

立法會
Legislative Council

LC Paper No. CB(2)1271/00-01
(These minutes have been
seen by the Administration)

Ref : CB2/PL/MP+WS

**LegCo Panel on Manpower and
LegCo Panel on Welfare Services**

**Minutes of joint meeting
held on Tuesday, 27 February 2001 at 5:00 pm
in the Chamber of the Legislative Council Building**

Members Present : LegCo Panel on Manpower

Hon LAU Chin-shek, JP (Chairman)
Hon CHAN Kwok-keung (Deputy Chairman)
Hon Kenneth TING Woo-shou, JP
Hon LEUNG Yiu-chung
Hon YEUNG Yiu-chung
Hon Andrew CHENG Kar-foo
Hon SZETO Wah
Hon Tommy CHEUNG Yu-yan, JP

LegCo Panel on Welfare Services

Hon LAW Chi-kwong, JP (Chairman)
* Hon CHAN Yuen-han (Deputy Chairman)
Hon David CHU Yu-lin
* Hon Cyd HO Sau-lan
* Hon LEE Cheuk-yan
Hon Fred LI Wah-ming, JP
Hon CHEUNG Man-kwong
Hon CHOY So-yuk
* Hon LI Fung-ying, JP
Hon Henry WU King-cheong, BBS
* Hon Frederick FUNG Kin-kee

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**Members
Absent** : LegCo Panel on Manpower

Hon James TIEN Pei-chun, JP
Dr Hon LUI Ming-wah, JP
Hon Ambrose LAU Hon-chuen, JP
Hon Abraham SHEK Lai-him, JP
Hon LEUNG Fu-wah, MH, JP

LegCo Panel on Welfare Services

Hon Mrs Sophie LEUNG LAU Yau-fun, SBS, JP
Dr Hon YEUNG Sum
* Hon Michael MAK Kwok-fung
Hon WONG Sing-chi

(* Also member of the LegCo Panel on Manpower)

**Public Officers
Attending** : Mrs Pamela TAN, JP
Commissioner for Labour

Mrs Carrie LAM, JP
Director of Social Welfare

Mr Philip CHOK, JP
Deputy Secretary for Education and Manpower 1

Mr HO Wing-him, JP
Deputy Secretary for Health and Welfare 2

Mr CHOW Tung-shan, JP
Assistant Commissioner for Labour (Employment Services)

**Clerk in
Attendance** : Mrs Sharon TONG
Chief Assistant Secretary (2) 1

**Staff in
Attendance** : Ms Doris CHAN
Chief Assistant Secretary (2) 4

Miss Mary SO
Senior Assistant Secretary (2) 8

I. Election of Chairman

Mr LAU Chin-shek was elected Chairman of the joint meeting.

II. Initiatives to help the unemployed find employment

(LC Paper No. CB(2)950/00-01(01))

2. At the invitation of the Chairman, Commissioner for Labour (C for L) and Director of Social Welfare (DSW) separately briefed members on the various initiatives introduced by the Labour Department (LD) and the Social Welfare Department (SWD) to help the unemployed find employment, which were detailed in paragraphs 3 to 7 and paragraphs 8 to 27 of the Administration's paper respectively. C for L and DSW further said that while the LD, SWD and the Employees Retraining Board (ERB) had introduced various programmes to help the unemployed find employment, there was no wastage or duplication of resources as each of these programmes served a distinct client group and a different purpose. Notably, apart from its comprehensive range of free employment assistance and counselling which were catered for the needs of all categories of job-seekers, the Youth Pre-employment Training Programme and the Re-employment Pilot Programme for the Middle-aged launched by LD aimed at helping unemployed youth aged 15 to 19 and job-seekers aged above 40 who had failed to find jobs after registering with LD for three months or above respectively. On the other hand, the Support for Self-reliance Scheme and the various initiatives under the Promoting Self-reliance Strategy implemented by SWD aimed at helping the unemployed Comprehensive Social Security Assistance (CSSA) recipients, who represented a special group of unemployed having special needs for employment assistance, and people in other vulnerable social groups to overcome barriers to work and move towards self-reliant. As regards ERB, its main objective was to help equip the unemployed, primarily those aged 30 and above with no more than lower secondary education, with the requisite skills to hold down a job.

3. Noting that the Administration had launched a total of 13 programmes to help the unemployed find employment, Mr CHEUNG Man-kwong enquired whether the Administration had conducted a study to examine the operation of these programmes implemented by LD, SWD and ERB to ascertain there was indeed no wastage or duplication of resources.

4. C for L responded that the employment services and related programmes provided by LD had only one goal, which was to help job-seekers to find employment. In doing so, due regard had been given to ensuring that there was no duplication of efforts at all levels and that optimal use of available resources was achieved. C for L explained that there was no duplication of resources because the client groups and

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purposes of the programmes implemented by LD to help the unemployed find employment were distinctly different from those of the programmes implemented by SWD and ERB to help the same. For example, the Youth Pre-employment Training Programme and the Re-employment Pilot Programme for the Middle-aged implemented by LD were separately targeted at unemployed youth aged 15 to 19 and job-seekers aged above 40 who had failed to find employment after registering with LD for three months or above, whereas the Support for Self-reliance Scheme implemented by SWD was targeted at the able-bodied unemployed CSSA recipients. With regard to cost-effectiveness in providing services, C for L said that steps had been taken to simplify LD's employment services so that savings achieved could be diverted to areas more in need. For example, as a result of implementing the telephone referral service provided by the Employment Services Division in July 1998, LD was able to re-deploy some staff working in job centres to other offices in need of more staff to improve their services as some job-seekers no longer needed to come to LD's job centres to obtain job referral. The launching of the iES website in March 1999 had further helped to reduce the demand for additional staff required to cope with the increased workload of Employment Services Division as many job-seekers and employers could access LD's huge data bank of jobs and job-seekers through the Internet to find suitable jobs and employees.

5. DSW said that SWD was mindful that its Support for Self-reliance Scheme to help unemployed CSSA recipients to become self-reliant would not duplicate the various programmes implemented by LD and ERB to help the unemployed find employment. To pave the way for the setting up of the Support for Self-reliance Scheme to help able-bodied unemployed CSSA recipients to rejoin the workforce and move towards self-reliant, SWD had set up an Inter-departmental Coordinating Group involving LD and ERB in 1998 to develop a programme of employment-related services for CSSA recipients which would complement rather than duplicate the various programmes provided by LD and ERB to help the unemployed find employment. This was evidenced by the fact that participants of the Active Employment Assistance programme under the Support for Self-reliance Scheme were only provided with information on access to up-to-date labour market information and other support services which would help them overcome barriers to work.

6. DSW further said that the two new initiatives under the Promoting Self-reliance Strategy, namely, the Special Job Attachment Programme and the Intensive Employment Assistance Programme, also served to fill a void which hitherto could not be addressed by the existing programmes to help the unemployed find employment. She cited as an example that the Youth Pre-employment Training Programme implemented by LD and the retraining courses provided by ERB were focused on the early phase of helping the unemployed find employment, i.e. equipping the unemployed with the necessary skills to secure a job and providing them with job matching and placement service, whereas the Special Job Attachment Programme and the Intensive Employment Assistance Programme took care also of the later phase of

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helping the unemployed find employment, i.e. providing intensive assistance in the form of counselling, training and job-attachment, and post-placement support, etc. This more comprehensive and intensive support was considered necessary as the clients were single-parent and unemployed CSSA recipients who had left the job market for a longer period and other CSSA recipients who had special problems to rejoin the workforce. DSW pointed out that ERB was not involved in providing training to participants of the Special Job Attachment Programme and the Intensive Employment Assistance Programme, having regard to the fact that such was/would be provided by the non-government organisations (NGOs) commissioned to run them. In view of the special needs of CSSA recipients, DSW felt that there was no wastage or duplication of resources in helping the unemployed CSSA recipients find employment.

7. Referring to paragraph 15 of the Administration's paper which stated that up to January 2001, 11% of the participants in the Active Employment Assistance programme had found a job and that the number of CSSA 'unemployment' cases had dropped from its peak of 32 435 (13.8% of total CSSA caseload) in May 1999 to 23 364 (10.4% of total CSSA caseload) in January 2001, Mr Fred LI opined that such a statement had the connotation that the reduction of 9 071 'unemployment' cases was due to the fact that the CSSA recipients had found a job because of their participation in the Active Employment Assistance programme which in his view was doubtful. In this connection, Mr LI enquired about the number of participants in the Active Employment Assistance programme who had indeed found a job because of their participation in the programme and the reason(s) for those unemployed CSSA recipients who had left the CSSA net.

8. DSW clarified that the Administration had never said that the reduction of 28% in CSSA 'unemployment' cases from May 1999 to January 2001 was due solely to the implementation of the Support for Self-reliance Scheme. On the contrary, she believed that the said reduction was largely attributed to the various tightening measures introduced in June 1999 arising from the 1998 CSSA Review such as reduction of standard rates for able-bodied adults/children in households comprising three or more such members, adoption of a different scale of asset limits for cases involving any able-bodied adult and strict enforcement of the policy to terminate CSSA payment to an unemployed CSSA recipient who failed to comply with the stipulated requirements. DSW further explained that the 11% of Active Employment Assistance programme participants finding employment was an accumulated figure and that the average monthly successful job-seeking rate of the programme from June 1999 up to January 2001 was 1.8%. Although this figure seemed low, it was a marked improvement before introduction of the Support for Self-reliance Scheme when the unemployed CSSA recipients were only required to register with LD, i.e. the average monthly successful job-seeking rate of unemployed CSSA recipients before June 1999 was only between 0.1% and 0.2%. DSW also pointed out that from June 1999 up to the end of January 2001, a total of 34 800 unemployed CSSA recipients had enrolled in the Active Employment Assistance programme. To date, 19 500 of them had

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remained active. Of the 15 000 unemployed CSSA recipients who had left the Active Employment Assistance programme, 3 792 (or 25%) had left the programme because they informed SWD they had found employment. As regards the remaining 75% who had left the Active Employment Assistance programme, DSW said that not all of them would give a reason to SWD as to why they left the programme, but 'withdrawal' and 'lost contact' each accounted for about 25%.

9. Mr Fred LI remarked that the Active Employment Assistance programme appeared to be more effective in forcing unemployed CSSA recipients to leave the CSSA net rather than helping them find employment, having regard to the fact that only 25% of the 15 000 participants had found employment, whereas the remaining 75% had left the programme without giving any reasons. In response, DSW surmised that the fact that Active Employment Assistance programme participants were required to attend the action plans progress review with SWD staff on a fortnightly basis and participate in community work one day or two half-days a week in order to continue to be qualified for CSSA payment might have prompted many participants to re-think about relying on public assistance. The Chairman said that, in order to better evaluate the effectiveness of the Support for Self-reliance Scheme, the Administration should obtain information on the reasons for unemployed CSSA recipients to drop out from the Scheme.

10. Miss CHAN Yuen-han said that despite the huge amount of money spent by the Administration in helping the unemployed find employment, the efficacy of the various programmes implemented by the Vocational Training Council, LD, SWD and ERB, particularly in helping the unemployed with low educational attainment and possessed little or no job skills find employment, was questionable because of the piecemeal approach adopted by the Administration. To improve the efficacy and the cost-effectiveness of various initiatives to help the unemployed, Miss CHAN was of the view that the Administration should adopt a more forward-looking and coordinated approach in tackling the unemployment problem.

11. Deputy Secretary for Health and Welfare (DSHW) responded that the implementation of the Special Job Attachment Programme and the Intensive Employment Assistance Programme were worthwhile and would not duplicate the various programmes offered by LD and ERB in helping the unemployed find employment, as the former targeted at single-parent and unemployed CSSA recipients who had left the job market for a longer period, as well as people in other vulnerable social groups, who needed additional assistance to overcome barriers to work. DSHW pointed out that the implementation of the Special Job Attachment Programme and the Intensive Employment Assistance Programme were in line with the policy of the CSSA Scheme to encourage and assist able-bodied CSSA recipients of working age to be self-reliant and gainfully employed. He explained that in response to the growing public concern about the rapid rise in CSSA expenditure, particularly the sharp increases in the number of 'unemployment' cases regardless of the economic situation

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in the early 1990s, a review of the CSSA Scheme was conducted in 1998 with an objective of providing additional assistance to help and encourage able-bodied CSSA recipients to become self-reliant. A package of measures, including the Support for Self-reliance Scheme, was therefore implemented in June 1999. According to the initial result of the Scheme, many CSSA recipients did not wish to spend their working lives on CSSA, and that with the right help and assistance, many of them could become self-reliant. Given the experience gained since the implementation of the Support for Self-reliance Scheme and to complement the Active Employment Assistance programme, the Administration considered it worthwhile to implement the Special Job Attachment Programme and the Intensive Employment Assistance Programme focusing on specific groups of CSSA recipients who faced particular barriers to work.

12. DSHW further said that although a total of 13 programmes were implemented by LD, ERB and SWD to help the unemployed find employment might appear numerous, there were a total of over 100 000 unemployed persons and over 30 000 unemployed CSSA recipients who were in need of help. Moreover, each of them targeted at a specific client group and served a different purpose. DSHW assured members the Administration attached great importance to ensuring that there was no duplication of resources at all levels in helping the unemployed find employment. On the part of the SWD, it would continue to maintain close liaison with the Education and Manpower Bureau and LD to avoid duplication of resources. For example, SWD had a computer system to keep track of whether an unemployed CSSA recipient receiving employment assistance from SWD was also receiving the same from LD and/or ERB.

13. Deputy Secretary for Education and Manpower (DSEM) also said that there was a need for the various programmes implemented by LD, ERB and SWD, having regard to the fact that the needs of the unemployed were varied. Such a phenomenon of implementing different programmes for different groups of unemployed persons was also practised in overseas countries. For example, different programmes had been implemented in some overseas countries to help people who had stayed unemployed for different time periods, say, over three months and over a year. In view of the fact that the various programmes implemented by LD, ERB and SWD targeted at specific client groups and served different purposes, DSEM echoed DSHW's view that there was no wastage or duplication of resources. Regarding the measures to help those unemployed persons who had low educational attainment and possessed little or no job skills find employment, DSEM said that various programmes had been put in place to deal with the matter. Notably, ERB targeted at equipping the unemployed, primarily those aged 30 and above with no more than lower secondary education, with the requisite skills to hold down a job. Job placement and other follow-up support services were also provided by ERB's training bodies for retrainees of full-time courses. Furthermore, LD and SWD also offered various forms of assistance such as counselling, job-matching and job attachment to this particular group of unemployed

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persons. DSEM further said that the Education Department was currently reviewing how the policy of continuing education could be strengthened to provide training opportunities to those unemployed persons who were poorly educated and lacked job skills. In the interim, \$400 million had been set aside by the Administration to enable about 50 000 workers to receive skills upgrading training over the next two years.

14. Mr LEE Cheuk-yan echoed members' views that it was not possible that there was no duplication of resources in the implementation of the various programmes implemented by LD, ERB and SWD to help the unemployed find employment. Mr LEE expressed concern about the various inconsistencies in terms of incentives provided to the employers and participants among the programmes implemented to help the unemployed find employment. For instance, employers willing to engage participants of the Re-employment Pilot Programme for the Middle-aged in full-time permanent job would receive a one-off training subsidy of \$2,800, whereas no such subsidy was provided to the employers willing to engage participants of the Special Job Attachment Programme; and participants of the Youth Pre-employment Training Programme would receive a subsidy of \$1,000 if they completed the training programme and had attained a 80% attendance rate, whereas no such subsidy was provided to participants of the Special Job Attachment Programme. In his view, if certain incentives were proven to be effective in attracting employers to employ programme participants and/or motivating the programme participants to find employment, such incentives should be offered by all programmes, where applicable. Mr LEE also said that there were concerns that following the implementation of the Lump Sum Grant subvention system, NGOs which had joined the new subvention system and participated in the Special Job Attachment Programme would replace some of their permanent clerical staff with participants of the programme in order to cut cost.

15. DSW clarified that under the Special Job Attachment Programme whereby the job attachment period was six months, SWD would provide each programme participant with a monthly allowance of \$1,805 to cover any additional expenses that might incur. She said that some variations in the support programmes were justified given the different needs of the clients. The common goal of all these programmes were to help the unemployed find employment. Responding to Mr LEE's concern about NGOs trying to cut cost by replacing some of their permanent clerical staff with participants of the Special Job Attachment Programme after the NGOs joined the Lump Sum Grant subvention system, DSW said that this situation should not arise as staff who were in the employ of the NGOs on 1 April 2000 had been given a guarantee that their contractual commitments would be honoured in the event their employers decided to join the Lump Sum Grant subvention system. Moreover, a Lump Sum Grant Steering Committee had been set up by SWD to resolve any staff disputes arising from the implementation of the new funding system.

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16. Responding to Mr LEE Cheuk-yan's further enquiry about helping the unemployed CSSA recipients to overcome barriers to work, DSW said that such barriers were basically of three types, namely, psychological, social and systemic i.e. imbedded in the CSSA system. In order to help unemployed CSSA recipients to overcome their psychological barrier and be more receptive to employment assistance, SWD had recruited and trained up a complement of Employment Assistance (EA) Coordinators to deliver the Active Employment Assistance programme in 38 social security field units. In other words, those who vetted and received applications for CSSA and those who offered assistance to unemployed CSSA recipients were two types of staff. Feedback from the unemployed CSSA recipients had been positive, as many of them now felt more at ease in going to the EA Coordinators for help and assistance. DSW however pointed out that no matter how much help and assistance that the EA Coordinators could provide, the most important factor for becoming self-reliant was that the unemployed CSSA recipients must have the determination to become so. As regards the social barriers which hindered the unemployed recipients from finding employment, DSW hoped that the community at large, particularly the employers, would not view people on CSSA as lazy people taking advantage of the social security system. DSW further said that the fact that the amount of CSSA payment which a CSSA recipient received was likely to be more than what he/she could earn working also proved to be another difficult social barrier to overcome. She cited as an example that the monthly CSSA payment of \$10,083 which a household comprising four members received far exceeded the average monthly household income of the lowest 20th percentile of the population which stood at about \$8,300. As unemployed CSSA recipients were generally older, poorly educated and unskilled, the jobs which they most likely got were mostly menial ones paying around \$6,000 per month. Regarding the CSSA systemic barrier, DSW said that the existing arrangement requiring employers to fill out a complicated form declaring that they had hired the persons who were on CSSA and that they would be liable to prosecution if false information was given in the declaration form had discouraged many potential employers from hiring people on CSSA. To rectify the situation, consideration was being given to doing away with such a requirement and to instead require the CSSA recipients to present SWD with the document showing that their employers had enrolled them in the Mandatory Provident Fund Scheme. To prevent fraud in the proposed new arrangement, random check would be conducted. DSW further said that as single-parent unemployed CSSA recipients had the additional problem of child care if they were to go out to work, SWD was presently also considering the possibility of raising the disregarded earnings for this group of CSSA recipients to meet their child-care expenses.

17. Mr LEE Cheuk-yan welcomed the Administration's efforts and plans to remove the barriers hindering the unemployed CSSA recipients find employment. He however expressed concern that in the end, only the employers would reap the most benefit as they could use very low wages to hire workers. In this connection, he hoped that the Administration would re-consider the establishment of a minimum wage system.

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18. Mr LEUNG Yiu-chung said that the lowering of the income and asset limits for households eligible for public rental housing and Home Ownership Scheme flats would discourage unemployed CSSA recipients from becoming self-reliant. In this connection, Mr LEUNG was of the view that the Administration, in introducing any new measures, should examine how they would impact on the motivation of the unemployed recipients to become self-reliant.

19. Mr LAW Chi-kwong said that despite the fact that the various programmes to help the unemployed find employment targeted at different client groups and served different purposes, it was inevitable there would be overlapping in the supporting services behind these programmes. DSEM responded that LD, ERB and SWD had developed close cooperation at all levels to avoid duplication of efforts and to optimise available resources. DSEM further said that close liaison between the relevant government departments and other service providers would continue to ensure the best use of resources to help disadvantaged job-seekers to find employment.

20. Responding to Mr LAW Chi-kwong's enquiry as to whether LD would consider contracting out the operation of its Employment Portal, C for L responded that LD would only consider such if the operation of the Employment Portal by LD was found to be not cost-effective and that it could not achieve the objective of helping the unemployed and employers to find suitable jobs and employees.

21. The Chairman said that creating more job opportunities was another way to tackle the unemployment problem. To this end, he hoped that when contracting out services to the private sector, the Administration would retain the three-shifts arrangement for some jobs.

22. In summing up, the Chairman said that he would follow up with the Administration on the concerns/questions raised at the meeting to see what measures could be taken by the Administration to address them.

23. There being no other business, the meeting ended at 6:18 pm.

Legislative Council Secretariat

10 April 2001