

For discussion
on 20 December 2010

Legislative Council Panel on Public Service Use of Agency Workers

Purpose

This paper updates Members on the use of agency workers by Bureaux/Departments (B/Ds).

Background

2. Agency workers generally refer to the manpower supplied by employment agencies under service contracts and work under the direct supervision of the procuring B/Ds. They do not have a contractual employment relationship with the B/Ds concerned. The procurement of agency worker service is currently governed by the relevant Stores and Procurement Regulations and Financial Circulars. It is also subject to the Government's procurement principles of value for money, transparency, open and fair competition and accountability.

3. At the meeting of this Panel held on 18 January 2010, the Administration briefed Members on the use of agency workers by B/Ds as at 30 September 2009 as well as the proposed improvement measures to ensure the proper use of agency workers by B/Ds.

Guidelines on the Use of Agency Workers

4. After consultation with this Panel and B/Ds, the Civil Service Bureau (CSB) issued a set of guidelines to B/Ds on the proper use of agency workers¹ in April 2010. The guidelines cover three main areas, namely

¹ They do not include information technology manpower supplied by technical service providers under a term contract centrally administered by the Office of the Government Chief Information Officer (commonly known as "T-contract staff") and service bureau staff providing public library service in the Leisure and Cultural Services Department.

scope of using agency workers, approval authority, and wage requirement.

5. B/Ds may only use agency workers under one or more of the following circumstances –

- (a) to meet urgent or unforeseen service needs or unexpected surge in service demands for the short-term;
- (b) to fill short-term manpower gap;
- (c) to provide short-term cover for manpower to deliver service the mode of which will be changed shortly; or
- (d) to meet service needs which entail irregular work pattern or where the nature of the work involved renders it difficult to recruit and retain staff.

As a general guideline, the short-term service demands under the circumstances at (a), (b) and (c) above should last for no more than nine months.

6. To ensure the proper use of agency workers and to maintain consistency in the use of such workers within individual B/Ds, every proposal to procure the service of an employment agency to supply agency workers should be considered and approved personally by a directorate officer at Directorate Pay Scale D2 or above.

7. When inviting quotations or tenders for the service of an employment agency to supply agency workers (except for non-skilled workers²), B/Ds have to require all bidders to state what wages they would pay to their employees to be assigned to work in the procuring B/Ds should their bids be successful. Bids quoting wages below the average monthly salary of miscellaneous non-production workers in all selected industries

² For service contracts that rely heavily on the deployment of non-skilled workers to perform functions comparable to the duties of the Government's Model Scale 1 Grade staff, service providers have been required since May 2004 to offer monthly wages to such workers which are no less than the average monthly wages for the relevant industry/occupation as published in the latest Census and Statistics Department's Quarterly Report of Wage and Payroll Statistics at the time when tenders are invited. Currently, Model Scale 1 Grades consist of Car Park Attendant II, Explosives Depot Attendant, Ganger, Gardener, Property Attendant, Supplies Attendant, Ward Attendant, Workman I, Workshop Attendant and Workman II.

published in the latest Census and Statistics Department's Quarterly Report on Wage and Payroll Statistics at the time when the bids are invited will be considered as non-complying. B/Ds are required to specify in the service contract that the wages of the agency workers assigned to work in the procuring B/Ds cannot be less than the quoted wages in the bids for the whole duration of the concerned contract and the mechanism to monitor compliance with the wage requirement as well as sanctions to be imposed in the event of non-compliance.

8. The above stated guidelines apply to all service contracts for the supply of agency workers for which quotations or tenders are invited after issue of the CSB guidelines. Service contracts for which quotations or tenders had already been invited at the time of issue of the guidelines or had already been entered into at the time of issue of the guidelines were not affected. However, the guidelines would apply if any when any of these contracts are renewed or extended.

Position of Agency Workers as at 30 September 2010

9. As at 30 September 2010, there were 2 260 agency workers in different B/Ds. They were involved mainly in providing general office and technical support, in undertaking project co-ordination work and delivering customer services. A breakdown of distribution of agency workers by B/Ds is at **Annex**.

10. These agency workers may be further sub-divided into two groups, namely –

- (a) 1 681 (or some 74%) were engaged under service contracts already entered into or for which quotations/tenders had been invited before issue of the CSB guidelines. Within this group, about 1 570 agency workers were engaged under contracts due to expire by end-June 2011 and the remainder by July 2012; and
- (b) 579 (or some 26%) were engaged under service contracts subject to the CSB guidelines. A more detailed analysis of this group is provided in the following paragraphs.

Agency Worker Service Contracts Subject to CSB Guidelines

11. As at 30 September 2010, of the agency workers covered by service contracts subject to the CSB guidelines, about 32% (or 188) were sourced to meet urgent or unforeseen service needs or unexpected surge in service demands for the short-term. Another 30% (or 169) were deployed to fill short-term manpower gap, mainly arising from the time required to recruit and fill vacant civil service posts and/or NCSC positions. Another 25% (or 147) were procured to deliver services the mode of which would likely be changed shortly. The remaining 13% (or 75) were deployed to meet service needs that entailed an irregular work pattern or where the nature of work involved rendered it difficult to recruit and retain staff.

12. Most of the agency workers referred to in the above paragraph (77% or 446) were sourced from service contracts lasting for nine months or less. The remainder (23% or 133) were mostly sourced from 'term contracts' lasting for 12 months and under which agency workers would be supplied only as and when needed by the procuring B/Ds.

13. A total of 171 service contracts were subject to the CSB guidelines. Most of them (about 80%) were limited to the provision of one to three agency workers on a per contract basis.

Way Forward

14. We will continue to monitor the use of agency workers by B/Ds.

**A breakdown of the number of agency workers by bureaux/departments
(position as at 30 September 2010)**

Bureau/Department	Number of agency workers *
Agriculture, Fisheries and Conservation Department	43
Buildings Department	194
Census and Statistics Department	5
Chief Secretary and Financial Secretary's Office	15
Civil Aid Service	5
Civil Aviation Department	2
Civil Engineering and Development Department	55
Civil Service Bureau	9
Commerce and Economic Development Bureau	15
Constitutional and Mainland Affairs Bureau	10
Correctional Services Department	64
Customs and Excise Department	11
Department of Health	317
Department of Justice	13
Development Bureau	23
Drainage Services Department	20
Education Bureau	269
Electrical and Mechanical Services Department	77
Environment Bureau	4
Environmental Protection Department	25
Financial Services and the Treasury Bureau	11
Fire Services Department	70
Food and Environmental Hygiene Department	73
Food and Health Bureau	16
Government Flying Service	2
Government Laboratory	8
Government Logistics Department	14
Highways Department	1
Home Affairs Bureau	4
Home Affairs Department	2
Hong Kong Police Force	72
Immigration Department	8
Information Services Department	28
Innovation and Technology Commission	1
Invest Hong Kong	1
Labour Department	42
Lands Department	80
Leisure and Cultural Services Department	314

Bureau/Department	Number of agency workers *
Marine Department	21
Office of the Government Chief Information Officer	5
Official Receiver's Office	12
Rating and Valuation Department	51
Security Bureau	6
Student Financial Assistance Agency	35
Trade and Industry Department	9
Transport and Housing Bureau	14
Transport Department	56
Water Supplies Department	128
Total	2 260

* Excluding the T-contract and Service Bureau staff.