

LCQ1: Employment benefits for non-skilled workers engaged under the Government's outsourced service contracts

Following is a question by the Hon Poon Siu-ping and a written reply by the Acting Secretary for Financial Services and the Treasury, Mr Joseph Chan, in the Legislative Council today (May 8):

Question:

On October 10 last year, the Government announced a number of measures to enhance the employment benefits for non-skilled workers engaged under the Government's outsourced service contracts (outsourced workers) tendered on or after April 1 this year (enhancement measures). As for those service contracts which (i) were under the tendering stage during the transitional period from October 10 last year to March 31 this year and (ii) had been awarded under the old terms, the Government would make transitional arrangements in the hope that more outsourced workers could be benefited. On the other hand, the Hong Kong Housing Authority (HA) has, in recent years, awarded outsourced service contracts through tenders with a validity period of six years, during which the contracts with the relevant contractors may be renewed once every two or three years (renewable contract arrangement). Some workers engaged by such contractors have relayed that they have not benefited from the enhancement measures. In this connection, will the Government inform this Council:

(1) of the government departments which currently adopt, when outsourcing services, tender conditions that include the renewable contract arrangement;

(2) whether those outsourced service contracts awarded under the renewable contract arrangement are covered by the enhancement measures; if so, whether HA and the relevant government departments will discuss with the contractors concerned the expeditious implementation of such measures; if not, of the reasons for that, and whether there are initiatives to enable the workers concerned to benefit from the enhancement measures; if so, of the details; if not, the reasons for that; and

(3) of the respective current numbers of outsourced service contracts, awarded under the renewable contract arrangement (a) within the transitional period and (b) after April 1 this year, which were not covered by the enhancement measures, and set out in a table the following details of each contract:

(i) type of service(s) (e.g. cleansing, security or property management),
(ii) name of the procuring government department (e.g. the Housing

Department),
(iii) name of contractor,
(iv) service district,
(v) number of outsourced workers, and
(vi) the commencement and expiry dates of the contract and the tender?

Reply:

President,

Having consulted the Hong Kong Housing Authority (HA) and relevant procuring departments, the consolidated reply is as follows:

According to the information provided by the relevant procuring departments, currently all of the service contracts that rely heavily on the deployment of non-skilled workers (non-skilled worker contracts) awarded by tender have not incorporated the special provisions adopted by the HA for contract renewal arrangement. Departments should, upon contract expiry, award new contracts through tendering with new measures incorporated to protect the employment benefits of non-skilled workers.

The HA, with the Housing Department as its executive arm, is a statutory body responsible for developing and implementing public housing programmes. The HA is not subject to government procurement regulations. That said, it will make reference to government practices and adopt applicable principles and practices in its own system and regulations.

To protect non-skilled workers, the HA, in awarding non-skilled worker contracts, requires service contractors to adopt the Standard Employment Contract (SEC) promulgated by the Labour Department. To tie in with the Government's new measures to protect the benefits of non-skilled workers, the HA will adopt the newly revised SEC in all relevant contracts and make reference to the transitional arrangements announced by the Government, where appropriate.

According to the HA, most of its existing non-skilled worker contracts have a duration of two to three years, with special provisions incorporated whereby service contractors fulfilling the requirements of contract renewal may, subject to mutual agreement upon contract expiry, have their contracts extended for one to two times in the original terms (unless otherwise specified), while the period of extension will depend on the contract terms. To protect non-skilled workers, the HA will also require service contractors to sign the new SEC with their non-skilled workers when relevant contracts are extended under the special provisions.