立法會
Legislative Council

LC Paper No. CB(2) 913/02-03
(These minutes have been seen by the Administration)

Ref : CB2/PL/MP/1

Panel on Manpower

Minutes of meeting
held on Wednesday, 18 December 2002 at 8:30 am
in Conference Room A of the Legislative Council Building

Members present	:	Hon CHAN Kwok-keung (Deputy Chairman) 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 Michael MAK Kwok-fung Hon LEUNG Fu-wah, MH, JP
Members absent	:	Hon LAU Chin-shek, JP (Chairman) Hon Kenneth TING Woo-shou, JP Hon CHEUNG Man-kwong Hon Tommy CHEUNG Yu-yan, JP Hon Frederick FUNG Kin-kee
Public Officers attending	:	Item III Mr Matthew CHEUNG Kin-chung, JP Permanent Secretary for Economic Development and Labour (Labour) Mrs Jenny CHAN, JP Assistant Commissioner for Labour (Rights and Benefits)

Item IV

Mr Matthew CHEUNG Kin-chung, JP
Permanent Secretary for Economic Development and Labour (Labour)

Mr Fred TING Fook-cheung, JP
Deputy Commissioner for Labour (Occupational Safety and Health)

Mr TSO Sing-hin
Chief Occupational Safety Officer (Support Services)
Labour Department

Mr Peter KWAN Ping-kwun
Acting Chief Occupational Safety Officer (Operations)
Labour Department

Item V

Mr Philip CHOK, JP
Deputy Secretary for Education and Manpower

Mr S S KWONG
Executive Director
Employees Retraining Board

Mr Gary AU
Acting Principal Assistant Secretary for Education and Manpower

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 previous meetings and matters arising
(LC Paper Nos. CB(2)530/02-03 and CB(2)650/02-03)

The minutes of the meetings held on 31 October 2002 and 21 November 2002 were confirmed.

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II. Date of next meeting and items for discussion
(LC Paper Nos. CB(2)647/02-03(01) and (02))

2. Members agreed that the following items be discussed at the next meeting to be held on 23 January 2003 at 2:30 pm -

(a) Registration requirements under the proposed Construction Workers Registration Scheme;

(b) Briefing by Secretary for Economic Development and Labour on the Chief Executive's 2003 Policy Address relating to labour portfolio; and

(c) Briefing by Secretary for Education and Manpower on the Chief Executive's 2003 Policy Address relating to manpower portfolio.

3. Regarding the item at paragraph 2(a) above, members agreed that labour unions in the construction industry be invited to give views.

III. Voluntary Rehabilitation Programme for injured employees in the construction industry
(LC Paper No. CB(2)647/02-03(03))

4. Permanent Secretary for Economic Development and Labour (Labour) (PS for EDL(L)) briefed members on a new initiative to be launched by the Labour Department (LD) to facilitate the provision of rehabilitation services by individual insurers to injured employees in the construction industry on a voluntary basis as set out in the Administration's paper.

5. Assistant Commissioner for Labour (Rights and Benefits) (AC for L(RB)) supplemented that LD would continue to follow up cases of employment-related injury even if the employees concerned had opted to join the Voluntary Rehabilitation Programme (the Programme). Assessment on the degree of permanent incapacity of an injured employee would continue to be conducted by an independent Ordinary Assessment Board appointed by the Commissioner for Labour.

6. While supporting the objective of the Programme to provide timely rehabilitation services to injured employees, Mr LEE Cheuk-yan expressed worry that rehabilitation service providers appointed by insurers might not be able to give an objective assessment on injured employees having regard to the need to protect the interests of insurers. In such case, the level of statutory entitlement of injured employees might be adversely affected. To avoid any possible conflict of interest, he suggested that the provision of rehabilitation services and assessment on the degree of incapacity of injured employees should not be handled by insurers. In his view, insurers might consider providing financial assistance to the Hospital Authority (HA) to strengthen its rehabilitation services or other non-governmental organisations to run rehabilitation programmes for injured employees.

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7. Mr LEE Cheuk-yan pointed out that the assessment made by rehabilitation professionals appointed by insurers in respect of the degree of incapacity of an injured employee or his suitability to take up a work trial might be different from the advice of a medical officer of HA. He asked how LD would handle such situation.

8. AC for L(RB) said that in order to bring the difference of expert opinions between medical officers and rehabilitation professionals to the minimum, LD was working on the details of the interface between HA's hospitals treating injured employees and insurers providing rehabilitation services to these employees. This would help ensure that the treatment or rehabilitation services for injured employees could be provided in a coordinated and orderly manner without unnecessary duplication.

9. AC for L(RB) pointed out that at present, some injured employees of non-urgent cases had to wait for an average of four to six weeks before rehabilitation services were available to them in the public health care system. The recovery process of these employees had thus been prolonged. Such situation might not be in the interests of all the parties involved in an employees' compensation claim. With the introduction of the Programme, injured employees would be able to receive timely rehabilitation services, thereby enabling them to have a better and speedier recovery which would in turn facilitate their safe and early return to work.

10. PS for EDL(L) pointed out that some injured employees had obtained rehabilitation services from private medical practitioners. Therefore, mere enhancement in HA's rehabilitation services could not fully address the problem. He stressed that participation in the Programme, whether injured employees or insurers, was entirely of a voluntary nature. He added that the Programme would initially be implemented on a pilot basis so that modifications or improvements, where appropriate, could be made in the light of operational experience.

11. In order to ensure that the statutory entitlement of injured employees would not be adversely affected, Mr LEE Cheuk-yan strongly requested that rehabilitation service providers should not be involved in compiling reports on assessment of the degree of incapacity of injured employees.

12. Ms LI Fung-ying said that she was in principle supportive of the objective of the Programme. However, she doubted whether the proposed work trial arrangement would contravene existing legislation as, under normal circumstances, injured employees should not return to work before they were fully recovered. She enquired about the party/parties to be liable if an injured employee suffered injury again during the period of work trial. She also questioned why the earnings of an injured employee in work trial would be less than his pre-injury earnings.

13. AC for L(RB) said that the work trial arrangement would not contravene existing legislation. However, it was important to ensure that an injured employee, before taking up a work trial, had been certified by a medical practitioner to be fit for the work trial. In addition, the work trial arrangement should also be agreed by the insurer, employer and

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employee concerned. Under the circumstances, the insurer and the employer should be mutually liable if the employee suffered further injury during the period of work trial.

14. AC for L(RB) further said that according to the Employees' Compensation Ordinance (Cap. 282), compensation for temporary incapacity as a result of an employment-related injury would be made to the employee concerned in the form of periodical payments. Such payments would be a monthly payment of four-fifths of the difference between the monthly earnings which the employee was earning at the time of the accident and the monthly earnings, if any, during the period of his temporary incapacity. If an employee did not take up any employment during the period of temporary incapacity, the periodical payments payable to him would be a monthly payment of four-fifths of his earnings at the time of the accident. In cases where an employee took up an employment or a work trial during the period of his temporary incapacity and the earnings from which were less than his pre-injury earnings, he would also be entitled to the above-mentioned periodical payments, calculated at four-fifths of the difference of the two earnings.

15. AC for L(RB) added that since the duties to be performed by an injured employee who were not fully recovered during the period of work trial would usually be less than his pre-injury duties, it was therefore not unreasonable that the earnings during work trial might be less than the pre-injury earnings.

16. Ms Cyd HO suggested that to shorten the waiting time for injured employees to receive rehabilitation services available at public hospitals and to alleviate public expenditure in providing such services, injured employees should be given a choice to consult private medical practitioners and the costs involved should be borne by insurers. In her view, this arrangement should be able to avoid the problem of conflict of interest which might arise if rehabilitation services were to be provided by insurers.

17. AC for L(RB) said that injured employees were free to decide whether or not to join the rehabilitation programmes offered by insurers. Those who had decided to join these programmes could opt to drop out at any time. Those who did not wish to join might use the rehabilitation services provided by HA. With the support of the various parties concerned for the proposal, LD had drawn up a framework of the Programme embodying a number of basic principles. Insurers who were interested to participate in the Programme had to subscribe to the basic framework and submit their service plan to LD. These insurers would also be required to set out clearly the administrative procedures of their rehabilitation programmes and allow participating injured employees to have access to information on their progress of rehabilitation as well as the operation of the rehabilitation services provided to them. In view of the above, she considered that it was not an opportune time to solicit the support of insurers to finance rehabilitation programmes run by private medical practitioners.

18. Mr Michael MAK expressed support for the objective of the Programme. However, he could not see any inducement for injured employees to join the rehabilitation programmes provided by insurers, especially given that employees in the construction industry were more likely to suffer from serious injuries for which the

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chance of full recovery after rehabilitation was relatively low. As such, he questioned why the Government did not select other industries with less incidents of serious injuries for launching the Programme. He also asked about the targeted outcomes of the Programme, e.g. the anticipated number of participants and duration of rehabilitation programmes.

19. AC for L(RB) said that the primary inducement for injured employees to join the Programme was the provision of timely rehabilitation services. She pointed out that the Provisional Construction Industry Co-ordination Board was very concerned about issues relating to employees' compensation insurance in the construction industry and had therefore set up a working group to study related matters. Members of the working group included contractors and representatives of labour unions, Hong Kong Construction Association, Hong Kong Federation of Insurers, Office of the Commissioner of Insurance and LD. In the course of deliberation of the working group, LD had secured the support of members to start the Programme on a pilot basis in the construction industry, with the prime objective to provide timely rehabilitation services to injured employees in the industry to facilitate their safe and early return to work. LD would play a coordinating role to help the relevant parties work together to achieve the objective of the Programme.

20. AC for L(RB) further said that as participation in the Programme was entirely voluntary, therefore no specific targets had been set. LD had also visited some universities which had experience in operating rehabilitation centres. It was learnt that some injured employees had chosen to join rehabilitation programmes sponsored by insurers. LD had also liaised with interested insurers on formulation of their rehabilitation plans. In fact, the Department had already received rehabilitation proposals from a number of insurers. She assured members that LD would review the effectiveness of the Programme over time. The scope of review would include the degree of acceptance of the Programme by insurers, employers and employees. LD would work out the details of the review in consultation with the relevant parties.

21. PS for EDL(L) supplemented that the total number of cases of employment-related injury in the construction industry in the first 11 months in 2002 amounted to some 6 000 whereas the number for the whole year in 2001 amounted to some 9 000. He believed that the great number of injuries in the construction industry would help test the viability of the Programme.

22. Mr LEUNG Fu-wah said that he did not oppose the proposal provided that the statutory entitlement of injured employees would not be reduced. He shared similar concern of Mr Michael MAK and enquired about the inducement for insurers to join the Programme. He also asked whether participants could drop out of the Programme in the interim. In addition, he asked about the role of LD in monitoring the progress of cases where injured employees had opted to join the Programme.

23. PS for EDL(L) said that the major inducements for employees to participate in the Programme were timely rehabilitation, faster recovery and early return to work. The Programme would also help reduce the amount of employees' compensation claims

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payable by insurers. He believed that with more publicity when launching the Programme, the public would better understand its merits.

24. AC for L(RB) said that for better recovery, injured employees should, as far as possible, actively attend the rehabilitation programme if they had opted to join. However, they could opt to drop out of the programme at any time if they so wished. Similarly, insurers could also opt to discontinue their rehabilitation services for injured employees if no additional progress was anticipated.

25. AC for L(RB) further said that LD had maintained a list of participating insurers. So far, eight insurers had confirmed that they would take part in the Programme. Labour unions in the construction industry would be informed. Under the Programme, specialist treatment would be provided by registered medical officers whereas physiotherapy or occupational therapy would be provided by health care professionals registered under the relevant ordinances. LD would maintain a file for each case of employment-related injury to facilitate monitoring of the progress and calculation of compensation. Each insurer joining the Programme would appoint a coordinator to act as a focal point of communication between all the parties involved.

26. Miss CHAN Yuen-han said that she was in support of the objective of the proposal. However, she expressed worry that the proposal might lead to a situation where rehabilitation services for injured employees would be steered by the insurance industry. There might also be a possibility that employees would be persuaded or forced by insurers to join rehabilitation programmes that could not bring the greatest benefit to employees. In her view, the anticipated problems could be avoided if rehabilitation services for injured employees were provided by HA. To address the overall problem at source, she was of the view that the Administration should consider introducing a centralised employees' compensation insurance scheme for all industries.

27. Miss CHAN Yuen-han asked about the countries from which the Government had drawn experience in mapping out the framework of the Programme and the timing for the review of the Programme. Referring to paragraph 8 of the Administration's paper, she queried why insurers could decide on the appropriateness of rehabilitation services in identified cases.

28. AC for L(RB) said that employees who were forced by insurers to join their rehabilitation programmes should report to LD which would investigate the matter and render every possible assistance to the employees concerned.

29. AC for L(RB) said that in drawing up the framework of the Programme, LD had studied Australia's rehabilitation system which had participation from the private sector. Since insurers' participation in the Programme had only been confirmed in December 2002, details of the interface between HA and the participating insurers were still being worked out. Therefore, she was unable to inform members of the timing for the review at this stage. She believed that the timing and scope of the review would be finalised by the time the Programme was launched.

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30. AC for L(RB) pointed out that insurers should be well aware of the condition of injured employees through regular receipt of their sickness certificates or reports by health care professionals appointed by insurance companies. It was, therefore, considered appropriate for insurers to identify whether injured employees should receive rehabilitation services. However, there had been a suggestion that medical officers of HA who provided medical treatment to injured employees should also be considered as suitable personnel to decide whether injured employees should receive rehabilitation services. She said that LD would follow up the issue with HA and insurers.

31. Mr Andrew CHENG expressed worry that the ultimate objective of insurers participating in the Programme might be to pave the way for raising the premium level in the long run. He said that the Government should monitor the premium level on a regular basis after the implementation of the Programme. If there was an upsurge in the premium level, the Programme should be abandoned.

32. PS for EDL(L) said that the Government fully understood the problem of rising premium in recent years. He pointed out that during the consultation on the proposal, the Government had received broad support from labour unions in the construction industry as well as other relevant parties. The Labour Advisory Board had also expressed support for the proposal. He further pointed out that some aggressive employees did hope to be self-reliant and would treasure the opportunity to receive timely rehabilitation services to facilitate their early return to work. Some employers also wished their employees to be able to return to work early so as to maintain productivity of their businesses. He stressed that the Programme was entirely voluntary and aimed to provide timely rehabilitation services to injured employees. The effectiveness of the Programme would be reviewed.

33. The Deputy Chairman asked the Administration to consider the views expressed by members. PS for EDL(L) said that members' views would be noted in implementing the Programme.

IV. Proposed amendments to Construction Sites (Safety) Regulations
(LC Paper No. CB(2)647/02-03(04))

34. PS for EDL(L) briefed members on the proposal to amend the Construction Sites (Safety) Regulations (CSSR) (Cap. 59 sub. leg.) and other related regulations for the purposes of improving construction site safety performance and removing the ambiguities of some provisions of the CSSR as detailed in the Administration's paper.

35. Ms Cyd HO noted the Administration's proposal to amend regulation 44(1) of the CSSR in the light of a court ruling in an appeal case that the regulation fell outside the enabling powers conferred on the Commissioner for Labour (the Commissioner) by section 7 of the Factories and Industrial Undertakings Ordinance (FIUO) (Cap. 59). She also noted that regulation 38A(1) of the CSSR would also be amended as similar problem had been found with this regulation. She hoped that the Administration would forward the wording of the proposed amendments to members as soon as possible. In

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addition, she requested the Administration to provide a copy of the court judgment on the above-mentioned case for members' reference.

(*Post-meeting note* : The court judgment provided by the Administration was circulated to members vide LC Paper No. CB(2)741/02-03 on 20 December 2002.)

36. Ms Cyd HO enquired whether the Administration had considered the feasibility of amending section 7 of the FIUO for the purpose of conferring greater powers on the Commissioner, instead of amending regulations 38A(1) and 44(1) as proposed. She requested the Administration to provide a copy of the legal advice of the Department of Justice (DoJ) in this respect.

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37. Deputy Commissioner for Labour (Occupational Safety and Health) (DC for L(OSH)) said that the wording of the proposed amendments would be available for members' scrutiny when the relevant legislative amendments were introduced into the Legislative Council (the Council). He explained that the proposed amendments to regulations 44(1) and 38A(1) of the CSSR were technical in nature, which aimed at removing the ambiguities therein and making them enforceable. On the advice of DoJ, it was proposed that the qualifying clause "to the satisfaction of the Commissioner" under regulation 44(1) of the CSSR should be deleted.

38. DC for L(OSH) supplemented that apart from the deletion of the qualifying clause, the proposed amendments to regulations 44(1) and 38A(1) also sought to prescribe measures to effectively guard the dangerous parts of machinery, and to prescribe measures to be taken by contractors to ensure the safety of the persons working at height respectively.

39. Mr Andrew CHENG enquired about the details of the proposed amendments to the regulations referred to in paragraph 14(b) of the Administration's paper. He said that he did not understand how the proposed amendments to regulation 44(1) of the CSSR, namely the deletion of the qualifying clause "to the satisfaction of the Commissioner" and the introduction of a clearer definition of the elements of offence, could address the problem of falling outside the scope of section 7 of the FIUO. He also asked whether there were other relevant regulations that needed to be amended on similar ground as that of regulation 44(1).

40. DC for L(OSH) responded that DoJ had advised that only two regulations under the CSSR, namely regulations 44(1) and 38A(1), would need to be amended. He added that the proposed amendments to the three regulations referred to in paragraph 14(b) of the Administration's paper were different from that of regulation 44(1). The proposed amendments to these three regulations mainly sought to clarify the responsibilities of the principal contractors and the subcontractors.

41. DC for L(OSH) further said that according to the advice of DoJ, the problem of the two regulations in question falling outside the scope of section 7 of FIUO could be addressed by deleting the qualifying clause and prescribing measures to be taken that

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could achieve the purpose of protecting the safety of workers.

42. In response to Mr LEUNG Fu-wah's enquiry about the details of the problems cited in paragraphs 7 and 8 of the Administration's paper, DC for L(OSH) said that the principal contractor of a construction site had all along assumed overall responsibility for the safety and health of the employees at work in his site. However, in recent years, more developers had directly appointed specialist contractors to undertake specialised work, such as installation of lifts/escalators or air-conditioning facilities, in parallel to the appointment of the principal contractor. The principal contractor was therefore not able to exercise control over these specialist contractors who were not appointed by him and would have difficulties in monitoring their safety and health performance in the construction site.

43. DC for L(OSH) pointed out that the Government had also been facing difficulties in monitoring the safety and health performance in renovation sites as it was common that owners of these sites, or premises, would appoint different specialist contractors to undertake different types of renovation work in these places. In most cases, there was no principal contractor designated to assume the overall responsibility for a renovation project.

44. DC for L(OSH) considered that although the principal contractor should bear the primary responsibility for the coordination of the activities of different contractors and all safety issues on site, subcontractors should also have the obligation to observe relevant safety provisions required by law. The Administration, therefore, considered it necessary and reasonable to amend the CSSR to hold the principal contractor and subcontractors jointly and severally liable for safety offences committed on their own parts. He remarked that the proposed amendments had indeed been made having regard to one of the recommendations put forward by the Construction Industry Review Committee in its report published in early 2001.

45. Mr LEUNG Fu-wah expressed concern as to whether it would be possible to identify the responsible party in each and every case of non-compliance with safety requirements in construction sites after the enactment of the proposed amendments. Noting that developers in the United Kingdom had to take ultimate responsibility for accidents in their construction sites, he asked whether developers in Hong Kong were required to bear similar responsibility. If the answer was in the negative, he suggested that the Administration should consider requiring developers to be ultimately responsible for safety offences committed by contractors appointed by them if situation warranted.

46. DC for L(OSH) explained that the CSSR was targeted at contractors working on construction sites who had a responsibility to ensure the safety of the persons working there. Developers would not normally be involved in safety issues in construction sites. He believed that with the proposed amendments in place, contractors and subcontractors would be more alert to the need to comply with statutory safety and health requirements, which would help improve the overall safety performance in construction sites.

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47. PS for EDL(L) supplemented that on review of the CSSR, the only inadequacy identified was the unclear responsibility of contractors over construction site safety performance. The proposed amendments would help to clarify their responsibilities under the CSSR. After their enactment, the Administration was confident that the overall safety performance in construction sites would be greatly improved.

48. Miss CHAN Yuen-han said that she was in support of the direction of the proposed amendments. However, she was worried that contractors and subcontractors might take advantage of the construction industry's multi-layered subcontracting system to evade their responsibilities. The rights and benefits of workers might thus be affected. She suggested that the Administration should have due regard to the characteristics of the subcontracting system in the construction industry when finalising the details of the proposed amendments. She considered that a subcommittee should be formed to study the proposed amendments after their introduction into the Council.

49. DC for L(OSH) said that each industrial accident happened in construction sites would be thoroughly investigated by the relevant enforcement departments at the earliest possible time. During the investigation, officers would gather as much information as possible from the contractors and workers concerned and would endeavour to make clear the party/parties that should be held responsible for the accident. So far, the success rate of prosecutions against contractors under the CSSR had been high.

50. DC for L(OSH) added that the subject of subcontracting system in the construction industry was outside the scope of this amendment exercise. However, he understood that the Environment, Transport and Works Bureau had set up a working group to examine in detail matters relating to the subcontracting system in the construction industry.

V. Policy on employees training/retraining

(LC Paper No. CB(2)647/02-03(05))

51. Given the broad range of tasks of the Manpower Development Committee (MDC), Ms LI Fung-ying expressed worry that the Committee might neglect the importance of retraining. As a result, resources for the Employees Retraining Board (ERB) to provide training and retraining courses for the unemployed might be reduced in future.

52. Deputy Secretary for Education and Manpower (DSEM) said that the MDC would examine the scope, funding arrangement and mode of operation of the existing Employees Retraining Scheme (ERS) administered by the ERB in the not-too-distant future. Therefore, he was unable to provide the specific details of the future operation of the ERS at this stage. He assured members that the Administration would revert to the Panel once the MDC had finalised its proposals in this regard. He believed that with the participation of the various parties from a wide range of sectors, members' concerns would be reflected to and duly considered by the MDC.

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53. DSEM further assured members that the Government would continue to attach great importance to retraining for the unemployed, especially given the high level of unemployment in recent years. However, he pointed out that due to resource constraints, the ERB had to adopt various measures to increase the cost-effectiveness in order to cope with the rising demand for retraining. While the Government would continue to provide resources for the ERB to perform its functions, he could not ascertain the level of funding which would be available to the ERB given the financial stringency of the Government.

54. Mr LEE Cheuk-yan declared interest as a member of the ERB. He pointed out that at present, the ERB, in accordance with the Employees Retraining Ordinance (Cap. 423), disbursed a retraining allowance to retrainees attending full-time courses lasting over one week at the rate of $153.80 per day. The policy intent of the provision of retraining allowance was to enable retrainees to take up retraining courses without having to worry about the cost of living during the retraining period.

55. Mr LEE Cheuk-yan considered that the arrangement to modify the mode of delivery for three standardised full-time training courses, namely domestic helpers training, security and property management training, and personal care workers training, from a 12-day full-time programme to eight-day full-time plus five half-day programme was not an appropriate approach to help the unemployed in need of retraining. Under this arrangement, retrainees would receive a training allowance one-third less than the original level. Moreover, retrainees had to spend one more day on the programme as its duration would increase from a total of 12 to 13 days. The arrangement would also incur extra travelling costs on retrainees. He commented that the arrangement indeed went against the original policy intent of providing retraining allowance to retrainees. He also expressed worry that retraining allowance might be further reduced if, in future, the ERB considered it necessary to further modify the mode of delivering its courses.

56. Mr LEE Cheuk-yan queried why the Administration did not consider providing more resources to the ERB in view of the continuing increase in the demand for retraining places. He also asked whether the ERB would consider not adopting the above-mentioned modified mode of delivery for its courses.

57. DSEM hoped members would understand that resource limitation was the reason for the ERB resorting to such arrangement. As the resources available were limited, the ERB had on many occasions utilised its reserve to cope with the greater need of the unemployed for retraining. It was estimated that the balance of the accumulated reserve of the ERB would drop from approximately $199 million in 2001-02 to around $99 million at end March 2003. It was also envisaged that a large part of the estimated reserve of $99 million would have to be used during the year commencing April 2003 for the provision of more training and retraining places to meet the increasing demand.

58. DSEM further said that given the inevitable resource limitation, the ERB had put in place a series of measures to enhance the cost-effectiveness of retraining with a view to enabling more unemployed persons to receive training or retraining to sustain and enhance their employability. These measures included drawing down its reserve,

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reducing the unit cost of training and restructuring existing modes of delivery. Major training providers had been consulted and considered the measures practical. These measures had also been thoroughly discussed within the ERB before they were adopted.

59. DSEM pointed out that the modified mode of delivery for some training courses mentioned in paragraph 55 above would not affect the quality of the courses as the content and duration of these courses, which was 84 hours in total, would remain the same. He said that the outcome of the pilot courses under the mixed mode of training would be reviewed in early 2003. He added that based on the number of applications received by the ERB and the number of retrainees taking up training or retraining courses, it seemed that the new arrangement did not have a significant impact on retrainees and potential retrainees.

60. Mr LEE Cheuk-yan considered that since the unemployed persons were in need of retraining to enable them to acquire the required knowledge and skills to re-enter the employment market, they would have no bargaining power to oppose the change in the delivery mode for retraining courses and the decline in the level of retraining allowance. As such, he opined that the outcome of the pilot courses under the mixed mode of training should not be measured by the number of retrainees or the number of applications received.

61. DSEM pointed out that as resources were limited, the original level of retraining allowance could be maintained if the ERB chose not to provide additional places to meet the increased demand for retraining. In fact, the number of applications for retraining places had increased considerably in recent years and the waiting period for applicants had also lengthened due to insufficient places. On balance, it was considered appropriate to enhance the cost-effectiveness of the retraining courses and reshuffle the types of courses so that more unemployed persons would have the opportunity to receive retraining.

62. Mr LEUNG Yiu-chung shared Mr LEE Cheuk-yan's views as set out in paragraph 55 above. Mr LEUNG expressed concern as to how the Administration could prove that it would continue to attach great importance to retraining. He also asked whether the Administration would give assurance that the resources to be provided to the ERB would be maintained at its current level and that retraining allowance would not be further reduced.

63. DSEM reassured members that the Government would continue to provide funding support to the ERB to achieve its objective to help the unemployed. However, the level of subvention to be provided would depend on the Government's overall financial position. In view of the prevailing critical financial situation in Hong Kong, he said that he was unable to guarantee that the future subvention for the ERB would not be less than the existing level. He added that he could neither rule out the possibility of further reduction of retraining allowance if circumstances warranted.

64. Miss CHAN Yuen-han said that the Financial Secretary had on a separate occasion announced the Government's goal to upgrade the quality of the local workforce.

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Considering that the primary objective of the ERB was to help the unemployed to upgrade their knowledge and skills so as to enable them to re-enter the labour market, it was ironic that the ERB had not been provided with sufficient resources to organise training and retraining courses needed by this group of people. She suggested that the Education and Manpower Bureau should explain the matter to the Chief Executive and/or the Financial Secretary with a view to working out a possible solution to the problem.

65. Miss CHAN Yuen-han considered that the various schemes outlined in paragraphs 12 to 15 of the Administration's paper were unable to address the crux of the problem since most of the unemployed persons aged above 19 and below 30 were unable to join any of these schemes because of the respective prerequisites imposed on applicants. In her view, there should not be an age limit under the ERS. She urged the Administration to review the various schemes on a comprehensive basis with a view to exploring better ways to help those in need, in particular the unemployed aged above 19 and below 30.

66. DSEM pointed out that although the resources available to the ERB were limited, there had not been any drop in the number of training places as the ERB had sought to increase the training capacity through various means in a bid to cope with the increasing training needs of unemployed elementary workers.

67. DSEM further pointed out that the Government had been providing various forms of assistance to unemployed persons aged above 19 and below 30 who had encountered employment difficulties. He said that this group of people might need different kinds of assistance in view of their varying background. He reiterated that the scope of retraining, the operation of the ERS and related issues would be thoroughly examined by the MDC.

68. Mr Andrew CHENG shared similar concerns of Mr LEE Cheuk-yan as set out in paragraphs 55 and 60 above. Mr CHENG commented that the Administration should not adopt a dictatorial administrative approach to change the established policy on provision of retraining allowance. In his view, resources for providing additional retraining places should be met by the savings achieved from trimming down the administrative costs of the ERB instead of reducing the retraining allowance for retrainees. He suggested that the matter should be referred to the MDC for follow-up.

69. In response to Mr Andrew CHENG's enquiry, DSEM said that the total savings achieved from the reduction in retraining allowance amounted to approximately $5 million. The savings had all been used in enhancing the training capacity of the ERB such that more unemployed persons would be able to benefit from the training and retraining courses.

Adm 70. The Deputy Chairman asked the Administration to convey issues and concerns raised by members to the MDC for consideration.

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VI. Any other business

71. There being no other business, the meeting ended at 11:00 am.

Council Business Division 2
Legislative Council Secretariat
15 January 2003