

立法會 *Legislative Council*

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Report of the Panel on Manpower for submission to the Legislative Council

Purpose

This report gives an account of the work of the Panel on Manpower during the 2001-02 session of the Legislative Council. It will be tabled at the meeting of the Council on 3 July 2002 in accordance with Rule 77(14) of the Rules of Procedure of the Council.

The Panel

2. The Panel was formed by a resolution passed by the Council on 8 July 1998 and as amended on 20 December 2000 for the purpose of monitoring and examining Government policies and issues of public concern relating to labour and manpower planning matters. The terms of reference of the Panel are in **Appendix I**.

3. The Panel comprises 19 members in the 2001-02 session. Hon LAU Chin-shek and Hon CHAN Kwok-keung were elected Chairman and Deputy Chairman of the Panel respectively. The membership list of the Panel is in **Appendix II**.

Major Work

Review on organisation of vocational training and retraining

4. In May 2001, the Administration commissioned a consultant to carry out a review on the organisation of vocational training and retraining in Hong Kong. Following extensive consultation with a broad range of stakeholders across the vocational sector, the consultant had concluded that the existing arrangements are not adequate to meet the demand for trained manpower arising from changes in the Hong Kong economy. The consultant was of the view that a simple merger of the Vocational Training Council (VTC) and the Employees

Retraining Board (ERB) would not be able to address the various problems with vocational education and training in Hong Kong. The consultant had recommended that a new body should be established to assume a coordination role in the vocational sector.

5. In January 2002, the Panel was briefed on the Administration's proposals to set up the new body, the Manpower Development Committee (MDC), in 2003. The Panel noted that the MDC would be a non-statutory body tasked to advise the Government on matters relating to the promotion and regulation of the vocational education and training market, assessment of labour market demand, funding of the vocational sector, output and service standards, and monitoring and quality assurance. The Panel also noted that a Preparatory Committee would be set up in 2002 to begin work in preparation for the establishment of the MDC.

6. While members in general supported that there should be a better co-ordination in the vocational training and retraining market, they considered that any change to the current system should be made in consultation with the staff affected. As it would be the Administration's longer term objective to separate the MDC from any provider arm, it would mean that the current VTC providers, i.e. the Institute for Vocational Education and VTC Training Centres/Training and Development Centres, would have to compete in an open market in future. Members shared the worries of the staff concerned that the Administration's proposals might lead to staff redundancies. Members also expressed concern that vocational education and training programmes might become market driven in future, and providers might choose to only provide the popular courses. In addition, some members expressed concern that the proposals might only be able to achieve a reduction in Government expenditure, but without an increase in overall efficiency and cost-effectiveness.

7. The Administration informed members that courses which were not viable for private providers, such as those with high per capita costs, would continue to be subvented by the Government. The Administration assured members that it understood the worries of the staff of the VTC and ERB about the apparent implications of the opening up of the vocational education and training market. The Administration explained that the MDC would be established on the basis of the existing foundations. The MDC would absorb the advisory and quality assurance functions of the VTC with associated staff movement. In addition, all ERB staff should be absorbed by the MDC as the functions of the ERB would be performed by the MDC once it is established. The Administration also assured members that it would continue its dialogue with the staff associations concerned on issues relating to the establishment of the MDC.

8. Some members expressed concern that the control of vocational education and training might be centralised in the Administration in future, as

the MDC would be a non-statutory body performing an advisory role. Some members also expressed concern about the MDC's ability to effectively perform its functions as staffing resources available to a non-statutory body might be very limited. The Administration explained that the non-statutory status of the MDC would not affect its independence and its ability to employ staff. The mode of operation of the MDC would be similar to that of the University Grants Committee which was also a non-statutory body.

9. The Panel would closely monitor the progress of work relating to the establishment of the MDC.

Provision of mandatory rest break for employees

10. The Panel was briefed on the review on rest breaks conducted by the Labour Department and the recommendations of the Labour Advisory Board (LAB).

11. The Panel noted that members of the LAB had divergent views on whether legislation should be enacted to provide for mandatory rest break for employees after a period of continuous work of five hours. The LAB's recommendations were that : a guide on the provision of rest breaks (the Guide) should be prepared by its Committee on Occupational Safety and Health, the Labour Department should step up educational and promotional work on the granting of appropriate rest breaks, and regular reviews on the issue should be conducted.

12. Some members expressed concern that according to the survey on rest breaks conducted by the Administration, 124 800 employees did not have specified rest breaks. These members pointed out that the International Covenant on Economic, Social and Cultural Rights as applied to Hong Kong provided that employees should be provided with reasonable rest time. They expressed dissatisfaction that the Administration had failed to comply with the provision in the Covenant, and it is not prepared to enact legislation to provide for rest breaks for employees. These members pointed out that employees in certain occupations, such as doctors and firemen, might not be able to have specified rest breaks by reason of operational needs. They, however, queried why employees in other occupations, such as salespersons, security guards etc., could not be provided with specified rest breaks. They also expressed doubt on the effectiveness of the Guide.

13. Some other members agreed that it was important to provide rest breaks to employees, but expressed reservations about the introduction of legislation in this regard. These members pointed out according to the survey conducted by the Administration, only 9 300 employees, which accounted for 7.5 % of those who did not have specified rest breaks, had not been provided with specified rest breaks by reason of heavy workload or insufficient manpower resources.

In the view of these members, employees should be provided with an aggregate of one hour's rest break/meal break for every eight hours' work in a day. They also suggested that this proposed arrangement should be clearly spelt out in the Guide.

14. The Administration has responded that according to the survey on rest breaks, the great majority of the 124 800 employees were not deprived of rest during the work period. What they did not have were specified periods of rest breaks. The Administration would promote compliance with the provision in the Covenant through encouragement and promotion. The Administration also assured members that the Guide would be drawn up in consultation with employers and employees of industries and trades through various channels, such as tripartite committees, employer associations and employee unions.

Setting up a mandatory unemployment insurance system in Hong Kong

15. Some members expressed disappointment that the Administration did not pursue the proposal to set up a mandatory unemployment insurance system, given the serious unemployment situation in Hong Kong. These members considered that the Administration's argument that unemployment insurance would induce moral hazard behaviour was unreasonable, as the amount of unemployment insurance benefit an unemployed would be able to receive might only be half of his previous earnings and such benefit would be subject to a maximum duration. These members also pointed out that the Comprehensive Social Security Assistance (CSSA) system was unable to provide effective assistance to all the unemployed, as some of them did not meet the eligibility criteria for CSSA. As such, some transitory financial assistance should be provided to this group of unemployed to help them tide over the financial hardship during the spell of unemployment.

16. While agreeing that unemployment insurance benefit should aim at helping those who were temporarily out of work due to cyclical unemployment, members urged the Administration to undertake effective measures to address the problem of structural unemployment in Hong Kong.

17. Some other members were not in support of the setting of a mandatory unemployment insurance system in Hong Kong. A member considered it unreasonable to require employers to make contributions to such a system. In the member's view, the most effective solution to the problem of structural unemployment was to boost the economy. Another member indicated that he did not support the system irrespective of which party would be required to make contributions.

18. The Administration considered it inappropriate to set up a mandatory unemployment insurance system in Hong Kong at this stage, especially given that the public acceptability of the system was doubtful during the present

economic downturn. The Administration pointed out that an unemployment insurance system aimed only to help the unemployed tide over contingencies. However, the ultimate goal was to bring them back to the labour market, and this goal could not be achieved merely by implementing an unemployment insurance system. The more important measures to tackle the problem of unemployment were to revive the economy and improve the business environment, thereby creating more job opportunities. The Administration assured members that the Government would continue to provide training and retraining opportunities to upgrade the skills of the unemployed. The Government would also continue to provide employment services to assist them to re-enter the labour market.

Age discrimination in recruitment

19. The Panel was briefed on the results of the public opinion survey on age discrimination in recruitment conducted by the Administration, and the actions that would be taken by the Administration to tackle age discrimination in recruitment.

20. Some members expressed disappointment that the Administration did not intend to introduce legislation against age discrimination in recruitment on the ground that there was no consensus in the community on the issue, despite the fact that 82% of household respondents and 73% of employer respondents considered that age discrimination in recruitment did exist. While they appreciated the efforts of the Administration in promoting equal employment opportunities through basic education, these members expressed doubt about the effectiveness of such measures in eliminating age discrimination in employment. In the view of these members, the problem of age discrimination in recruitment could never be tackled in the absence of legislation. These members also questioned why the enactment of the three pieces of legislation dealing with elimination of discrimination, namely, the Sex Discrimination Ordinance, Disability Discrimination Ordinance and Family Status Discrimination Ordinance, was feasible, whereas legislation against age discrimination in recruitment could not be enacted.

21. Some other members, however, opposed the introduction of legislation on age discrimination in recruitment.

22. The Administration was of the view that if legislation against age discrimination in recruitment were to be introduced, the possible impact on the economy had to be carefully examined, especially during the present economic downturn. Given that there had been divergent views on the effectiveness of legislation in eliminating age discrimination in recruitment, and a great majority of people regarded public education measures to be more effective, the Administration considered that it might not be an appropriate time to introduce legislation at this stage. Moreover, it would be very difficult in practice to

prove that failure in job application had solely been attributed to age.

23. The Administration assured members that it would continue to promote equal employment opportunities through basic education, and publicise the message of anti-age discrimination in recruitment. The Administration would also carry on with its efforts in training and retraining to enhance the employability of workers of all ages.

Continuing Education Fund

24. In his Policy Address delivered on 10 October 2001, the Chief Executive (CE) announced that the Government would set aside \$5 billion to subsidise those who wished to pursue continuing education and training programmes. The Panel was consulted on the details of the implementation arrangements for the proposed Continuing Education Fund (the Fund).

25. Members noted that courses belonging to the four industry specific sectors, i.e. logistics, financial services, China business and tourism, would be eligible for reimbursement under the Fund. In addition, generic skills courses in areas of language, problem solving, team building and change management, and design would be included under the Fund. While members were in support of the objective of the Fund, some members considered that the scope of the Fund was too narrow and queried why it was restricted to the four industry sectors. They suggested that the Fund should be extended to cover all industries.

26. The Administration explained that the primary objective of the Fund was to promote continuing education, so as to prepare Hong Kong for the transition to a knowledge-based economy. As resources were not unlimited, it was necessary to adopt a focused approach, and identify an appropriate scope for the Fund in order to achieve effective use of the \$5 billion. The sectors proposed under the Fund were based on the advice from prominent academics, business figures and employers. After extensive consultation with stakeholders, there was a general view that the proposal had struck a fine balance between the promotion of the four industries with great potential for growth and the training of manpower to possess the basic generic skills required in a knowledge-based economy.

27. Some members were of the view that degree holders also required constant upgrading of their skills and knowledge in order to meet the changing needs of the economy. They queried why degree holders were excluded from the Fund. Some members also expressed concern that the proposal of one-off application and reimbursement might give rise to a situation where all applicants would only enrol in courses at \$10,000 in order to fully utilise their entitlement.

28. The Administration explained that given the limited resources available, priority should be given to those who had not received university education as they might be less adaptable in the new knowledge-based economy. As regards the reimbursement arrangement, the Administration had taken on board members' view and proposed a more flexible arrangement, under which applicants would be allowed to make a maximum of two reimbursement claims within a two-year period. The Administration assured members that the effectiveness of the Fund would be assessed after its implementation, and a review of the scheme would be conducted in one year.

Proposed amalgamation of the Labour portfolio with the Economic Development portfolio

29. The Panel held a special meeting on 4 June 2002 to discuss the revised proposal of the amalgamation of the Labour and Economic Development portfolios, and the retention of the Manpower portfolio in the Manpower and Education Bureau, as announced by the Chief Secretary for Administration (CS) during the motion debate on the accountability system for principal officials held at the Council meeting on 29 May 2002.

30. Some members expressed concern about the proposed amalgamation of the Labour portfolio with the Economic Development portfolio. They were worried that given Government's emphasis on promoting economic development, labour policy would be made to merely cope with the needs of economic development, hence the interests of workers would be sacrificed. They considered that the proposed amalgamation of the two portfolios would equally create conflicts, as in the case of the original proposal of placing the Manpower portfolio and the Commerce and Industry portfolio under one Director of Bureau. These members also pointed out that in putting forward the revised proposal, the Administration was giving the impression that the Labour portfolio could be grouped with any policy portfolio.

31. Some members suggested that there should be a dedicated Director of Bureau to be responsible for the Labour and Manpower portfolios, given the economic restructuring in Hong Kong and the problem of high unemployment. A member also suggested that the Labour portfolio should be merged with the Welfare Services portfolio.

32. A member also expressed doubt whether it was necessary for the Permanent Secretary overseeing labour matters to be pitched at D8 level as manpower development, including training and retraining, would no longer be within his purview. Some members also asked about the detailed figures of the employment opportunities to be provided by the tourism and logistic industries as stated by CS in his speech made during the motion debate on 29 May 2002.

33. While members appreciated the efforts made by the Secretary for Education and Manpower (SEM) to try to answer Members' questions at the meeting, it seemed that SEM did not have the information or was not in the position to answer most of Members' questions. Members considered that CE should be invited to explain to Members the revised proposals and to answer questions from Members. The Panel subsequently reported the matter to the House Committee.

Other issues

34. The Panel had discussed a range of other issues with the Administration. They included the promotion of job opportunities for local domestic helpers, industrial accident compensation insurance for workers with a self-employed status in the construction industry, and employment terms for persons engaged in projects or services contracted out by the Government.

35. The Panel was also consulted on a number of legislative and financial proposals. They included the review of the Occupational Deafness Compensation Scheme and rescue package for the Employees Compensation Assistance Scheme, amendment of labour legislation relating to the application of International Labour Convention No. 182 to Hong Kong, recognition of Chinese medicine for entitlement to employees benefits under the Employment Ordinance, Employees' Compensation Ordinance, Pneumoconiosis (Compensation) Ordinance and Pneumoconiosis Ex Gratia Scheme, and the Youth Work Experience and Training Scheme.

36. Between October 2001 and June 2002, the Panel held a total of 11 meetings. The Panel also conducted a visit to the VTC.

LegCo Panel on Manpower

Terms of Reference

1. To monitor and examine Government policies and issues of public concern relating to labour and manpower planning matters.
2. To provide a forum for the exchange and dissemination of views on the above policy matters.
3. To receive briefings and to formulate views on any major legislative or financial proposals in respect of the above policy areas prior to their formal introduction to the Council or Finance Committee.
4. To monitor and examine, to the extent it considers necessary, the above policy matters referred to it by a member of the Panel or by the House Committee.
5. To make reports to the Council or to the House Committee as required by the Rules of Procedure.

Appendix II

Legislative Council Panel on Manpower

Membership list

Chairman	Hon LAU Chin-shek, JP
Deputy Chairman	Hon CHAN Kwok-keung
Members	Hon Kenneth TING Woo-shou, JP Hon James TIEN Pei-chun, GBS, JP Hon Cyd HO Sau-lan Hon LEE Cheuk-yan Dr Hon LUI Ming-wah, JP Hon CHAN Yuen-han, JP Hon LEUNG Yiu-chung Hon YEUNG Yiu-chung, BBS Hon Ambrose LAU Hon-chuen, GBS, JP Hon Andrew CHENG Kar-foo Hon SZETO Wah Hon LI Fung-ying, JP Hon Tommy CHEUNG Yu-yan, JP Hon Michael MAK Kwok-fung Hon Albert CHAN Wai-yip Hon LEUNG Fu-wah, MH, JP Hon Frederick FUNG Kin-kee

(Total : 19 members)

Clerk	Mrs Sharon TONG LEE Yin-ping
Legal Adviser	Miss Kitty CHENG
Date	11 October 2001