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Panel on Public Service

Meeting on 16 November 2020

**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 non-civil service contract 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 non-civil service contract 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 As at 30 June 2019, about 8 520 full-time NCSC positions in total had been replaced by civil service posts. For the 6 082 new posts created in 2020-2021, 176 of them are for replacing NCSC positions for which the long-term service need has been established.¹

Statistics on the employment of non-civil service contract staff

5. According to the Administration, there were 10 444 full-time NCSC staff employed by B/Ds as at 30 June 2019. Since certain B/Ds require a substantial number of NCSC staff in 2019 to take forward some time-limited or one-off large-scale tasks, such as the Caring and Sharing Scheme, Territory-wide Identity Card Replacement Exercise and election-related work, the number of full-time NCSC staff had increased by about 670 (by around 7%), as compared with the same period in 2018. If the additional 980 full-time NCSC staff² so engaged by the three aforementioned large-scale tasks were excluded, the number of full-time NCSC staff as at 30 June 2019 should only be some 9 470, which would have been a reduction by about 310 (about 3%).

6. Statistics on the employment situation of full-time NCSC staff from 2006 to 2019, employment of full-time and part-time NCSC staff by B/Ds as at 30 June 2019, 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

¹ [Controlling Officer's Reply on the Examination of Estimates of Expenditure 2020-2021 \(Reply Serial No. CSB023\)](#).

² About 1 300 full-time NCSC staff were employed for the three large-scale tasks in 2019. It represented an increase of 980 in number when compared with the number of full-time NCSC staff employed for these three large-scale tasks in 2018.

more in the same position as at 30 June 2019 are in **Appendices I to IV** respectively.

Discussions of the Panel

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

Replacement of non-civil service contract positions by civil service posts

8. Members have all along expressed concern over the slow progress of replacing NCSC positions by civil service posts. They 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. The Civil Service Bureau ("CSB") pointed out that 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 and replacement of non-civil service contract staff by certain bureaux and departments

9. At the Panel meeting on 16 December 2019, members enquired about the employment and replacement situation of NCSC staff in, inter alia, the Department of Health, Education Bureau ("EDB") and Radio Television Hong Kong. The Administration advised that:

- (a) 223 NCSC staff were employed in the Department of Health for conducting health screening service at boundary control points. There had been a significant reduction (76%) in the number of NCSC staff engaged as compared to the peak after an internal review was conducted;
- (b) over the past few years, 118 civil service posts had been created in government schools for replacement of NCSC General Workers ("GWs") and General Clerk positions employed under the Funding Flexibility Scheme. In the 2019-2020 school year, another 39 civil service posts were created to replace NCSC GW and General Clerk positions in government schools;

- (c) with the introduction of school-based management, the Administration had provided schools with greater autonomy and flexibility in their resources management. To facilitate the implementation of various new initiatives in education and the provision of additional resources to schools in recent years, government schools had to engage more Teaching Assistants to meet additional service needs which were time-limited, short-term or seasonal in nature. As at 30 June 2019, 23 of the 372 NCSC Teaching Assistants employed in government schools had stayed in the same positions for more than five years. EDB would continue to constantly review government schools' operational needs and seek further conversion of NCSC positions to civil service posts as and when appropriate having regard to the pertinent criteria; and
- (d) in Radio Television Hong Kong, 98 civil service posts were created to replace NCSC positions from 2011-2012 to 2018-2019, while 16 new civil service posts were approved in 2019-2020.

Recruiting non-civil service contract staff as civil servants

10. 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.

11. 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 16 December 2019 that the average success rate of serving NCSC staff and other applicants was 15% and 3% respectively. 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.

12. 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 non-civil service contract staff

13. 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.

14. Taking into account that NCSC staff would not be granted an annual salary increment as their civil service counterparts and the Administration would increase the number of leave days (i.e. 17 general holidays) for NCSC staff to be on par with civil servants starting from 2020-2021, questions were 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, and whether the benefits and promotion arrangements for NCSC staff, particularly those who had worked over five years, would be aligned with those of civil servants. Members also requested the Administration to consider relaxing the existing rule that the salaries of NCSC staff should not exceed the salary mid-point of comparable civil service ranks.

15. The Administration advised that civil service and NCSC appointments were two distinct types of employment. There was no promotion for NCSC staff and the remuneration offered to them was an all-inclusive pay package. That said, 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 2017-2018 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.

16. Some members expressed concern that the Administration did not renew the employment contracts of NCSC staff once they had reached 60 years

of age. 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.

17. As regards the suggestion that the Administration should 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, the Administration 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.

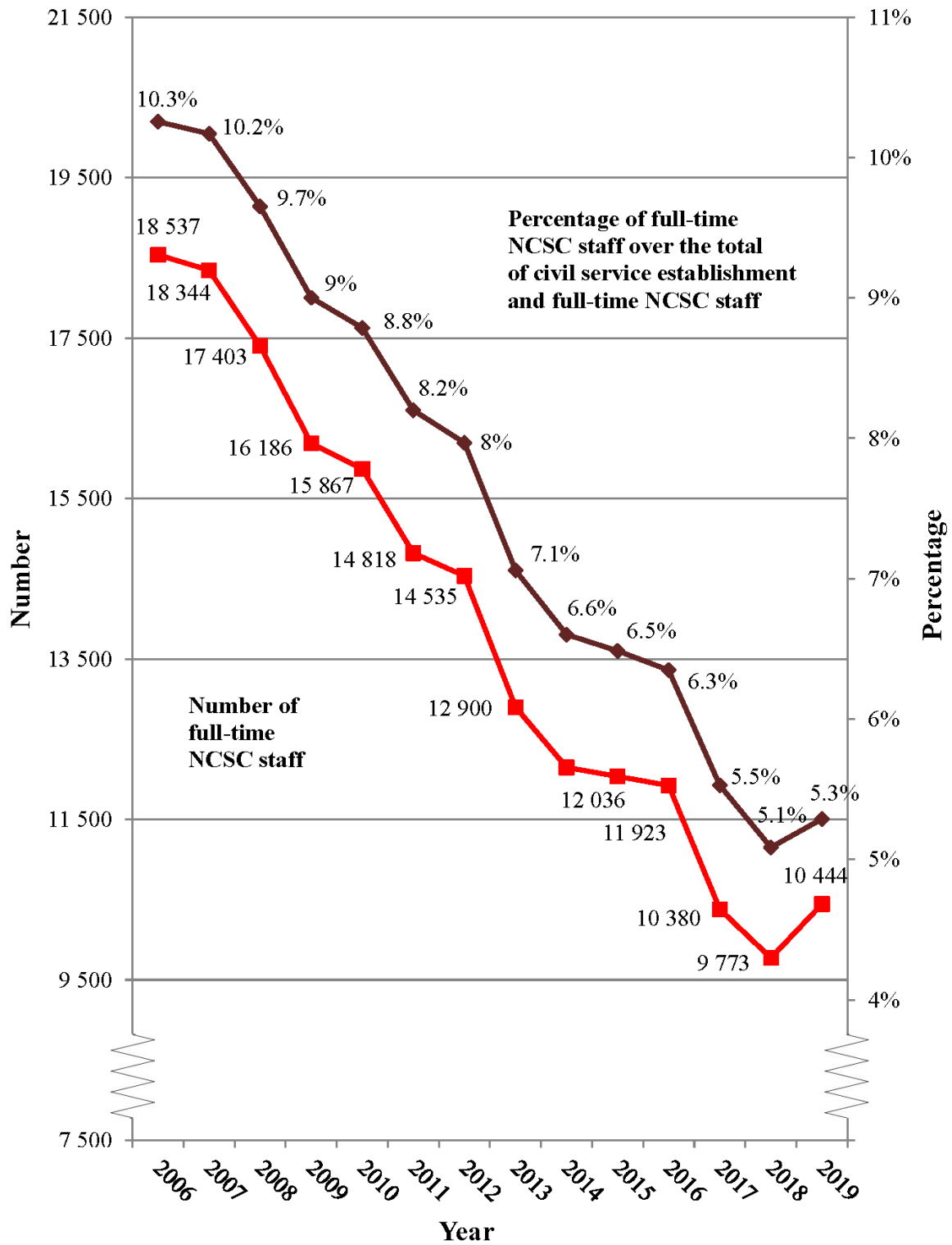
Latest position

18. The Administration will update the Panel on the employment situation of NCSC staff at the Panel meeting on 16 November 2020.

Relevant papers

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

**Employment situation of full-time
non-civil service contract ("NCSC") Staff
from 2006 to 2019
(Position as at 30 June 2019)**



Source: Annex A of [LC Paper No. CB\(4\)177/19-20\(06\)](#)

Appendix II

Employment of full-time and part-time non-civil service contract ("NCSC") staff by Bureaux / Departments / Offices (position as at 30 June 2019)

Bureau / Department / Office	No. of full-time NCSC Staff	No. of Part-time NCSC Staff
Agriculture, Fisheries and Conservation Department	140	112
Architectural Services Department	23	16
Auxiliary Medical Service	1	-
Buildings Department	114	-
Census and Statistics Department	185	-
Chief Executive's Office	5	-
Chief Secretary and Financial Secretary's Offices	43	3
Civil Aviation Department	4	89
Civil Engineering and Development Department	27	-
Civil Service Bureau	1	4
Commerce and Economic Development Bureau	32	8
Companies Registry	119	-
Constitutional and Mainland Affairs Bureau	5	-
Correctional Services Department	6	8
Customs and Excise Department	9	-
Department of Health	386	270
Department of Justice	55	-
Development Bureau	65	-
Drainage Services Department	82	-
Education Bureau	1 210	85
Efficiency Office	446	123
Electrical and Mechanical Services Department	707	-
Environment Bureau	4	-
Environmental Protection Department	74	120
Financial Services and the Treasury Bureau	4	-
Fire Services Department	27	212
Food and Environmental Hygiene Department	168	-
Food and Health Bureau	20	-
Government Flying Service	7	2
Government Laboratory	13	-

Bureau / Department / Office	No. of full-time NCSC Staff	No. of Part-time NCSC Staff
Government Logistics Department	29	-
Government Property Agency	4	-
Highways Department	58	-
Home Affairs Bureau	51	1
Home Affairs Department	473	835
Hong Kong Observatory	18	-
Hong Kong Police Force	21	5
Hongkong Post	1 697	-
Immigration Department	474	-
Information Services Department	24	1
Inland Revenue Department	149	-
Innovation and Technology Bureau	1	-
Innovation and Technology Commission	38	2
Intellectual Property Department	15	4
Invest Hong Kong	83	-
Judiciary	122	5
Labour and Welfare Bureau	21	-
Labour Department	38	3
Land Registry	82	-
Lands Department	105	-
Legal Aid Department	3	-
Leisure and Cultural Services Department	915	5 145
Marine Department	5	13
Office of the Communications Authority	127	-
Office of the Government Chief Information Officer	3	-
Official Receiver's Office	30	-
Planning Department	26	-
Radio Television Hong Kong	171	356
Rating and Valuation Department	25	-
Registration and Electoral Office	558	-
Security Bureau	39	-
Social Welfare Department	57	169
Trade and Industry Department	44	-
Transport and Housing Bureau	10	-

Bureau / Department / Office	No. of full-time NCSC Staff	No. of Part-time NCSC Staff
Transport Department	69	44
Treasury	14	-
University Grants Committee Secretariat	24	-
Water Supplies Department	66	-
Working Family and Student Financial Assistance Agency	773	-
Total	10 444	7 635

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 2019 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 2020-2021 \(Annex A of Reply Serial No. CSB018\)](#).

**Breakdown of full-time non-civil service contract ("NCSC") staff
by years of continuous service ^{Note}
(position as at 30 June 2019)**

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	119	5	12	4	140
Architectural Services Department	10	13	-	-	23
Auxiliary Medical Service	1	-	-	-	1
Buildings Department	53	14	34	13	114
Census and Statistics Department	181	4	-	-	185
Chief Executive's Office	5	-	-	-	5
Chief Secretary and Financial Secretary's Offices	38	1	4	-	43
Civil Aviation Department	-	3	1	-	4
Civil Engineering and Development Department	15	7	3	2	27
Civil Service Bureau	-	1	-	-	1
Commerce and Economic Development Bureau	11	5	13	3	32
Companies Registry	93	17	9	-	119
Constitutional and Mainland Affairs Bureau	5	-	-	-	5
Correctional Services Department	4	2	-	-	6
Customs and Excise Department	7	-	2	-	9
Department of Health	83	23	74	206	386
Department of Justice	35	9	11	-	55
Development Bureau	49	6	9	1	65
Drainage Services Department	36	25	13	8	82
Education Bureau	882	145	113	70	1 210
Efficiency Office	218	62	82	84	446
Electrical and Mechanical Services Department	69	143	204	291	707

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	
Environment Bureau	4	-	-	-	4
Environmental Protection Department	40	19	14	1	74
Financial Services and the Treasury Bureau	4	-	-	-	4
Fire Services Department	18	7	1	1	27
Food and Environmental Hygiene Department	107	22	20	19	168
Food and Health Bureau	14	1	5	-	20
Government Flying Service	5	-	-	2	7
Government Laboratory	6	1	4	2	13
Government Logistics Department	7	4	10	8	29
Government Property Agency	3	1	-	-	4
Highways Department	37	11	9	1	58
Home Affairs Bureau	40	4	6	1	51
Home Affairs Department	349	47	57	20	473
Hong Kong Observatory	17	1	-	-	18
Hong Kong Police Force	9	8	4	-	21
Hongkong Post	498	170	260	769	1 697
Immigration Department	446	5	5	18	474
Information Services Department	8	6	8	2	24
Inland Revenue Department	128	7	5	9	149
Innovation and Technology Bureau	1	-	-	-	1
Innovation and Technology Commission	23	2	3	10	38
Intellectual Property Department	10	1	2	2	15
Invest Hong Kong	34	3	11	35	83
Judiciary	83	14	9	16	122
Labour and Welfare Bureau	8	5	7	1	21

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	
Labour Department	3	-	6	29	38
Land Registry	43	7	9	23	82
Lands Department	82	19	4	-	105
Legal Aid Department	3	-	-	-	3
Leisure and Cultural Services Department	623	28	74	190	915
Marine Department	2	2	1	-	5
Office of the Communications Authority	45	21	30	31	127
Office of the Government Chief Information Officer	1	1	1	-	3
Official Receiver's Office	18	4	4	4	30
Planning Department	12	6	6	2	26
Radio Television Hong Kong	82	31	31	27	171
Rating and Valuation Department	20	2	1	2	25
Registration and Electoral Office	377	157	15	9	558
Security Bureau	30	4	2	3	39
Social Welfare Department	30	18	8	1	57
Trade and Industry Department	9	4	23	8	44
Transport and Housing Bureau	8	2	-	-	10
Transport Department	56	2	7	4	69
Treasury	13	-	1	-	14
University Grants Committee Secretariat	17	-	3	4	24
Water Supplies Department	18	3	19	26	66
Working Family and Student Financial Assistance Agency	580	110	27	56	773
Total	5 885	1 245	1 296	2 018	10 444

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 2020-2021 \(Annex B of Reply Serial No. CSB018\)](#).

**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 2019)**

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	12	3
Buildings Department	33	12
Civil Engineering and Development Department	3	2
Commerce and Economic Development Bureau	11	3
Companies Registry	9	-
Customs and Excise Department	2	-
Department of Health	69	196
Department of Justice	11	-
Development Bureau	9	1
Drainage Services Department	12	6
Education Bureau	84	37
Efficiency Office	58	24
Electrical and Mechanical Services Department	66	65
Environmental Protection Department	13	-
Fire Services Department	1	1
Food and Environmental Hygiene Department	19	16
Food and Health Bureau	2	-
Government Flying Service	-	2
Government Laboratory	4	2
Government Logistics Department	10	8
Highways Department	9	1
Home Affairs Bureau	5	1
Home Affairs Department	42	18
Hong Kong Police Force	4	-
Hongkong Post	212	698
Immigration Department	5	-

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
Information Services Department	8	2
Inland Revenue Department	3	1
Innovation and Technology Commission	3	7
Intellectual Property Department	2	-
Invest Hong Kong	11	27
Judiciary	1	1
Labour and Welfare Bureau	6	1
Labour Department	4	17
Land Registry	9	23
Lands Department	4	-
Leisure and Cultural Services Department	51	85
Marine Department	1	-
Office of the Communications Authority	25	16
Office of the Government Chief Information Officer	1	-
Official Receiver's Office	2	1
Planning Department	6	2
Radio Television Hong Kong	27	20
Rating and Valuation Department	-	2
Registration and Electoral Office	13	8
Security Bureau	1	1
Social Welfare Department	7	1
Trade and Industry Department	15	7
Transport Department	2	1
University Grants Committee Secretariat	2	2
Water Supplies Department	17	23
Working Family and Student Financial Assistance Agency	16	25
Total	942	1 369

Source: [Controlling Officer's Reply on the Examination of Estimates of Expenditure 2020-2021 \(Annex C of Reply Serial No. CSB018\)](#).

Employment situation of non-civil service contract staff

List of relevant papers

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

Date	Meeting/Event	References
19 November 2018		<p><u>Administration's paper</u></p> <p><u>Updated background brief prepared by the Legislative Council Secretariat</u></p> <p><u>Minutes</u></p> <p><u>Administration's follow-up response to issues raised at the Panel meeting</u></p>
16 December 2019		<p><u>Administration's paper</u></p> <p><u>Updated background brief prepared by the Legislative Council Secretariat</u></p> <p><u>Minutes</u></p> <p><u>Administration's follow-up response to issues raised at the Panel meeting</u></p>
27 January 2016	Council meeting	<p><u>Question raised by Ir Dr Hon LO Wai-kiwok on "Employment of construction and related engineering professionals by the Government"</u></p>
22 March 2017		<p><u>Question raised by Hon KWOK Wai-keung on "Non-Civil Service Contract staff of Buildings Department"</u></p>