

**立法會**  
**Legislative Council**

LC Paper No. CB(2)1046/00-01  
(These minutes have been seen by the  
Administration)

Ref : CB2/PL/MP/1

**LegCo Panel on Manpower**

**Minutes of meeting**  
**held on Thursday, 18 January 2001 at 2:30 pm**  
**in the Chamber of the Legislative Council Building**

- Members present** : Hon LAU Chin-shek, JP (Chairman)  
Hon CHAN Kwok-keung (Deputy Chairman)  
Hon Kenneth TING Woo-shou, JP  
Hon Cyd HO Sau-lan  
Hon LEE Cheuk-yan  
Hon CHAN Yuen-han  
Hon LEUNG Yiu-chung  
Hon YEUNG Yiu-chung  
Hon Ambrose LAU Hon-chuen, JP  
Hon Andrew CHENG Kar-foo  
Hon Abraham SHEK Lai-him, JP  
Hon LI Fung-ying, JP  
Hon Tommy CHEUNG Yu-yan, JP  
Hon LEUNG Fu-wah, MH, JP
- Member attending** : Hon Bernard CHAN
- Members absent** : Hon James TIEN Pei-chun, JP  
Dr Hon LUI Ming-wah, JP  
Hon SZETO Wah  
Hon Michael MAK Kwok-fung  
Hon Frederick FUNG Kin-kee

**Public Officers :** Item III  
**attending**

Mr Philip K F CHOK, JP  
Deputy Secretary for Education and Manpower

Mr Paul WONG  
Principal Assistant Secretary for Education and Manpower (10)

Mr Ivan LEE  
Principal Assistant Secretary for Education and Manpower (5)

Mr H Y CHEUNG  
Principal Economist  
Financial Services Bureau

Mr Alvin W K LI  
Assistant Commissioner (Social)  
Census and Statistics Department

Item IV

Mr Philip K F CHOK, JP  
Deputy Secretary for Education and Manpower

Mr K K LAM  
Principal Assistant Secretary for Education and Manpower (7)

Mrs Jenny CHAN  
Assistant Commissioner for Labour (Rights and Benefits)

Mr H Y MOK  
Acting Commissioner of Insurance

Item V

Mr Philip K F CHOK, JP  
Deputy Secretary for Education and Manpower

Mr Ivan LEE  
Principal Assistant Secretary for Education and Manpower (5)

Item VI

Miss Erica NG  
Principal Assistant Secretary for Education and Manpower (4)

Mrs Pamela TAN, JP  
Commissioner for Labour

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 Dora WAI  
Senior Assistant Secretary(2)4

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**I. Confirmation of minutes of meeting held on 16 November 2000 and matters arising**  
(LC Paper Nos. CB(2)692/00-01 and CB(2)691/00-01(01))

The minutes of the meeting held on 16 November 2000 were confirmed.

List of follow-up actions required of the Administration

2. Members noted the list of follow-up actions required of the Administration.

**II. Date of next meeting and items for discussion**  
(LC Paper No. CB(2)691/00-01(02))

3. Members agreed that the following items be discussed at the next meeting to be held on Thursday, 15 February 2001 at 2:30 pm -

(a) Working Holiday Scheme between Hong Kong and New Zealand

*(Post-meeting note : At the request of the Administration, the discussion of this item was deferred to a future meeting.)*

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- (b) Draft Factories and Industrial Undertakings (Medical Examinations) Regulation
- (c) Report of the Hong Kong Special Administrative Region of the People's Republic of China in the light of the International Covenant on Economic, Social and Cultural Rights - Report on implementation of Articles 6, 7 and 8 of the Covenant

*(Post-meeting note : As the Report fell within the purview of the Panel on Home Affairs, at the suggestion of the Administration and with the concurrence of the Chairman, the discussion of the Report would be deferred until the Panel on Home Affairs had discussed the Report at its special meeting scheduled for 26 February 2001. The item was replaced by "Occupational injuries to the arm".)*

- (d) Retirement protection for employees after the implementation of the Mandatory Provident Fund (MPF) System — follow-up issues

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4. Mr LEUNG Fu-wah suggested and members agreed that the Administration should provide members with monthly progress reports on the implementation of the MPF System.

5. Miss CHAN Yuen-han and Mr LEE Cheuk-yan suggested that the Panels on Welfare Services and Manpower should jointly discuss, before the Financial Secretary presented the Budget in March 2001, the various forms of assistance provided by the Government to help the unemployed to find employment.

*(Post-meeting note : A joint meeting of the Panels on Welfare Services and Manpower was scheduled for 27 February 2001 at 5:00 pm to discuss the issue.)*

6. Mr Andrew CHENG and Mr LEE Cheuk-yan pointed out that the issue on review of working time and rest breaks was raised at the beginning of the last legislative term. They suggested that the issue be discussed as soon as the Administration was ready. Deputy Secretary for Education and Manpower (DSEM) informed members that the Labour Department (LD) was conducting a survey on rest breaks. The Chairman suggested that the issue on rest breaks be discussed at the meeting to be held in March 2001.

**III. Follow-up on Report on Manpower Projection to 2005 and Study on**

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**Employment Prospect of People Aged 40-49 – Administration's response to members' views and suggestions**

(LC Paper Nos. CB(2)226/00-01(04), CB(2)465/00-01(03), CB(2)507/00-01(01) and CB(2)691/00-01(03))

7. Miss CHAN Yuen-han sought clarification on the Administration's response to question no. 1 as contained in Annex I to its paper. DSEM explained that the projection of manpower requirement was made on the assumption that there was no constraint on the manpower supply side so that the potential increase in employment opportunities could be fully assessed. He pointed out that in reality there were constraints such as mismatch between manpower supply and demand. Consequently, the actual employment growth rate would be lower than the forecast rate. Principal Economist (PE) pointed out that the unemployment rate remained at a low level for most of the past decade. Meanwhile, employment showed a relatively slow growth, notwithstanding the robust economic performance. These indicated that the labour market was tight during the period and that the increase in manpower requirement was constrained by tight labour supply.

8. Miss CHAN Yuen-han pointed out that the Administration had failed to adopt effective measures to help the workforce keep abreast of the changing need of the economy. As the study on manpower projection to 2005 suggested that there would continue to be a manpower mismatch, Miss CHAN asked whether the Administration had any concrete plans to rectify the projected mismatch situation in order to avoid an importation of labour in future. DSEM replied that the main purpose of the projection exercise was to assess the potential increase in employment opportunities and the degree of manpower mismatch. The Administration would, based on the findings, draw up suitable plans to bring the mismatch to the minimum. He said that the findings revealed that by 2005 there would be a surplus manpower supply of 136 700 persons of low skill and low education attainment whilst there would be a shortfall of 116 900 persons of high educational level. The ideal solution was to train up the low-skill workers to take up the higher level posts. However, this might not be feasible having regard to factors like time, resources and skills and qualifications of workers. He pointed out that the Administration's long-term plan was to improve the overall education of the workforce, and in the meantime, a Skills Upgrading Scheme would be implemented to help workers acquire better skills needed by the industries.

9. Miss CHAN expressed support for the two measures proposed by the Administration. However, she pointed out that some workers of educational level at secondary 3 or below were not up to the entry requirements of the retraining courses and were therefore unable to benefit from the courses. She was interested in the details of the plan to provide training opportunities for this group of people and suggested that the Administration should step up its efforts in developing environment protection industries so as to create more employment opportunities for low-skill workers. DSEM replied that upgrading of the overall educational level would be focused on the younger ones. An effective way to help the middle-aged workers of

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low skill and low education attainment was to upgrade their skills so as to enhance their competitiveness and productivity to meet the needs of the economy.

10. Miss CHAN Yuen-han remarked that there were a number of policy initiatives aiming at upgrading the educational level or skills of the workforce. These included the recently announced Skills Upgrading Scheme and training or retraining courses targeted for different groups of people which were organized by different bodies such as the Vocational Training Council (VTC) or the Employees Retraining Board (ERB). Miss CHAN requested the Administration to provide members with progress reports regularly on the implementation of various schemes and training and retraining programmes. At the suggestion of the Chairman, Miss CHAN agreed to advise in writing the details required to enable the Administration to compile the progress report.

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Miss  
CHAN  
Yuen-han

11. Ms LI Fung-ying pointed out that the Skills Upgrading Scheme only provided assistance to prevailing or traditional industries such as wearing apparel. She asked about the plans to upgrade the skills in the wearing apparel industry. She also asked whether the Administration would explore potential industries e.g. the computer industry, and provide the necessary training accordingly. DSEM replied that a Steering Committee had been set up to work out the details for the Skills Upgrading Scheme and two meetings had been held so far. The Committee had recently selected six industries as the pilot phase of the Scheme. Advice was being solicited from representatives of the six industries on the training programmes so that the training to be provided would be tailored to the needs of the industries. He said that the industries had not yet put forward their suggestions for the training programmes. To his knowledge, the training programmes likely to be proposed by the wearing apparel industry would be in areas of merchandizing and design. With regard to the provision of training in computer skill which was required across various sectors, DSEM said that the level of IT skills required varied between different industries. The Administration would identify the IT training needs for individual industries rather than providing across-the-board general computer skills training.

12. Mr LEE Cheuk-yan remarked that the subvention of \$2.5 billion per annum provided to VTC and ERB for training/retraining courses as stated in paragraph 6 of Annex II to the Administration's paper was misleading, as only a small fraction was allocated to providing free-of-charge fundamental training/retraining courses for workers of low skill and low education attainment. In view of the projected surplus of some 150 000 low-skill workers by 2005, Mr LEE expressed doubt about whether the manpower mismatch could be rectified by only introducing the Skills Upgrading Scheme with a funding of \$400 million for two years. He also expressed dissatisfaction that the Administration refused all the proposals made in their joint submission on the ground that the proposals were not feasible and flexible. He said that the Administration's proposal to hold training after work, during weekends or less busy period would deprive workers of rest time and might affect their family life. Employers should be encouraged to release their employees to attend training during

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working hours. Mr LEE asked the Administration to seriously consider the establishment of a training leave wage subsidy scheme which would benefit not only workers but also employers in the long run.

13. DSEM confirmed that the \$2.5 billion subvention to VTC and ERB was for all the training programmes of the two training bodies, and the amount allocated to providing fundamental training/retraining courses and skills training would be less than this figure. He said that the \$400 million earmarked for the Skills Upgrading Scheme was not sufficient to help all the 136 700 workers of low skill and low education attainment. The Administration estimated that around 50 000 of them would benefit from the Scheme in two years. Whether or not this target could be met would depend on a number of factors such as employees' response and employers' recognition of these courses. Trade associations of the relevant industries and employer organizations had therefore been invited to actively participate in the design and assessment of the skills upgrading programme so as to enhance recognition of these courses. DSEM added that the Administration would, on the one hand, raise the awareness of unemployment crisis in order to encourage employees to pursue continuing education or to equip themselves with better skills. It would, on the other hand, encourage employers to provide training to employees so as to enhance efficiency and productivity. A survey revealed that only 8% of the employers in Hong Kong would provide training to employees. In this regard, the Secretary for Education and Manpower (SEM) had recently sent a letter to all employers reminding them of the importance and advantages of providing training to employees.

14. As regards training during working hours, DSEM said that this might create practical problems to employers as most of the enterprises in Hong Kong were small or medium sized with very limited manpower resources. The training bodies would try to facilitate employers and employees by organizing modular training courses and holding training after working hours. He stressed that concerted efforts from employees and employers were also required in upgrading the skills of workers.

15. Mr LEE Cheuk-yan maintained the view that the Administration should provide financial incentive to employers, such as training leave wage subsidy, who were willing to release their employees to attend training during working hours. DSEM responded that the Administration had been providing heavy subsidies to a lot of the training courses. He reiterated that the Administration would liaise closely with representatives of different industries, employer organizations and training bodies to work out the programme design and the assessment of the skills upgrading programme in order to ensure the recognition of the courses. The feasibility of the skills assessment system as proposed by members would be carefully considered based on the experience drawn from the Skills Upgrading Scheme. The Chairman suggested that the Administration should make reference to the on-the-job training system in Singapore. He held the view that most employers would not take the lead to provide on-the-job training for employees if no financial support was given. He also suggested that the Administration should assess the benefits employers would gain

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from the skills upgrading of their staff.

16. Mr LEUNG Yiu-chung questioned how the Administration could ensure that no person would be deprived from pursuing continuing education on economic grounds as stated in its response to question no. 2 in Annex II to the Administration's paper. He opined that in view of the low earnings of low-skill workers, the expansion of the scope of the Non-means-tested Loan Scheme could not directly benefit them. He also asked about the financial assistance available to these workers in training. DSEM clarified that following the expansion of the Non-means-tested Loan Scheme, all local or non-local continuing education programmes would be covered under the Scheme. As regards the financial assistance for low-skill workers, DSEM explained that under the preliminary proposal for the Skills Upgrading Scheme, workers with a small income (below a certain level) could be considered for fee exemption. He further explained that the \$400 million was for running training courses suggested and designed by different industries. These courses might be run by the training institutions of the relevant industries. Mr LEUNG Yiu-chung asked whether the Administration would consider providing more financial support to low-skill workers in addition to course fee subsidy because many extra costs such as travelling fee would be incurred when they attended a course. DSEM appreciated the difficulties faced by these workers. However, he pointed out that workers should be encouraged to make extra efforts when attending training as the courses were of short duration and, more importantly, the workers themselves would benefit eventually.

17. Mr LEUNG Fu-wah noted that the Administration's response to question no. 3 as contained in Annex I to its paper stated that persons who fulfilled the following criteria would be classified as unemployed -

- (a) without a job and had not performed any work for pay or profit during the seven days before the survey;
- (b) had been available for work during the seven days before the survey; and
- (c) had been looking for jobs during the 30 days before the survey.

Mr LEUNG pointed out that there were 222 800 persons in 1999 who were either not available for work or had not been looking for jobs and therefore they were not classified as unemployed. However, the footnote to the answer stated that persons fulfilling criteria (a) and (b) but not (c) would also be considered as unemployed under certain circumstances according to the definition of the Census and Statistics Department (C&SD). He sought clarification on the definition of "unemployed". Assistant Commissioner (Social), Census and Statistics Department (AC/C&SD) explained that in general, a person had to fulfil the criteria as referred to in paragraph 17(a) to (c). The definition of unemployed persons also included those who had not sought work because they believed that work was not available to them, i.e.

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"discouraged workers". He said that the 4.5% unemployment rate announced recently included discouraged workers but not the 222 800 persons who were classified as persons not engaged in economic activities rather than unemployed because they were willing to take up jobs only if being offered suitable employment. AC/C&SD added that C&SD had all along included discouraged workers in the calculation of the unemployment rate.

18. Miss CHAN Yuen-han enquired of the rationale to exclude the 222 800 persons in calculating the unemployment rate. She pointed out that the unemployment rate would be much more higher if these persons were included. AC/C&SD explained that these 222 800 persons did not fulfil the criteria as referred to in paragraph 17. As they were willing to take up jobs only if being offered suitable employment, they were therefore classified as persons not engaged in economic activities rather than unemployed. This classification was in line with the recommendations of the International Labour Organization. He pointed out that those workers who stopped looking for jobs 30 days before the survey because they had faced difficulties in finding employment and were subsequently discouraged would be classified as unemployed persons. The number of such persons amounted to several thousand. Miss CHAN questioned whether C&SD would further review the definition of "unemployed" in order to be in line with the current employment situation as there might be difficulties for a long-term unemployed person to be ready to work within seven days. AC/C&SD pointed out that the definition followed the international practices. He said that C&SD had collected information on this group of economically inactive persons who were willing to take up jobs if being offered suitable employment at intervals of about two years. The next round of data collection would be conducted in the coming one or two years. The information gathered would be published and made available to the Administration, trade associations and scholars for reference.

19. Miss CHAN Yuen-han further asked what action would be taken by the Administration to help these 222 800 persons to re-enter the labour market. DSEM replied that LD would publish job vacancies as widely as possible so that they would have better chance to know of suitable jobs available.

20. Referring to paragraph 4 of the Administration's paper in relation to the Skills Upgrading Scheme, Mr YEUNG Yiu-chung asked about the category and number of industries which would be invited to participate in the Scheme and the time frame for implementation of the Scheme. He also asked about the difference between the skills assessment system and the Skills Upgrading Scheme as they seemed to deal with similar matters. DSEM replied that the number of industries participating in this system had yet to be decided by the Steering Committee of the Skills Upgrading Scheme. The Committee had held two meetings so far and had chosen six industries, viz printing, Chinese catering, retail trade, import and export trade, wearing apparel and land transport, as the pilot phase of the Scheme. These six industries would suggest and design training programmes which were needed by their industries. The

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Administration would draw up a comprehensive implementation plan for the Scheme. DSEM further explained that under the skills assessment system, a person who had completed a training course would be assessed and issued with a learning certificate in order to prove that he had attained a certain level of skill. Based on the experience drawn from the Skills Upgrading Scheme, the Administration would study the feasibility of skills assessment and accreditation ladder for advancement.

21. Mr Kenneth TING noted the Administration's target to increase the number of tertiary places by 28 000 over ten years. While the quantity of places was important, he said that the quality of the education was also of paramount importance. He expressed concern as to how the Administration would ensure that a good quality of tertiary education could be achieved. DSEM shared the view of Mr TING. He believed that one of the ways to maintain good education quality was that the tertiary education institutions should adopt stricter assessment and examination policies.

22. Noting the Administration's refusal to establish a training leave wage subsidy scheme, Miss CHAN Yuen-han asked how the Administration would encourage employers to provide training leave to their employees. The Chairman also asked what measure would be adopted by the Administration to enhance employers' participation. DSEM replied that to allow flexibility, the Administration had no intention to require employers to provide training leave to employees on a mandatory basis. Instead, employers would be encouraged to release their staff to attend training. The Administration would step up publicity efforts in this regard. He reiterated that SEM had recently issued a letter to all employers to encourage them to take a positive view on staff training. He added that the provision of course fee subsidy was also a form of encouragement.

**IV. Employees' compensation system**  
(LC Paper No. CB(2)691/00-01(04))

23. Miss CHAN Yuen-han urged the Administration to positively review the employees' compensation system in the light of the report released by the Hong Kong Federation of Insurers (HKFI) (the Report) which was commissioned by consultants to review the performance of Hong Kong's employees' compensation insurance business with suggestions of possible measures for reform. The Administration should not quickly draw a conclusion that the current irregularities were all attributed to the inefficient operation of insurance companies.

24. Mr LEE Cheuk-yan pointed out that the Report revealed that the amount of employees' compensation doubled over the past six years but the amount of premium collected decreased by half which led to serious under-funding in the insurance industry. He opined that the under-funding situation might vary in different insurance firms as it depended on the proportion of the business invested in employees' compensation. He said that the insurance premium for a small firm with a small

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construction site was much higher than that for a large one. He held the view that the premium might be more effectively factored in the calculation if reference was made to the client's occupational safety records. He questioned whether the Administration would consider implementing a centralized employees' compensation system to replace the existing compensation system operated by a great number of insurance firms. The Chairman enquired whether the Administration had sought the views from HKFI and concerned parties on implementing a centralized employees' compensation system managed by the Government.

25. Acting Commissioner of Insurance (Ag C of I) informed members of the following two main reasons for the under-funding situation -

- (a) individual firms had to lower the premium to increase competitiveness owing to the intense competition and the fragmented insurance market where there were over 100 insurance firms engaging in this business; and
- (b) the annual increase in the amount of compensation was 5-8% over inflation by reason of changes in judicial attitudes.

26. DSEM said that the Administration considered that the existing employees' compensation system was running satisfactorily and there was no sufficient justification to change the existing private operation to a central statutory one. In fact, the insured could benefit in terms of the amount of premium and the quality of service as a result of competition in the industry. He pointed out that some overseas countries currently operating the insurance system centrally were considering to convert it to private operation. He further stated that common problems faced under a centralized compensation insurance system were rising costs and insufficient funding. DSEM added that the Administration had not consulted HKFI and concerned parties about a centralized employees' compensation system.

27. Mr Bernard CHAN said that the main objective of the Report was to alert the Administration and the public of the current problems in the industry. Insurers might leave the market if the under-funding situation was persisting. He pointed out that claims for compensation were on average received around five years after an employee suffered injury, so compensation payouts were forecast to rise even further in the coming years.

28. The Chairman pointed out that if the under-funding situation persisted, the two possible scenarios would be that either all insurance firms in this sector withdrew or only some of them gave up so that the remaining firms survived. The Chairman asked whether the industry had considered adding the occupational safety record as a factor in calculating the premium and whether part of the premium earned could be invested in occupational safety training. He opined that the provision of such training might create practical problems in small and medium sized firms. However, the problem

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could be overcome if there was a centralized compensation system managed by the Government.

29. Mr Bernard CHAN said that there might be a misunderstanding by the media and the public that the Report aimed at reducing the compensation payable to employees. In fact, the industry would deliberate all the comments made in the Report and would make as many improvements as practicable to rectify the situation, e.g. to design a better calculation method of the premium and to improve the rehabilitation programmes for injured employees. He further pointed out that, although employers and employees might not perceive that there was anything wrong, the insurance industry was losing large amounts of money from employee compensation-related business. This could not continue, and would inevitably increase the cost of insurance for the wider public in the future.

30. Mr LEE Cheuk-yan asked whether there was a mechanism to regulate the level of increase in insurance premium. Ag C of I replied that the Insurance Companies Ordinance (ICO) did not empower the Commissioner of Insurance (C of I) to regulate such increase and the Administration considered it not appropriate to intervene in a free market environment.

31. Mr Kenneth TING commented that the commission paid to intermediaries accounted for 23% of the premium was excessively high. Ag C of I replied that the standard level of commission was 15% of the premium. He pointed out that the level of commission paid to intermediaries usually depended on the scope of services provided by the intermediaries, normally the more the services provided, the higher the commission.

32. Mr Bernard CHAN cited some complaints that he had received against sharp increases in insurance premiums for mini bus business. The reason for such sharp increases was due to the fact that only a few insurance companies were providing service as no new comers were attracted to join the business even the amount of premium had doubled. He pointed out that this might also happen in employees' compensation insurance business if the current situation continued to worsen.

33. Mr Andrew CHENG said that one of the major reasons causing the large amount of compensation was the lack of an effective compulsory occupational rehabilitation programme. Currently, the injured employees waiting for rehabilitation treatment were accorded the same queue as that for the general public, and were therefore unable to receive treatment in the first two months which indeed were the most critical period for the recovery. The whole treatment process was therefore prolonged. He expressed disappointment on the Administration's negative response despite the consultants' comment that the current provision for occupational rehabilitation was negligible. He opined that the reason given by the Administration that it was not a common international practice to provide compulsory occupational rehabilitation was not convincing. Mr CHENG considered that there should be a

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separate queue for rehabilitation for injured employees in order to speed up their recovery. There should also be a mechanism to require an employee to receive a most suitable treatment specified by a professional therapist. He suggested that the Administration should also study the feasibility of allowing employees who had not fully recovered to return to work. He remarked that the burden on large compensation would never be relieved should there be no effective compulsory rehabilitation programme. He asked whether some of the occupational safety and health centres which were having a very low usage could be used for providing rehabilitation treatment to injured employees.

34. DSEM responded that the problem of under-funding of the employees' compensation insurance business was not solely attributed to not having a compulsory rehabilitation programme, but a reduction in the amount of premium by half and the intense competition within the industry. He pointed out that there was no sign of abuse of the existing benefits in respect of sick leave for employment-related injuries. Statistics showed that 75% of the compensation claims settled in 1999 were granted sick leave of less than 30 days whereas 95% were granted less than six months. He said that the Administration was willing to consider any suggestions by members on ways to improve the rehabilitation services and would refer them to the Hospital Authority for follow-up. Mr Andrew CHENG requested the Administration to provide members with more detailed information on the existing occupational rehabilitation treatment and services such as the waiting time for receiving the treatment.

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35. The Deputy Chairman took the chair after the Chairman left the meeting.

36. The Deputy Chairman asked why the insurance industry did not raise the problem of under-funding earlier such that the percentage of premium increase might be mitigated over a longer period of time. He also asked about the proportion spent between compensation payable to injured employees and the legal costs associated with the resolution of disputed claims. Mr Bernard CHAN pointed out that the fixing of premium rates was a commercial decision for individual insurers under a free market environment. He said that the recommendations contained in the Report should be studied in detail by the Administration.

37. Miss CHAN Yuen-han asked whether the Administration had any contingency plans to cope with a possible situation whereby all insurers withdrew from this sector. Ag C of I explained that C of I was fully aware of the financial position of insurers as the ICO required insurers to submit annual financial statements to C of I for examination, including a review on their compliance with the solvency margin requirement. However, C of I would not be able to prevent insurers from withdrawing from the sector. DSEM added that the Administration did not envisage a serious problem. The withdrawal of some of the existing insurers might in fact help the survival of the remaining agencies. He suggested that the industry should consider adopting some of the suggested remedial measures contained in the Report, e.g.

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reviewing the premium-fixing strategy and enhancing information management and data collection on occupational safety records.

38. Mr LEUNG Fu-wah expressed disagreement to the comment contained in the Report that injured workers were prolonging their sick leave periods and unwilling to return to work. He pointed out that on the one hand the law required employers to take out insurance covers for their employees, but on the other hand no insurers were willing to provide employees' compensation coverage for some small businesses like external wall cleaning. The employers had to arrange a personal accident insurance for their employees instead. In view of this undue situation and the difficulties now faced by the industry, Mr LEUNG asked whether the Administration would consider setting up a central insurance bureau to handle insurance issues in particular the employees' compensation. He also enquired whether there were similar operational problems in overseas countries. DSEM responded that after considering various factors including drawing experience from overseas countries, the Administration was not in favour of a centralized employees' compensation insurance system.

39. Ms LI Fung-ying asked about the proportion of the payment of compensation for claims on the basis of "no-fault" and claims on the basis of employers' negligence. DSEM replied that the proportion should be 65% for "no-fault" claims and 35% for claims against employers' negligence. Assistant Commissioner for Labour (Rights and Benefits) (AC for L(RB)) pointed out that the amount of statutory compensation for settled claims in 1999 was \$1,660 million. Ms LI questioned whether the consultants had gathered any information about the situation whereby injured employees of some industries had to pay out of their own pockets for hiring temporary staff to carry out their duties during their sick leave. AC for L(RB) responded that the Administration was aware of such situation and had strengthened the publicity especially in those industries with such cases to better educate the employers and employees not to do this.

40. Mr Bernard CHAN said that the points of concern with regard to the current employees' compensation system were not only the amount of the premium and the number of insurers in this sector. The insurance industry was disappointed to learn of SEM's response to the Report made at the Council meeting on 10 January 2001 that the existing problems faced by the industry were caused by ineffective operation of agencies and therefore no rectification actions would be taken by the Administration. Mr CHAN opined that the Administration should at least discuss with the industry to better understand the problems before a conclusion was drawn.

41. AC for L(RB) said that the Administration had stepped up efforts in promoting occupational safety. Over the past two years, LD had conducted more frequent inspections to hazardous industries and establishments with high accident rates whereas less hazardous industries would be reminded of work safety by promotional and educational programmes. She informed members that after the investigation of an occupational accident, LD would advise the employer to adopt necessary safety

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measures to prevent the recurrence of similar accidents. LD would also conduct follow-up inspection and the employer would be issued improvement/suspension notices or prosecuted if he was found non-compliant with the regulations again. As regards rehabilitation programme for injured employees, LD had started contacting the insurance industry to better understand the operation and the effectiveness of such programme. Moreover, LD was also planning to contact the alliance of rehabilitation professionals to obtain more information relating to occupational rehabilitation. She added that the Administration did not consider it appropriate to introduce a compulsory occupational rehabilitation programme at this stage.

42. Members agreed that the subject be followed up at the meeting to be held in March 2001, and that representatives from HKFI and concerned parties would be invited to give views at the meeting.

**V. Creation of a Supernumerary Senior Principal Executive Officer post in the Education and Manpower Bureau to enable the secondment of a suitable officer to the Vocational Training Council**  
(LC Paper No. CB(2)691/00-01(05))

43. DSEM informed members that the Administration would make a formal submission to the Establishment Subcommittee at its meeting on 21 February 2001 for the retention of a supernumerary Senior Principal Executive Officer post from 1 May 2001 to 31 October 2003. The post was needed to accommodate the officer who would be seconded to the VTC for the Deputy Executive Director (Corporate) post.

44. Members raised no question on this item.

**VI. Employment Information Superhighway of the Labour Department**  
(LC Paper No. CB(2)691/00-01(06))

45. Commissioner for Labour (C for L) said that the provision of employment information services by LD under the Employment Information Superhighway (EIS) had evolved into the second generation. During the first generation in 1999 and 2000, the computerized database on job vacancies and profiles of job seekers could be sorted according to categories of jobs, levels of salaries and geographical locations and then compared automatically by the computer for easy retrieval. In the latter part of 2000, users registered with LD were able to build their own resumes quickly under the system and to have access to electronic location maps when being called for interviews.

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46. C for L further said that in the second generation LD had broadened its coverage by connecting the EIS to the civil service placement web site and eight other large employment web sites. Before the widening exercise, the vacancies available at LD's web site only accounted for 55% of the whole job market in Hong Kong. In addition, LD had entered into a partnership with private employment agencies allowing them to lodge their vacancies at LD's web site.

47. The Deputy Chairman asked whether the system would be able to identify from its database the industries facing the most serious labour shortage. C for L replied that the system was able to identify the top ten industries which had the largest number of vacancies and the top ten categories of job which had the largest number of job seekers. Based on this information, both employers and job seekers would find it easier to assess the ever-changing job market situation. In reply to the Deputy Chairman, C for L said that training and retraining bodies were also provided with such information to facilitate their design of courses.

48. Ms Cyd HO asked about the number of computer terminals available so that those who had no computer at home could also have access to the services introduced by LD through the public terminals. She opined that provision of sufficient terminals was important because the time a job seeker required to browse through the details of various jobs advertised on different employment web sites might be very long. C for L said that all job centres of LD were installed with such facilities. She pointed out that the Government was promoting a large-scale electronic service scheme and a considerable number of terminals would be installed in different locations in the near future to facilitate the public. She added that job seekers could also obtain employment information through the LD's employment telephone enquiry hotline.

49. Ms Cyd HO further asked about the number of terminals available for public use. She also enquired whether LD had assessed the usage rate of such terminals as some job-seekers might not be able to operate a computer. Assistant Commissioner for Labour (Employment Services) said that there were 3 terminals (2 of which were touchscreen terminals) installed at each of the 11 job centres of LD. All the 10 Labour Relations Offices were also installed with a touchscreen terminal. He pointed out that LD was planning to install 100 more terminals in 2001. In addition, around 100 terminals in many MTR stations and busy areas were installed under the "ESD life" scheme. There were also around 100 terminals distributed in public libraries. He added that the use of computer had become more and more popular. In response to Ms HO's further question, C for L said that there was no limit on the duration of each enquiry made by phone.

50. The meeting ended at 4:50 pm.

Action

Legislative Council Secretariat  
16 March 2001