

## LCQ11: Government outsourced service contracts

Following is a question by the Hon Luk Chung-hung and a written reply by the Secretary for Labour and Welfare, Dr Law Chi-kwong, in the Legislative Council today (December 9):

Question:

The Chief Executive announced on October 10, 2018 that in respect of those government outsourced service contracts that relied heavily on the engagement of non-skilled workers (contracts), the Government would introduce measures which sought to enhance the protection of the employment terms and conditions as well as labour benefits of such non-skilled workers (new measures). The new measures would be applicable to those contracts tendered from April 1, 2019 onwards. As for the contracts still at the tendering stage or already awarded during the period between the day on which the new measures were announced and March 31, 2019, transitional arrangements would be put in place by the Government: the new terms would be incorporated into the relevant contracts having regard to the actual circumstances to enable the workers concerned to benefit from such measures, and the Government would provide service contractors (contractors) with top-up payments in this regard. In this connection, will the Government inform this Council:

(1) Among the contracts awarded respectively by the four major procuring departments (i.e. (i) Leisure and Cultural Services Department, (ii) Housing Department, (iii) Food and Environmental Hygiene Department and (iv) Government Property Agency) which are still in force, of the respective numbers and percentages of those to which (a) either the transitional arrangements or the new measures are applicable (contracts under the new terms), and (b) neither the transitional arrangements nor the new measures are applicable (contracts under the old terms); the respective numbers of non-skilled workers engaged by contractors under these two types of contracts, with a breakdown by service category and range of hourly wages;

(2) Whether it knows, among the non-skilled workers engaged by contractors of contracts under the old terms, the number of those who resigned after October 10, 2018 and before the expiry of such contracts, with a breakdown by reason for resignation; among these resigned workers, the number of those who have subsequently been engaged by contractors of contracts under the new terms; and

(3) As the Chief Executive undertook at the beginning of this year that a review of the new measures would be completed by the end of this year, of the details, progress and expected completion date of the review?

Reply:

President,

Since April 2019, the Government has implemented a series of measures for improving the labour welfare of non-skilled employees engaged by Government Service Contractors (GSCs), enhancing their remuneration packages and protection and increasing the technical weighting including that on hourly wage level in tender assessment, with a view to encouraging GSCs to provide better employment terms for the non-skilled employees. Having consulted the relevant bureaux and the four major procuring departments in the Government namely the Leisure and Cultural Services Department, Housing Department, Food and Environmental Hygiene Department and Government Property Agency, my consolidated response to the Member's questions is set out as follows:

(1) The number of valid contracts awarded by the four major procuring departments, including those awarded with transitional arrangements or improvement measures (new terms) and those awarded with neither transitional arrangements nor improvement measures (old terms) and their percentage, as well as the number and average committed hourly wages of non-skilled employees engaged broken down by the types of services as at September 30, 2020 are set out in the Annex.

(2) The four major procuring departments do not have information on the specific employment details of non-skilled employees engaged by respective GSCs, such as the number of employees who left their positions before the end of contracts awarded with old terms and reasons for leaving, as well as the number of such leaving employees engaged in contracts awarded with new terms.

(3) The Labour and Welfare Bureau is currently collating and analysing relevant data, including data of service contracts awarded to GSCs before and after April 1, 2019 by the four major procuring departments, to assess the actual improvement of remuneration packages and effectiveness of the above improvement measures for non-skilled employees providing cleansing, security or other services upon implementation, in order to identify room for further improvement. The review report will be completed soon and submitted to the Chief Executive.