

立法會
Legislative Council

LC Paper No. CB(2) 227/00-01
(These minutes have been seen
by the Administration)

Ref : CB2/PL/MP/1

LegCo Panel on Manpower

Minutes of meeting
held on Friday, 13 October 2000 at 11:30 am
in the Chamber of the Legislative Council Building

Members present : Hon LAU Chin-shek, JP (Chairman)
Hon Cyd HO Sau-lan
Hon LEE Cheuk-yan
Hon CHAN Yuen-han
Hon YEUNG Yiu-chung
Hon Ambrose LAU Hon-chuen, JP
Hon Andrew CHENG Kar-foo
Hon SZETO Wah
Hon Abraham SHEK Lai-him, JP
Hon LI Fung-ying, JP
Hon Tommy CHEUNG Yu-yan, JP
Hon Michael MAK Kwok-fung
Hon LEUNG Fu-wah, MH, JP
Hon Frederick FUNG Kin-kee

Members attending : Hon Albert HO Chun-yan
Hon Henry WU King-cheong, BBS

Members absent : Hon CHAN Kwok-keung (Deputy Chairman)
Hon Kenneth TING Woo-shou, JP
Hon James TIEN Pei-chun, JP
Dr Hon LUI Ming-wah, JP
Hon LEUNG Yiu-chung

- Public Officers attending** : Mrs Fanny LAW, JP
Secretary for Education and Manpower
- Mr Philip K F CHOK, JP
Deputy Secretary for Education and Manpower
- Mrs Pamela TAN, JP
Commissioner for Labour
- Mr Alfred CHAN, JP
Deputy Commissioner for Labour (Labour Administration)
- Mr Fred TING, JP
Deputy Commissioner for Labour (Occupational Safety and Health)
- Professor LEE Ngok, JP
Executive Director
Vocational Training Council
- Mr S S KWONG
Executive Director
Employees Retraining Board
- Clerk in attendance** : Mrs Sharon TONG
Chief Assistant Secretary (2)1
- Staff in attendance** : Mrs Queenie YU
Senior Assistant Secretary (2) 4

Action

I. Briefing by the Secretary for Education and Manpower on the Chief Executive's Policy Address 2000
(LC Paper No. CB(2) 50/00-01)

Referring to her speaking note tabled at the meeting which was also attached in the Appendix, Secretary for Education and Manpower (SEM) briefed Members on the key areas of work relating to manpower and labour in the coming year, including assessment of manpower needs, skills upgrading scheme, establishment of a Start-up Fund, employment services and retraining policies for the long-term unemployed, young school leavers, workers of low skills and

Action

education, as well as objectives and initiatives in promoting harmonious employer and employee relations.

Employment of disabled job-seekers

2. Mr YEUNG Yiu-chung asked, other than through encouragement to increase the employability of the less competitive workers, whether specific measures, such as introducing statutory requirement or tax concessions for employers, would be considered to enhance the employment of disabled job-seekers.

3. Noting that a motion on "Creating employment opportunities" would be moved by a Member at the Council meeting in the following week, SEM said that the White Paper on Rehabilitation published in 1995 concluded that employment of people with a disability should be promoted on the basis of their abilities, rather than tax benefits accruing to the employer or because of certain statutory requirement. She added that there might be negative impact, such as discrimination, if disabled job-seekers were not willingly accepted by their workmates at work. On these basis, unless there was new evidence to disprove the conclusion of the White Paper, the Administration's stance on introduction of statutory requirement would remain unchanged. As regards the introduction of tax concessions to employers, SEM said that she was not in a position to answer as the subject matter fell within the jurisdiction of the Financial Secretary.

4. SEM further said that the Selective Placement Division of the Labour Department (LD) and many voluntary organisations had put in much effort to assist disabled job-seekers in finding suitable employment. She stressed the importance of helping workers to be self-reliant which was also emphasized by the Chief Executive (CE) in his recent Policy Address.

5. Commissioner for Labour (C for L) added that the Trial Placement Scheme for People with a Disability launched by the Selective Placement Division and the financial incentives offered for participating employers had been very effective in enhancing the employment of disabled job-seekers. According to the statistics kept by Selective Placement Division, there were marked increases in the overall placement figures for people with disabilities in 1999 and the current year. At the request of the Chairman, C for L undertook to provide information on employment figures of people with disabilities since 1993 for consideration of the need to further assist disabled job-seekers.

(Post-meeting note : Information on employment figures of people with disabilities provided by LD was circulated to members vide LC Paper No. CB(2)100/00-01 dated 23 October 2000.)

Action

Working time and rest break

6. Referring to CE's Policy Address on the Government's initiative to consider further promoting flexitime to enable working parents to spend more time with their children, Mr Andrew CHENG Kar-foo commented that it was an unrealistic initiative. He pointed out that the Administration had not taken any immediate action to follow up a motion passed in 1997 which urged the Government, amongst other things, to become a signatory to the Hours of Work Conventions. He asked what flexibility could workers have if they had to work 12 to 13 hours per day or 60 to 70 hours per week. He further questioned how the Government would ensure that employers would allow flexibility for these working parents if statutory regulation on the maximum number of working hours per day was not introduced. Given the present economic situation, he doubted if employers in private sector would support the flexitime arrangement on a voluntary basis.

7. SEM clarified that the Government planned to take the lead to promote flexitime amongst civil servants, with priority giving to those officers who had young children. It was hoped that the flexitime arrangement would enable these working parents to participate more actively in school affairs and activities. The commitment was made in support of the Education Reform announced in the CE's Policy Address. The Government had no intention to impose upon the private sector to follow suit. In response, Mr Andrew CHENG questioned the reason for implementing the flexitime arrangement amongst the civil servants alone if the Administration considered it a good policy. He held the view that the Government would only segregate the society unnecessarily by doing so. SEM said she would appeal to employers in the private sector to support the flexitime arrangement through discussion and persuasion. Initially, she had received some positive feedback from the private sector.

8. As regards the proposed statutory control on working hours, SEM explained the difficulties in setting one standard working hours across-the board for all trades and industries regardless of their differences in work nature and working time arrangements. Moreover, some workers had indicated to her that they would not support statutory working hours if their wages were to be reduced. Nevertheless, the Administration was concerned about the adverse impact of long working hours on workers' health. SEM said that the Administration was considering possible actions to take under the existing laws to protect workers who were required to work for seven consecutive days against their wish.

9. The Chairman pointed out that the problems caused by long working hours on family were getting more serious in Hong Kong. The Administration should not ignore the fact that many Members in the last Legislative Council term

Action

had expressed their support for a motion on working hours which, amongst other things, urged the Administration to regulate working hours through legislation despite the motion was negated under the present voting system.

10. C for L agreed that long working hours was common especially in catering, property management and transport industries. To strengthen voluntary co-operation and communication between employers, employees and the Government, tripartite committees at the trade / industry level had been formed to discuss industry-specific issues. In this connection, the tripartite committee for the catering trade had prepared a Code of Labour Relations Practice and produced a CD-ROM on duty roster for the catering trade to help resolving the problem of long working hours whilst similar discussions were also being held for the property management trade.

11. Mr LEE Cheuk-yan expressed dissatisfaction on the progress made by the Government over certain manpower issues. In particular, he held the view that the Government would not dare to pursue issues on employer and employee relations and employees' rights and benefits especially when the issue in question might involve additional cost to be borne by employers. Apart from the issue on working hours, he referred to page 48 of the Chinese version of the Policy Booklet and questioned why the Administration had still not come up with any recommendations since it undertook in 1997 to explore whether new regulations should be introduced to provide workers with a rest break of 20 to 30 minutes following five hours' continuous work.

12. Whilst stressing the importance of co-operation and communication between employers, employees and the Government in resolving manpower issues, SEM reiterated the Administration's stance to maintain a reasonable balance between the interests of employers and employees. She further explained that the Administration had to analyse the pros and cons in details before deciding whether a legislation should be introduced. The Administration would not want to introduce a piece of legislation which might produce negative effects, open a loophole in law and cause undesirable administrative work. She said that in the meantime, she was willing to reconsider the arguments put forward for the issues in question.

13. In response to Mr LEE Cheuk-yan's further enquiry, C for L said that no consensus had been reached on the rest break proposal despite it had already been discussed by the Committee on Occupational Safety and Health (COSH) under the Labour Advisory Board four times. She also said that it would not be appropriate to set the same rest break pattern for all types of work, for examples, in the case of doctors or firemen. In view of this, LD was conducting a survey on the pattern of working time arrangements among the workforce for detailed consideration by the COSH. Deputy Commissioner for Labour (Occupational

Action

Safety and Health) (DC for L(OSH)) added that LD had agreed with the Census and Statistics Department (C & SD) on the survey approach. The survey would commence in the first quarter of 2001 and collect information from about 4 000 people each month for a period of three months. C & SD would compile the report which would further be considered by the COSH.

Employment opportunities for local domestic helpers

14. Miss CHAN Yuen-han commented that the Administration should make reference to the proactive approach adopted by the Singapore Government in securing employment for workers of low skills and education, for example, through reviews and upgrading of working environment and workers' skills in order to meet the changing demands of individual trades. SEM responded that the Administration had reserved a recurrent subvention of \$400 million to the Employee Retraining Board (ERB). Separately the Administration has also proposed to set up a scheme to provide upgraded training for local workers to meet the changing needs of the economy at trade or industry level.

15. Referring to the survey on domestic services mentioned in page 11 of the Chinese version of the Policy Booklet, Miss CHAN informed the meeting that a survey on domestic services conducted by the Federation of Trade Unions revealed that over 200 000 families were willing to employ local domestic helpers. In the past, job-seekers and employers of domestic services relied heavily on the assistance of voluntary organisations to match suitable employment. She asked whether the Administration was willing to play an active role in enhancing employment opportunities for local domestic helpers.

16. SEM explained that the purpose of the survey was to ascertain the demand and supply of domestic services. Useful information would be collected, including whether full-time or part-time domestic help would be required for families who were currently employing full-time domestic helpers, the scope and hours of services required by potential employers, the available servicing hours of potential employees. The findings of the survey would provide concrete information for the Administration to formulate appropriate strategies in performing a more active role to enhance employment of local domestic helpers. Deputy Secretary for Education and Manpower (DSEM) added that the Education and Manpower Bureau (EMB) had several meetings with LD and ERB to examine how the Administration could best assist employers in finding suitable local domestic helpers. He said that the major concerns of employers were whether they could afford to employ local domestic helpers and whether job-seekers were reliable for employment. Both SEM and DSEM stressed that it was important for potential employers to have confidence in the quality of job-seekers who were referred to them for employment.

Action

17. Executive Director of ERB (ED/ERB) informed Members that a number of improvement measures on training of domestic helpers had been introduced by ERB since 1999. For example, ERB had doubled the training capacity for domestic helpers to 10 000 training places in 1999 and still achieved an average placement rate of over 75%. ERB had also conducted retention survey of placed retrainees. In addition, ERB had revamped and standardized the course structure in modular form to enable retrainees to become a "professional domestic helper" with competency in several areas. Standardized domestic helper courses include job specific skill modules such as cleansing, cookery, elderly care and child care, as well as four generic modules on soft skills, basic computer skills, vocational language and occupational safety and health. Moreover, ERB had developed a common assessment system to ensure that the retrainees had attained the required competency standard. The arrangement would enhance the quality and recognition of retrainees of domestic helper courses.

18. ED/ERB pointed out that as about 70% of the vacancies for local domestic helpers were for part-time jobs, and there were substantial demand for domestic helper services in some districts or housing estates, ERB had provided supporting services such as formation of co-operative cleansing teams and packaging relevant part-time jobs into full-time jobs to increase the employment opportunities for local domestic helpers. ED/ERB also said that domestic helper jobs were most suitable for those middle-aged female workers and housewives who wished to work part-time and at the same time to take care of their families. He further informed Members that publicity work on domestic helper services were being organized by ERB and LD.

19. Deputy Commissioner for Labour (Labour Administration) (DC for L(LA)) said that as a measure to further improve the placement service for local domestic helpers, LD, in consultation with ERB, was preparing a website for local domestic helpers to be introduced in early 2001. The website would provide information on particulars of, trainees of ERB in domestic services, job-seekers registered with LD and job vacancies on domestic services. DSEM added that the website would also display the skills training received at the ERB as a measure to enhance employers' confidence in local domestic helpers on the register. Miss CHAN Yuen-han said that voluntary organisations were providing similar services. She held the view that the Administration should consider providing additional resources to help local domestic helpers.

Assessment of manpower needs

20. Mr LEUNG Fu-wah enquired about the reason for conducting an assessment of future manpower requirements. He also asked whether it implied that previous assessments were refuted by the Government. SEM clarified that other than using the methodology normally adopted by C & SD, a more

Action

comprehensive assessment on future manpower requirements was being conducted by broad industries, occupations and educational levels. Views were being collected through a household survey and business establishment survey as well as extensive consultations among employers' associations and labour organizations. She revealed that preliminarily results indicated that there would be excessive supply of school leavers in the job market with education level at or below Secondary 5. On the other hand, the supply would fall short of the demand for workers with education level above Secondary 5. SEM pointed out that the information would form a useful basis for the Government to formulate appropriate policies on manpower training. The study was expected to complete by the end of 2000 and the findings would be reported to members for consideration.

21. Ms LI Fung-ying said that there were already several hundred thousands of workers imported from outside Hong Kong under different labour schemes such as, Scheme on Admission of Talents, Supplementary Labour Scheme, etc. She questioned whether the special study to look into the employment prospect of middle aged workers stated in CE's Policy Address was to pave way for another scheme to import workers from outside Hong Kong. In this regard, she expressed concern about the impact on local workforce.

22. SEM clarified that importation of labour would take place only when workers of the required skills were not available in the local market. Recent consultancy studies had revealed that there would be serious shortage of workforce in the information technology sector and financial services sector. Whilst the Government would train up young people to meet the needs of the job market in the medium and long term, the Government had to resort to import professionals from outside Hong Kong in the short run.

Establishment of Start-up Fund

23. Referring to the Government's commitment to examine implementation details and related legal matters regarding the establishment of a Start-up Fund, Mr LEUNG Fu-wah expressed the view that it might not be a worth-pursuing initiative as it was very difficult for people who lacked the knowledge to succeed in setting up their own business. He asked whether the Fund was initiated for political reasons. SEM responded that the Start-up Fund was a new venture initiated by ERB based on training needs assessment to encourage trainees of self-employment retraining courses to start their own business. Relevant courses on skills and knowledge in areas such as management, liaison, publicity etc. would be provided for trainees. In addition, ERB would arrange successful businessmen to share their experience with trainees and follow up on the progress of trainees for a period of six months after their graduation. The Administration hoped that with a comprehensive implementation plan and

Action

supporting services provided for the trainees, the pilot scheme would be a success.

Protection of Wages on Insolvency Fund

24. Referring to the review on the Protection of Wages on Insolvency Fund (the Fund) which was scheduled for completion in 2001, Mr Albert HO Chun-yan said that he had received many cases for assistance from workers of small-sized business who had failed to claim ex-gratia payment from the Fund for owed wages by their insolvent employers. He was of the view that stringent conditions relating to the application procedures and conditions put too many barriers for eligible applicants to make successful claims. He urged the Administration to adopt a fair and open mind in conducting the review, in particular, the Administration should not make any presumption against further commitments by employers before conducting the review.

25. DC for L(LA) clarified that the review would focus on the financial position of the Fund to ensure that it would meet the current and future demands as the Fund had been depleting very quickly from over \$900 million to about \$400 million since the financial crisis in 1998. Referring to cases in which eligible applicants failed to lodge wage claims because their employers had not legally declared insolvency even though employers had ceased operating their business and owed his employees wages, DC for L(LA) said that the scenario constituted a case of insolvency. In this regard, C for L was empowered to make ex-gratia payment from the Fund in the absence of a winding up or bankruptcy petition for cases involving a business with less than 20 employees. DC for L(LA) also clarified that an employee who was owed wages, wages in lieu of notice and severance payment by his insolvent employer might apply for ex-gratia payment from the Fund. The maximum coverage of the Fund was, for arrears of wages, up to \$36,000. He added that employees who had received severance payment from employers were not entitled to make claims from the Fund for long service payment.

26. Mr Albert HO welcomed the flexibility and asked if the Administration would consider extending the time restriction on application beyond the present period of six months. DC for L(LA) agreed to monitor the situation and consider if there would be a need for extending the present six-month application limit.

Safety and health at work

27. Referring to page 26 of the Chinese version of the Policy Booklet, Mr LEUNG Fu-wah enquired about the basis on which the figures in respect of warnings, prosecutions, suspension or improvement notices to be issued or conducted in the coming year were produced and whether they were enforcement

Action

targets for staff to achieve. DC for L(OSH) clarified that the indicators were projected figures based on the actual figures in the previous year. It was not meant to be enforcement quotas for staff to achieve in the coming year. He said that less warnings and suspension/improvement notices would be issued and less prosecutions would be taken as there were improvements in safety and health at work.

28. Mr Henry WU king-cheong also expressed similar concern that staff might be misled by the indicators. He asked what measures the Administration would take to avoid abuse of enforcement action by staff. DC for L(OSH) responded that all prosecution cases would be considered by Government Counsel of the Department of Justice before actions were taken. He also revealed that for the first eight months in 2000, a total of 101 368 inspections were made, 28 303 warnings were issued, 2 285 prosecutions were initiated and 1 843 suspension and improvement notices were issued. Moreover, there were also marked improvement in safety at work for the first six months in 2000. The number of accidents in the construction industry had decreased by 17.3% and the accident rate per 1 000 workers had dropped by 22.9% as compared with the same period in the previous year. He assured Members that the number of prosecutions would reduce if there were improvements in safety in the workplace. To avoid misunderstanding, Mr WU suggested not to include those figures in future reports.

Overlapping of resources on training subsidy and allowance

29. Mr LEUNG Fu-wah expressed concern about whether there were duplication of resources on training subsidy and allowance offered by different institutes. In particular, whether the training subsidy in an amount of \$2,000 for a maximum period of 3 months offered to trainees under the On-the-job Training Scheme overlapped with other similar training allowances offered by LD.

30. SEM clarified that different training institutes and programmes provided services for different target groups. For examples, ERB provided training services for unemployed workers over the age of 30, the Youth Pre-employment Training provided services for school leavers whilst LD, among other things, provided services for long term unemployed workers above the age of 40. In this regard, she was willing to consider whether a review on the services provided by different training institutes would be necessary.

31. C for L added that since June 2000 the Government had introduced a new On-the-job Training Scheme to the Youth Pre-employment Training Programme for school leavers. Under the Scheme, employers would receive a training subsidy of \$2000 per trainee per month for a maximum of three months if they provided on-the-job training places for trainees.

Action

Continuing Education

32. Miss Cyd HO Sau-lan pointed out the importance of basic language skills in enabling and promoting self-learning of workers. She enquired about the Government policy on the provision of continuing education on basic language skills for workers who had not reached Secondary 3 education level bearing in mind that training programmes provided by ERB were targetted for workers at least with Secondary 3 education level.

33. SEM informed the meeting that a comprehensive review on adult education was being conducted by the Education Department and the EMB, including, curriculum, books and reference material in use, method of teaching etc. She assured Members that in considering the re-training needs of workers, both basic language skills and technical knowledge required would be considered for trainees.

Employment service for the long-term unemployed

34. Mr Frederick FUNG Kin-kee said that he agreed with the Government's direction in providing assistance to unemployed persons over the age of 40. Nevertheless, he was concerned whether the one-stop personal service would be cost-effective. Under the Scheme, an employer who offered job vacancy to a job-seeker for one month would receive a training subsidy of \$2,000 per month. In this regard, he proposed that the training subsidy be extended to a maximum period of 3 months similar to the training subsidy offered to the on-the-job Training Scheme under the Youth Pre-employment Training Programme. He was of the view that it might increase the employment opportunity for job-seekers if employers were encouraged to observe their working abilities for a longer time period.

35. C for L explained that the On-the-job Training Scheme was provided for school leavers mainly between the age of 15 and 19 with no working experience whatsoever to upgrade their skills and employability. The situation was different for the middle age unemployed persons who had working experience. On this basis, one month was considered a sufficient period for employers to provide on-the-job training to the latter group of workers.

36. Mr Frederick FUNG Kin-kee enquired whether the Administration would offer training subsidies or tax concessions to employers who offered job vacancies immediately to the unemployed persons without the training period as it would save the Government's resources spent on following up these cases. C for L pointed out that the objective for granting employers a training subsidy was to provide value-added training to job-seekers rather than a wage subsidy to

Action

employers for the employment. She also clarified that LD would cease referring job-seekers to those employers who abused the Scheme.

Labour disputes and claims

37. Referring to the target to resolve 60% of the labour disputes and claims handled by LD as stated in the Policy Booklet, Mr LEUNG Fu-wah asked about past statistics on the number of cases in which employees were able to receive full claims in accordance with the Employment Ordinance. DC for L (LA) replied that LD had not analysed resolved cases by the amount of settlement as compared to the amount claimed. Nevertheless, all resolved cases were agreed by claimants to their satisfaction. He further said that two-thirds of the unresolved cases were directed to the Labour Tribunal whilst the remaining unresolved cases were directed to the Minor Employment Claims Adjudication Board. In normal circumstance, cases were adjudicated after one or two hearings.

Skills upgrading scheme

38. Referring to SEM's speaking note, Mr LEE Cheuk-yan requested the Administration to provide further information on the findings of a recent survey which revealed that only about 9% of employers arranged training for their employees. SEM said that the information, together with the findings of the two studies on assessment of manpower requirements conducted by the Administration, would be reported to Members. She added that the studies were expected to complete by the end of 2000.

Adm

39. The meeting ended at 1:00 pm.

Legislative Council Secretariat

10 November 2000

2000 Policy Address
Briefing on "Investing In Our Human Capital"
Speaking Note for Mrs Fanny Law, JP
Secretary for Education and Manpower
on Friday, 13 October 2000

Introduction

With the advent of a knowledge-based economy and China's accession to the World Trade Organisation, Hong Kong is undergoing another stage of economic restructuring. New trades continue to emerge while the less competitive traditional ones fade away. In the face of rapid social changes, our local workforce must keep abreast of the times, acquire new knowledge and upgrade their skills so as to maintain their competitiveness in the labour market. Employers should also encourage and assist their employees to receive training and to add value. It is only by so doing that we can get into our strides and enhance the competitiveness of our enterprises. The people of Hong Kong have been well known for their dynamic spirit and ability to adapt to changes. It is also the driving force behind Hong Kong's success.

2. In the coming year, our key areas of work are to assess the future manpower needs of Hong Kong, to formulate appropriate employment and retraining policies, to lend assistance to the more vulnerable groups (e.g. young school leavers and workers of low skills and education) to upgrade their skills and to re-establish their confidence to cope with the economic restructuring, as well as to strengthen the employment service in a bid to help our workers to be self-reliant.

Employment

3. The local economy has seen rapid growth over the past year. Considerable increase is registered in both the overall investment and the local consumer spending. Our labour market continues to pick up. Unemployment rate has fallen from its peak of 6.3% a year ago to 4.9%. The number of job vacancies in almost all trades has risen and the overall vacancy position has gone up by 50%. At the same time, the number of job-seekers successfully placed by the Labour Department (LD) has also increased by 40% over the last year. However, not all industries can benefit immediately from the economic recovery in respect of employment. Hence, the unemployment rate of individual industries (such as construction and catering) still stands at a high level and time is needed before adjustments can gradually take place.

4. Looking ahead, with the opening up of the Mainland market, the restructuring of the local economy and the advancement in science and technology, there will be an upsurge of manpower demand in industries relating to information technology and high value-added services. On the other hand, elementary workers with low skills and low education attainment will need to upgrade their skills as soon as possible to enhance their competitiveness in employment. Thus, we will pay special attention to the employment and training problems of these people, in particular those older workers who find it more difficult to adapt to the new working environment.

Assessment of Manpower Needs

5. To gain a clearer picture of Hong Kong's future manpower needs and identify potential gaps between supply and demand, the Education and Manpower Bureau, in collaboration with the Government Economist and relevant bureaux and departments, are **conducting an assessment of our future manpower requirements** by broad industries, occupations and educational levels **in the next five years**. In addition, we are also collecting views regarding local employment prospect and future training needs of workers through a household survey and business establishment survey as well as extensive consultations among employers' associations and labour organizations. In parallel, we have commissioned academics to carry out **a special study to look into the employment prospect of middle aged workers**. These two studies are expected to be completed by the end of this year and the findings will be used as an important reference for formulating training and retraining strategies in the longer term.

Skills Upgrading Scheme

6. The initial findings of the manpower needs assessment show that in a knowledge-based economy, the major obstacle for workers to find jobs is their low education attainment. The impact of economic restructuring on different industries also varies. A recent survey indicates that local employers in general do not attach importance to in-service training. Only about 9% of employers arrange training for their employees. The rate is very low as compared to other developed countries. No doubt, the dominance of small and medium enterprises in our employment structure is one of the underlying factors of this phenomenon.

7. In consequent to our economic restructuring, we need to help employees of different industries to find new jobs or adapt to the new mode of working, and on the other hand provide the necessary manpower resources for the growing industries. To this end, we have earmarked \$400 million for the provision of focused skills training for the employed and unemployed with secondary or below educational levels. The aim is to upgrade their job skills to meet the needs of the industries.

8. During the next six months, we will set up a steering committee and will consult the industries affected by the economic restructuring on the skills upgrading needs of their elementary workers before working out the appropriate programmes and the training mode. We expect the first batch of courses to commence in the second quarter of next year. Subject to market response, particularly the co-operation of employers, we estimate that about 50 000 people will benefit from the scheme in the following two years. The Vocational Training Council (VTC) will be responsible for the daily administrative work of the scheme under the steer of the steering committee. The VTC will submit regular reports to the committee.

Subvention to the Employees Retraining Board

9. The Employees Retraining Board (ERB) plays an important role in assisting unemployed workers over the age of 30 with low education attainment to re-enter the job market as soon as possible. To demonstrate our long-term commitment to the provision of retraining service, we propose to provide **recurrent subvention to the ERB from the 2001-02 financial year onwards. The subvention in the first year amounts to \$400 million.** Supported by a stable source of income, the ERB will be in a better position to conduct long term forward planning and respond to market needs more promptly and flexibly. With the new funding arrangement, we will draw up a Memorandum of Understanding (MOU) with the ERB, setting out key service requirements as well as performance indicators to ensure the effectiveness of retraining work.

Examining the setting up of a Start-up Fund

10. To encourage trainees to start their own business, the ERB has introduced self-employment retraining courses, covering areas such as home help, home/office repair and maintenance, cleansing as well as hairdressing and beauty services. To tie in with this new initiative, we **will consider, together with the ERB, the establishment of a revolving start-up fund** so as to provide concrete assistance to people of the

grassroot level who wish to start their own business. Forms of assistance may include loans for the purchase of the necessary paraphernalia, provision of common facilities and other supporting services. As the Government has decided to provide recurrent subvention to the ERB from the next financial year, the ERB can use part of its reserve to pilot the scheme, subject to further examination of implementation details and related legal matters.

Employment Service for the Long-term Unemployed

11. To address the problem of older workers' inability of landing new jobs, the LD will introduce, in the coming year, a pilot project to provide **one-stop personal service** for persons over the age of 40 who have been unemployed for more than 3 months. The service will **cover employment counselling, training needs analysis and pre-employment training**. Work trial will be arranged for them at companies with available vacancies, during which period induction training will also be provided. A training allowance will be granted to employers who offer the vacancies and the training. The aim of the project is to enable older workers who have been unemployed for some time to better understand the market needs and the level of their own skills, while at the same time motivate employers to give assistance to persons who have been unemployed for a certain period of time so as to help them find jobs as soon as possible.

Pre-employment training of Young School Leavers

12. The unemployment rate of young school leavers is generally higher than that of other age groups. Their competitiveness would be further weakened during economic downturns. Last year, the LD launched the "Youth Pre-employment Training (YPT) Programme" to provide pre-employment counselling for young school leavers to help them adapt to the working world, develop self-awareness, establish self-confidence, acquire interpersonal skills and gain working experience. This year, we will **introduce a new component of on-the-job training to the YPT Programme**. We have also **launched the "Project Springboard" for S5 leavers who wish to pursue further studies**. The content of the programme focuses on providing training on **basic language and IT abilities** as well as practical knowledge. These two programmes provide training to about 20 000 trainees each year.

Employer/Employee Relations and Employee Rights and Benefits

13. In promoting harmonious employer and employee relations, the LD will **continue to foster co-operation at the enterprise level**, and to strengthen tripartite communication between employers, employees and the Government on employment matters. The aim is to maintain a reasonable balance between the interests of employers and the employed and to safeguard the benefits of both sides. In the coming year, we will **review a number of ordinances relating to employees' rights and industrial safety. Revisions will be made as appropriate** and relevant codes of practice will be compiled.

Conclusion

14. The people of Hong Kong have always been adaptable, hard-working and enterprising. Hong Kong is also a society of high upward mobility. Hence, opportunity is available to everyone who has the ability and is willing to make the effort to get their reward through competition. The Government is also committed to enabling the more vulnerable groups to compete in a level playing field. To implement measures of helping elementary workers to seek employment and to upgrade their skills, employers, employees and their respective organizations must sincerely co-operate and help each other. In addition, relevant Government departments and training providers should also collaborate closely for the above measures to be successfully implemented.