

## LCQ19: Staff employed under outsourced service contracts of public and subvented organisations

Following is a question by the Hon Luk Chung-hung and a written reply by the Secretary for Financial Services and the Treasury, Mr Christopher Hui, in the Legislative Council today (November 13):

Question:

The Government introduced enhancement measures in April 2019 and May last year to enhance the labour protection of non-skilled workers employed by contractors under outsourced service contracts, and indicated that it would encourage public organisations and non-governmental organisations in receipt of government funding to adopt the enhancement measures as far as practicable. However, it is learnt that non-skilled workers employed by public organisations, statutory bodies and subvented service organisations under outsourced service contracts have so far not been able to benefit from the enhancement measures. In this connection, will the Government inform this Council:

(1) whether it knows the following information of each of the existing valid outsourced service contracts of various public organisations, statutory bodies and subvented service organisations: (i) the industries involved (i.e. security, cleansing, property services and others), (ii) the number of non-skilled workers, (iii) the median hourly salary and (iv) the enhancement measures adopted (set out in the table below);

Public organisations/statutory bodies/subvented service organisations:

Outsourced service contractors	(i)	(ii)	(iii)	(iv)
Total				

(2) whether it has compiled statistics on the number of cases in the past five years where outsourced service contractors of public organisations, statutory bodies and subvented service organisations were penalised for breaching the terms of employment contracts with non-skilled workers and failing to provide adequate labour protection, etc, as well as the details of the penalties; and

(3) whether the authorities have taken measures and actions to promote the adoption of the aforesaid enhancement measures by various public organisations, statutory bodies and subvented service organisations, as well

as to introduce a monitoring mechanism for outsourced service contracts and a demerit point system for contractors; if so, of the details and the timetable; if not, the reasons for that?

Reply:

President,

In consultation with relevant bureaux and departments, our consolidated reply is as follows:

The Government has implemented a series of improvement measures in April 2019 and May 2023 respectively to further safeguard the rights and benefits of outsourced non-skilled workers in the procurement of services. The measures can be divided into three categories:

(a) Enhancing the tender evaluation system, including setting out the requirement that the technical weighting assigned to "wages" in marking schemes must be no less than 25 per cent, enhancing the technical assessment related to "environmental protection, social responsibility and governance", and requiring that tenderers must submit a "Heat Stroke Prevention Work Plan" in bidding for relevant contracts in order to strengthen protection of occupational safety and health of non-skilled workers;

(b) Enhancing the remuneration of non-skilled workers, including providing eligible non-skilled workers and their supervisory staff with a gratuity set at 6 per cent of the total wages earned during the employment period, allowing non-skilled workers who have been employed under a continuous contract for no less than one month to enjoy the statutory holiday pay entitlement earlier than as stipulated under the Employment Ordinance, and paying non-skilled workers who are required to work when Tropical Cyclone Warning Signal No. 8 or above is in force at least 150 per cent of the originally entitled wages; and

(c) Introducing a standardised regulatory framework to enhance the monitoring of non-skilled worker contracts.

Upon the launch of the two rounds of enhancement measures, we also invited all policy bureaux to encourage public organisations and non-governmental organisations (NGOs) under their purview to adopt the said improvement measures. Given the large number of these organisations, and that they have their own decision-making powers, we do not maintain information on their outsourced non-skilled worker contracts. We understand that some large-scale public organisations have also responded to the Government's appeal. For example:

(a) Hospital Authority has incorporated all of the above improvement measures into its outsourcing system involving non-skilled worker contracts;

(b) Airport Authority Hong Kong (AAHK) has adopted most of the improvement measures introduced by the Government. In respect of tender evaluation

system, AAHK has enhanced the technical assessment related to "environmental protection, social responsibility and governance" and included "Staff Welfare Plan" as part of its technical assessment, with some contractors proposing and implementing a series of additional welfare benefits for their staff, such as attendance allowance, transportation allowance and medical schemes. Besides, AAHK requires tenderers to provide a "Heat Stroke Prevention Work Plan" in order to protect the occupational safety and health of non-skilled workers. As regards enhancing the remuneration of non-skilled workers, AAHK has also adopted the Government's measures related to statutory holiday pay and typhoon pay, as well as strengthened its monitoring framework;

(c) Hong Kong Housing Society (HKHS) requires successful tenderers to conduct risk assessment and take effective precautions against heat stroke based on the assessment results. In monitoring the performance of its contractors, HKHS writes to remind them of updates on ordinances/regulations regarding the protection of workers' rights and benefits. It also carries out monthly checks of the documentary proof provided by its contractors, such as payroll and Mandatory Provident Fund contribution records, to ensure their compliance with the requirement of paying committed wages to workers. HKHS is conducting a review and planning to incorporate the Government's measures related to statutory holiday pay and typhoon pay into its tender documents from April 2025 onwards;

(d) Insurance Authority adopts most of the improvement measures introduced by the Government, including requiring contractors to provide additional gratuity, statutory holiday pay and typhoon pay for non-skilled workers, enhancing the technical assessment related to "environmental protection, social responsibility and governance", and strengthening its monitoring framework; and

(e) Mandatory Provident Fund Schemes Authority also adopts the Government's measures related to provision of additional gratuity and statutory holiday pay, and enhances the technical assessment related to "environmental protection, social responsibility and governance". Moreover, tenderers who provide additional staff benefits such as bonus schemes and medical schemes for non-skilled workers will stand a chance of getting extra marks.

We will continue to invite all policy bureaux to encourage public organisations and NGOs under their purview to adopt the improvement measures to protect the rights and benefits of non-skilled workers.