

**CONTROLLING OFFICER'S REPLY**

**FHB(FE)356**

**(Question Serial No. 4470)**

Head: (49) Food and Environmental Hygiene Department

Subhead (No. & title): (-) Not specified

Programme: (2) Environmental Hygiene and Related Services

Controlling Officer: Director of Food and Environmental Hygiene (Miss Vivian LAU)

Director of Bureau: Secretary for Food and Health

Question:

The Central Investigation Team (CIT) has been set up by the Department to follow up complaints against contractors' non-compliance with employment requirements. The Department will also take action against contractors in breach of the requirements. Please provide this Committee with the following information in 2017-2019:

- a) with regard to the CIT, i) the number of inspections conducted; ii) the number of workplaces inspected; iii) the number of complaints received against contractors' non-compliance with the requirements of the employment contracts and those of the Employment Ordinance (with a breakdown by the type of complaint); iv) the number of complaints substantiated; and v) the number of cases in which contractors were penalised due to substantiation of their complaints and the penalties imposed;
- b) with regard to the Department's cleansing service contractors, (i) the respective number of verbal warnings, written warnings and default notices issued; (ii) the number of times monthly service charges were deducted and the total amount of charges involved; and (iii) the number of times demerit points were given;
- c) the respective number of cases in which the Department imposed punishments on its cleansing service contractors for breaching (a) the contractual obligations relating to the demerit point system and (b) other contractual obligations set out in the Standard Employment Contract, as well as the following details of such cases: (i) names of contractors; (ii) number of breaches; (iii) details of the breaches; (iv) the respective number of verbal warnings, written warnings and default notices issued; and (v) total amount of monthly service charges deducted; and
- d) the respective number of complaints received by the Department about its non-skilled outsourced service contractors (i) underpaying wages; (ii) defaulting on wage payments; (iii) failing to sign the Standard Employment Contract; (iv) exceeding working hour limits; and (v) breaching the Employment Ordinance (Cap. 57) and the Employees' Compensation Ordinance (Cap. 282), the number of complaints found substantiated, the number of contractors penalised as a result (with a breakdown by

form of punishment) and the number of contractors debarred from tendering due to conviction.

Asked by: Hon WAN Siu-kin, Andrew (LegCo internal reference no.: 62)

Reply:

(a) The Central Investigation Team (CIT) of the Food and Environmental Hygiene Department conducted 269, 267 and 312 inspections on the contractors' compliance with employment-related regulations in 2017, 2018 and 2019 respectively. Instead of conducting physical inspections of the workplaces, the CIT examines employment-related documents, including Standard Employment Contracts, wage records, attendance records, etc. The contractors' staff concerned are interviewed to ascertain contractors' compliance with the contract requirements and/or the relevant labour legislation. Hence, the Department does not keep information on the number of workplaces inspected. Details of the complaints received by the CIT are provided as follows:

Year	Types of Complaints					Number of complaints	Number of substantiated cases
	Under-payment	No signing of Standard Employment Contract	Exceeding maximum working hours	Failure to grant severance / long service payment	Others^		
2017	6	0	1	3	6	16	1
2018	8	0	0	1	7	16	2
2019	8*	0	1	2*	6*	14	0

^ Including late payment of wages, failure to make contributions to the Mandatory Provident Fund, etc.

\* 3 of the complaint cases involved more than 1 type of complaint

For substantiated cases, the Department will issue default notices and/or warning letters to the contractors concerned. Deductions from the relevant contract payments will also be made as appropriate. Contractors found to be in breach of certain contractual obligations will receive demerit points, which may affect their future bids for similar government contracts.

(b) From 2017-2019, the numbers of verbal warnings, written warnings and default notices issued, the number of times monthly service charges were deducted and the amount of deductions, and the number of times demerit points were given due to the public cleansing service contractors' breaches of contract provisions are as follows:

<b>Year</b>	<b>2017</b>	<b>2018</b>	<b>2019</b>
Number of verbal warnings issued	2 160	2 742	2 412
Number of written warnings issued	122	128	91
Number of default notices issued (equivalent to the number of times monthly service charges were deducted)	1 089	1 622	1 419
Amount of service charge payments deducted (\$ million)	2.086	3.923	3.765
Number of times demerit points were given	0	1	1

(c) The information sought is provided as follows:

(a) Contractual obligations relating to the demerit point system

<b>Year</b>	<b>2017</b>	<b>2018</b>	<b>2019</b>
Number of substantiated cases of non-compliance with contractual obligations relating to the demerit point system	0	1	1
Details of the breaches	--	Underpayment	Payment not made by autopay
Number of written warnings issued	0	0	0
Number of default notices issued	0	1	1
Number of demerit points recorded	0	1	1
Amount of service charge payments deducted (\$)	N.A.	8,045	8,045

(b) Other contractual obligations

From 2017 to 2019, the Department did not impose punishments on public cleansing service contractors for breaching other contractual obligations set out in the Standard Employment Contract.

(d) From 2017 to 2019, the number of complaints received by the Department against outsourced service contractors' non-compliance with employment requirements is as follows:

Year	Types of Complaints					Number of substantiated cases	Number of default notices issued	Number of warning letters issued
	Under-payment	Non-payment of wages	No signing of Standard Employment Contract	Exceeding maximum working hours	Non-compliance with Employment Ordinance (Cap. 57) and/or Employees' Compensation Ordinance (Cap. 282) ^			
2017	6	0	0	1	9	1	1	0
2018	8	0	0	0	8	2*	4	0
2019	8#	0	0	1	8#	0	0	0

^ Including late payment of wages, failure to grant severance/long service payment, etc.

\* One of the cases involved 3 service contracts and each was issued with a default notice.

# 3 of the complaint cases involved more than 1 type of complaint

In the past 3 years, no outsourced service contractor was debarred from tendering for service contracts that rely heavily on the deployment of non-skilled workers due to previous conviction(s).

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