistance Agency	296	21	37	67	421
Total	5 140	1 229	1 380	2 024	9 773

Note : "Continuous service" refers to employment in the same NCSC position, as well as employment in different NCSC positions of the same department without a break in service.

(Source: [Controlling Officer's Reply on the Examination of Estimates of Expenditure 2019-2020 \(Annex B of Reply Serial No. CSB002\)](#)).

Appendix IV

Breakdown of full-time non-civil service contract ("NCSC") staff with continuous service of five years or more in the same position (position as at 30 June 2018)

Bureau / Department / Office	No. of full-time NCSC staff in the same position	
	with five years to less than ten years of continuous service	with ten years or more of continuous service
Agriculture, Fisheries and Conservation Department	9	9
Buildings Department	31	13
Chief Executive's Office	1	-
Chief Secretary and Financial Secretary's Offices	1	-
Civil Aviation Department	1	-
Civil Engineering and Development Department	8	5
Commerce and Economic Development Bureau	12	3
Companies Registry	5	1
Customs and Excise Department	2	-
Department of Health	115	164
Department of Justice	7	-
Development Bureau	8	1
Drainage Services Department	14	2
Education Bureau	92	32
Efficiency Office	43	9
Electrical and Mechanical Services Department	103	40
Environment Bureau	1	-
Environmental Protection Department	3	-
Fire Services Department	1	6

Bureau / Department / Office	No. of full-time NCSC staff in the same position	
	with five years to less than ten years of continuous service	with ten years or more of continuous service
Food and Environmental Hygiene Department	19	15
Food and Health Bureau	2	-
Government Flying Service	2	1
Government Laboratory	4	2
Government Logistics Department	8	7
Highways Department	4	2
Home Affairs Bureau	10	1
Home Affairs Department	54	18
Hong Kong Police Force	1	1
Hongkong Post	196	739
Immigration Department	5	-
Information Services Department	4	4
Inland Revenue Department	3	1
Innovation and Technology Commission	6	4
Intellectual Property Department	2	-
Invest Hong Kong	10	26
Judiciary	1	1
Labour and Welfare Bureau	7	-
Labour Department	19	8
Land Registry	12	32
Lands Department	6	-
Leisure and Cultural Services Department	62	88
Office of the Communications Authority	20	15
Official Receiver's Office	4	3

Bureau / Department / Office	No. of full-time NCSC staff in the same position	
	with five years to less than ten years of continuous service	with ten years or more of continuous service
Planning Department	8	1
Radio Television Hong Kong	30	18
Rating and Valuation Department	2	1
Registration and Electoral Office	4	9
Security Bureau	2	1
Social Welfare Department	7	1
Trade and Industry Department	22	1
Transport Department	5	1
Treasury	1	-
University Grants Committee Secretariat	5	1
Water Supplies Department	15	25
Working Family and Student Financial Assistance Agency	29	34
Total	1 048	1 346

(Source: [Controlling Officer's Reply on the Examination of Estimates of Expenditure 2019-2020 \(Annex C of Reply Serial No. CSB002\)](#)).

Employment situation of non-civil service contract staff

List of relevant papers

Date	Meeting/Event	References
16 November 2015	Panel on Public Service	<u>Administration's paper</u> <u>Updated background brief prepared by the Legislative Council Secretariat</u> <u>Minutes</u> <u>Administration's follow-up response to issues raised at the Panel meeting</u>
21 November 2016		<u>Administration's paper</u> <u>Updated background brief prepared by the Legislative Council Secretariat</u> <u>Minutes</u> <u>Administration's follow-up response to issues raised at the Panel meeting</u>
15 January 2018		<u>Administration's paper</u> <u>Updated background brief prepared by the Legislative Council Secretariat</u> <u>Minutes</u> <u>Administration's follow-up response to issues raised at the Panel meeting</u>

Date	Meeting/Event	References
19 November 2018		<u>Administration's paper</u> <u>Updated background brief prepared by the Legislative Council Secretariat</u> <u>Minutes</u> <u>Administration's follow-up response to issues raised at the Panel meeting</u>
27 January 2016	Council meeting	<u>Question raised by Ir Dr Hon LO Wai-ki on "Employment of construction and related engineering professionals by the Government"</u>
22 March 2017		<u>Question raised by Hon KWOK Wai-keung on "Non-Civil Service Contract staff of Buildings Department"</u>