

立法會
Legislative Council

LC Paper No. CB(2)2377/02-03

(These minutes have been
seen by the Administration)

Ref : CB2/PL/MP/1

Panel on Manpower

**Minutes of meeting
held on Tuesday, 6 May 2003 at 10:45 am
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 CHEUNG Man-kwong
Hon LEUNG Yiu-chung
Hon Ambrose LAU Hon-chuen, GBS, JP
Hon SZETO Wah
Hon LI Fung-ying, JP
Dr Hon LUI Ming-wah, JP
Hon Tommy CHEUNG Yu-yan, JP
Hon Michael MAK Kwok-fung
Hon LEUNG Fu-wah, MH, JP
Hon Frederick FUNG Kin-kee

Members absent : Hon CHAN Yuen-han, JP
Hon YEUNG Yiu-chung, BBS
Hon Andrew CHENG Kar-foo

Public Officers attending : Item II
Mr Matthew CHEUNG Kin-chung, JP
Permanent Secretary for Economic
Development and Labour (Labour)

Mrs DO PANG Wai-yee
Principal Assistant Secretary for
Economic Development and Labour (Labour)

Mr TSANG Kin-woo, JP
Assistant Commissioner for Labour
(Employment Services)

Mr Donald TONG
Deputy Director of Food and Environmental Hygiene
(Administration and Development)

Mrs Carrie LAM, JP
Director of Social Welfare

Mr H W CHEUNG
Assistant Director of Social Welfare
(Youth and Corrections)

Mr S S KWONG
Executive Director
Employees Retraining Board

Mr H H LEUNG
Acting Chief Industrial Training Officer
Vocational Training Council

Item III

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

Mr Fred TING
Deputy Commissioner for Labour
(Occupational Safety and Health)

Dr Raymond LEUNG Lai-man
Occupational Health Consultant

Item IV

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

Ms Miranda CHIU
Deputy Secretary for Economic Development and Labour
(Economic Development)

Mrs Pamela TAN
Commissioner for Labour

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

Staff in attendance : Mrs Eleanor CHOW
Senior Assistant Secretary (2) 4

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I. Date of next meeting and items for discussion
(LC Paper No. CB(2)1965/02-03(01) &(02))

The Chairman invited members to propose agenda items for the next meeting to be held on 19 June 2003 at 2:30 pm. Mr LEE Cheuk-yan said that in response to the complaints lodged by the trade union of Cathay Pacific Airways concerning discrimination against trade union, the International Labour Organization (ILO) had proposed a series of recommendations to address the issue. He suggested that the Administration's response to ILO's recommendations be discussed at the next meeting.

2. Permanent Secretary for Economic Development and Labour (Labour) (PSL) responded that as the Administration had yet to receive official documents from ILO, it was not in a position to comment on ILO's recommendations. He also considered it inappropriate for the Administration to discuss individual cases. Nevertheless, he considered that the broad issue of protection against anti-union discrimination could be discussed at a future meeting.

3. Mr LEE Cheuk-yan also suggested that the Administration should report at the next meeting the progress of introducing a bill concerning reinstatement right for unreasonable and unlawful dismissal. In response, PSL said that given the complexity of the subject matter, the Administration needed more time to finalize the draft bill. The item was not ready for discussion at the next meeting. He said that the Administration would take into account new developments in the next two weeks and forward to the Clerk its proposed discussion items for the next meeting. Members agreed to the arrangement.

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4. The Chairman advised members that the draft Report of the Panel on Manpower to be submitted to the Legislative Council would be discussed at the next meeting.

II. Severe Acute Respiratory Syndrome : Proposed relief measures on employment side

(LC Paper No. CB(2)1965/02-03(03))

5. At the invitation of the Chairman, PSL briefed members on the Government's proposed employment relief measures in response to the outbreak of the Severe Acute Respiratory Syndrome (SARS) as set out in the paper. Director of Social Welfare (DSW) and Deputy Director of Food and Environmental Hygiene (Administration and Development) (DD/FEH) supplemented by introducing the initiatives to be implemented in their respective areas as proposed in the annexes to the paper. In gist, the package of employment-cum-training relief measures, which cost \$432 million, aimed at easing the impact of SARS on unemployment. It would create 11 500 temporary jobs and 10 000 short-term training places. The initiatives, lasting between three to six months, were targeted at current and former employees in the catering, tourism, hotel and retail sectors (the four sectors), which had been hard hit by the outbreak of SARS. These initiatives sought to help the community tide over the difficulties resulting from SARS and to revive the economy after the disease was brought under control.

Scope of the relief measures

6. While supporting the proposal, Mr CHEUNG Man-kwong pointed out that other sectors also suffered similar business loss as a result of the outbreak of SARS. For instance, kindergarten and child care centres suffered great losses in support of the Administration's policy to suspend classes to prevent the spread of SARS. Without receiving tuition fees during class suspension, teachers and child care workers had been laid off or were taking no pay leave. In this connection, he suggested that the relief measures should be expanded to cover other sectors. The majority of members present at the meeting shared the view. Some members pointed out that taxi-drivers and school bus drivers also faced similar difficulties.

7. PSL responded that given that these were temporary measures with limited funding, the Skills Enhancement Project was only targeted at the current and former employees of the four sectors which were seriously affected by the outbreak of SARS. He noted members' concern and would reflect Mr CHEUNG's view to the Education and Manpower Bureau (EMB).

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8. The Chairman said that he had received similar complaints from other sectors concerning the scope of the relief measures. On behalf of the Panel, he would write to the Financial Secretary conveying members' views on providing relief measures to employers and employees of other sectors affected.

(Post-meeting note : The aforementioned letter was sent to the Financial Secretary on 7 May 2003.)

Skills Enhancement Project

9. Members noted that the Skills Enhancement Project was designed to provide short-term condensed skills improvement and upgrading courses for current and former employees in the hotel, tourism, catering and retail sectors. Some 10 000 training places would be provided and each participant of the course would receive a monthly allowance of \$4,000 during the training period. The training comprised four weeks of trade-specific skills enhancement training followed by four weeks of generic skills training. There would be two rounds of enrolment with each offering 5 000 training places.

10. Mr LEE Cheuk-yan opined that in order to provide immediate financial relief to the unemployed, all eligible applicants should be given the opportunity to participate in the training course from the very start. To this end, he suggested that the trade-specific skills enhancement training and generic skills training to be taken place in parallel, with a view to opening 10 000 places in one go.

11. PSL explained that having regard to the availability of qualified teachers and to ensure the quality of training courses, the maximum number of training places could only be 5 000 for each enrolment. If there were more than 5 000 eligible applicants in the first round enrolment, it would be necessary to draw lots to decide who should be enrolled into the first batch of the programme. He would not rule out the possibility of increasing the number of places in future if there was strong demand to do so. On the question of running the trade-specific skills enhancement training and generic skills training in parallel, PSL said that there were practical difficulties. This new project was using the existing teaching facilities in training centres commissioned by the Skills Upgrading Scheme Secretariat (SUSS) and the Employees Retraining Board (ERB). Offering 10 000 training places in one go could only be achieved at the expense of the existing training programmes. This would disrupt the normal courses run by SUSS and ERB and would be undesirable.

12. Mr LEUNG Fu-wah expressed concern that the courses were only offered to existing employees of the four sectors. He urged that the training courses be opened up to other sectors should there be vacancies. He pointed out that some participants might not be able to achieve full attendance rate because they were

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asked to resume work as and when required. To this end, he asked whether the allowance could be paid to participants on a daily basis.

13. PSL clarified that the courses were not restricted to existing employees of the four sectors but also offered to ex-employees. Allowance would be payable according to the actual attendance of participants at \$200 per day, subject to completion of each course with 90% attendance. This was to ensure that participants had received proper training. Paying the participants on a daily basis irrespective of attendance would render the training ineffective.

14. On the question of extending the courses to other sectors, PSL said that this was a matter of priority. At this stage the priority was to implement the project in the four sectors based on the existing resources. Subject to the response to the project and availability of funding, the Administration would consider the need to extend the courses to other sectors.

15. Miss LI Fung-ying said that the underemployed who had an irregular work schedule would have difficulty to achieve 90% attendance. She suggested that the Government, together with large corporation, should work out a tailor-made training schedule for these underemployed. PSL said that he had convened a tri-partite meeting the week before with the relevant trades on the matter. It was agreed that where there was room and demand, short-term courses would be introduced to address the irregular work schedule of the underemployed.

16. Miss LI Fung-ying expressed concern about the difficulty of applicants in providing proof of employment in the relevant trades, in particular to those whose companies had closed down. PSL assured members that the application procedure was simple and flexible. Unemployed applicants whose companies had closed down could make a declaration on their previous employment or obtain proof of their status from the relevant trade union.

Improvement of environmental hygiene for vulnerable groups

17. Members noted that a special operation to provide household cleaning and minor household repair services to elderly residents and other vulnerable groups would be launched by the Social Welfare Department (SWD) to contain the spread of SARS. The operation would create a total of 4 500 jobs for a period of three months, involving 2 500 non-skilled workers at a monthly salary of \$5,500 and 2 000 semi-skilled jobs for unemployed construction workers at a monthly salary of \$7,000. DSW expected that the cleaning operation would start by late May and completed by early September, while the household repairs operation would start in early June and completed before the end of 2003.

18. Mr Frederick FUNG said that apart from cleaning household for the elderly living alone, the elderly should be educated to take the necessary

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precautionary measures to improve on personal and household hygiene. He opined that assistance to the vulnerable groups in respect of cleaning services should be an on-going exercise.

19. PSL said that workers who helped clean the households for the elderly would also play the role of health ambassadors in educating the elderly on personal hygiene, and distribute health advice and cleaning materials, etc.

20. DSW supplemented that the cleansing operation would be based on the existing network of District Elderly Community Centre and their outreaching arm, Support Teams for the Elderly (STE) of the non-government organizations (NGOs). As at the end March 2003, there were about 47 000 elders on the STE database. The operation planned to expand the network to serve over 100 000 clients. While the household cleaning and repairs to promote environmental hygiene was a one-off campaign, elders or people with disabilities identified in the operation who were not already existing clients of the social support network would be introduced or referred to the services they need. Participating NGOs might also match volunteers to support the needy elders on an ongoing basis.

21. Miss LI Fung-ying expressed concern about the protection provided to the workers under the operation, in terms of physical and insurance protection. PSL said that a one-off funding commitment of \$102 million was given to SWD which included the expenses for purchasing protective gears and insurance for workers.

Improvement in environmental hygiene

22. Referring to the creation of some 3 000 temporary jobs by the Food and Environmental Hygiene Department (FEHD) through service contractors for six months to improve environmental hygiene, Mr LEE Cheuk-yan said that the budget of \$150 million amounted to a monthly salary of about \$8,300 per worker. Given that the current market rate for a worker providing cleaning service was about \$5,000, he questioned why FEHD did not consider direct employment of these workers to prevent exploitation by contractors.

23. DD/FEH explained that the \$150 million included administration cost to be incurred by contractors and expenses for purchasing recurrent supply like bleaching solution, the necessary equipment, protective gears, etc. FEHD currently employed some 3 500 in-house staff to carry out cleansing work in Hong Kong. It was obvious that doubling the workforce would be beyond FEHD's capacity to handle, not to mention that it did not have adequate equipment and vehicles to carry out cleansing work. In FEHD's view, outsourcing was the most cost-effective means to achieve the objectives of creating temporary jobs and keeping Hong Kong clean. He assured members that FEHD would follow the guidelines issued by the Financial Services and Treasury

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Bureau on the engagement and monitoring of Government service contracts to protect the interest of the workers. FEHD would also require contractors to specify in their tenders the wages and working hours of their non-skilled workers. It would also monitor closely compliance by contractors and follow up on any complaints from workers. Non-compliance might result in termination of contract or deduction by way of liquidated damages from the monthly payment.

24. Mr Frederick FUNG and the Chairman suggested that the wage level should be specified in tender documents. DD/FEH responded that it had been the established practice of the Government not to specify the wage of workers in tender documents so as to allow flexibility. The mechanisms had been working well so far. He explained that when assessing the tender in respect of wages, the Administration would take into account the average wage proposed by tenderers in all conforming tenders in the tendering exercise and the prevailing market rate derived by the Census and Statistics Department. As this was an effective means to ensure that the wage offered by a contractor was reasonable, the Administration had no intention to change the existing mechanism. PSL pointed out that the Labour Department had set up a special enforcement team to conduct proactive inspection of government contractors and to investigate complaints against exploitation of workers and non-compliance with labour laws.

25. Dr LUI Ming-wah opined that with deflation and the economy downturn, the wage of workers would only dip further. To protect the interest of workers, minimum wage should be specified in tender documents. PSL noted that whilst he appreciated members' concern, as Hong Kong was a free economy, it would be inappropriate as a matter of general policy to impose minimum wage. He said that the question was how to ensure that contractors adhered to the wage offer set down in their tender documents.

26. Mr Frederick FUNG expressed support for outsourcing of cleaning work. He enquired that in the event that the awarded tender sum was lower than the estimate of \$150 million, how the savings would be used. DD/FEH assured members that any excess fund would be deployed for the purpose of creating jobs and reinforcing effort in cleaning up Hong Kong.

27. Given the importance of improving environmental hygiene in Hong Kong, Mr Kenneth TING and Mr LEE Cheuk-yan said that the measures to keep Hong Kong clean should be an on-going exercise. PSL responded that a special task force named Team Clean, headed by the Chief Secretary for Administration, had been established to promote a sustainable, cross-sectoral approach to improve environmental hygiene in Hong Kong. Mr LEE Cheuk-yan expressed disappointment that membership of the Team Clean was not open to Members of LegCo.

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28. Mr Frederick FUNG said that environmental hygiene was a long-standing problem and should be addressed by long-term measures. PSL responded that the relief measures were meant to be temporary. If these were long-term measures, it would require much more resources. At this stage, the Government would concentrate on implementing the proposed package to address immediate problems.

29. In response to Mr Frederick FUNG's further question, DD/FEH said that the Government would step up cleansing of the public and private back lanes. It would also step up effort in prosecuting offenders. The Chairman commented that cleaning should come before prosecution to ensure a clean environment.

30. Dr LUI Ming-wah expressed concern about hygiene in the catering industry in respect of serving food while handling money. PSL said that the catering industry was well aware of the need to handle food and money separately, as FEHD had been promoting the importance of personal hygiene.

(The Chairman left the meeting at this juncture and the Deputy Chairman took item Chair.)

III. Proposed withholding of the Factories and Industrial Undertakings (Medical Examinations) Regulation
(LC Paper No. CB(2)1783/02-03(05))

31. Members noted that the House Committee had been requested by the Administration to hold the Factories and Industrial Undertakings (Medical Examinations) Regulation (the Regulation) and the related Industrial Training (Construction Industry) (Amendment) Bill (the Amendment Bill) in abeyance. At its meeting on 7 March 2003, the House Committee decided that the Administration should first consult this Panel on the proposal.

32. At the invitation of the Chairman, PSL briefly introduced the paper. In gist, withholding the Regulation and the Amendment Bill was due to economic reasons. They were-

- (a) the Regulation would result in the temporary suspension of employment of some workers on medical grounds who would possibly lose their jobs;
- (b) The Regulation would have the effect of aggravating the problem of unemployment and underemployment, in particular in the construction industry; and

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- (c) The Regulation would entail an increase in the total operating cost of main contractors in the construction industry and proprietors in the other affected industries.

33. Mr LEUNG Fu-wah said that he was in full support of the Regulation which sought to protect workers' occupational health through mandatory medical examinations. The Regulation also helped to ascertain the party accountable in the event that a worker contracted an occupational disease after taking up a job. However, given the economic downturn and its impact on employment, he was forced to accept the Administration's proposal to withhold the Regulation and the Amendment Bill temporarily. He urged that they be re-introduced in the near future at an appropriate time.

34. Mr LEE Cheuk-yan said that he fully supported the Regulation which provided better protection of worker's health through early detection and prevention of occupational diseases. Without this protection, an occupational disease could develop into a chronic disease, resulting in the loss of skilled workers and medical burden on the society. In response to the reasons put forth by the Administration in paragraph 32 above, Mr LEE considered that the problem of temporary suspension of employment was a technical issue, which could be resolved through discussion in the Labour Advisory Board, while the problem of cost implication would be reflected in tender applications. However, he conceded that the problem of unemployment and underemployment prevailed and therefore would not object to withholding the Regulation temporarily. Nevertheless, he expressed worry that the Regulation would be withheld indefinitely.

35. PSL made clear that the Administration held a positive view on the Regulation, otherwise it would not have introduced it in the first place. He assured members that the withholding of the Regulation would be on a temporary basis. The Administration would review the situation at the end of this year and consult the relevant trade unions and employer associations as well as the Labour Advisory Board on the way forward. He undertook to revert to the Panel once a decision on the way forward was taken.

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36. Mr LEE Cheuk-yan opined that the consultation should be restricted to technical issues such as temporary suspension of employment. He expressed concern that wide consultation might result in withdrawal of the Regulation. PSL replied that in order to be fair to all the parties concerned, consultation conducted by the Administration must be wide and open. Mr Tommy CHEUNG shared the view of PSL and added that the Liberal Party was in support of the proposal to withhold the Regulation.

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IV. Proposed merger of the Labour Branch of the Economic Development and Labour Bureau and the Labour Department
(LC Paper No. CB(2)1965/02-03(04))

37. PSL briefed members on the paper which proposed the merger of the Labour Branch (LB) of the Economic Development and Labour Bureau (EDLB) and the Labour Department (LD) with effect from 1 July 2003. The objective of the merger was to streamline the organizational structure, so that the new LD (stemmed from the merging of LB and LD) would be better able to discharge the responsibilities in policy formulation and policy implementation. The proposal would result in the creation of three directorate posts and deletion of three directorate posts. Savings in full average staff cost of \$1.2 million would be achieved.

38. Mr LEE Cheuk-yan questioned why the Assistant Commissioner for Labour and Administrative Assistant (AA) to Secretary for Economic Development and Labour (SEDL) should both be pitched at D2 rank, as he considered that the former had a much wider span of control and greater responsibilities, while the latter's duty was to assist SEDL only. PSL said that an AA to a bureau secretary was more than a personal assistant. An AA had to deal with high level issues such as policy analysis, high level liaison and follow-up. It was a challenging post with heavy workload and hence warranted the rank of D2. The Civil Service Branch considered the ranking of the AA post at D2 level appropriate.

39. Mr LEE Cheuk-yan said that he supported streamlining the structure at the top level and using the resources saved to help the front-line staff. PSL affirmed that the savings of \$1.2 million would be deployed within the new LD. He assured members that the merger would not affect the manpower level or service in the front-line.

40. Dr LUI Ming-wah, Mr LEUNG Fu-wah and Mr Tommy CHEUNG questioned the rationale for the merger, in view of the small savings achieved. Mr LEUNG Fung-wah further asked about the title of the person who headed the new LD.

41. PSL said that having worked with the Commissioner for Labour (CL) on the same floor for the past few months, he fully appreciated the merit of the merger. The merger would streamline the organizational structure and facilitate integration of formulation and implementation of labour policies for better efficiency and economy. The new head of LD would be titled PSL/CL. Although the savings of \$1.2 million appeared small, there were other savings such as deletion of a secretary and driver posts as a result of the merger of PSL and CL offices.

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42. Mr Tommy CHEUNG pointed out that the savings achieved through the merger of Education Department and the Education and Manpower Bureau was far more than that of the merger of LB and LD. PSL responded that the two mergers were not comparable in size. The structure of the LB and LD had been lean from the very start. Specifically, LB comprised only two directorate officers and did not have a deputy secretary. In addition, as LB and LD had all along streamlined their operation and been coping with increased workload without adding manpower, the proposed merger therefore would not bring in substantial savings. However, there might be further savings arising from the second phase of the voluntary retirement scheme.

43. Miss LI Fung-Ying questioned why an AA/SEDL post was created while another AA post was deleted at the same time. PSL explained that to provide administrative support to SEDL after the implementation of the accountability system, a supernumerary Administrative Officer Staff Grade C (AOSGC) (D2) post was created to hold against an AOSGC post in the Economic Development Branch of EDLB under delegated authority from the Finance Committee to serve as AA/SEDL for a period of 12 months up to 30 June 2003. SEDL needed an AA to continue to provide him with administrative support on a permanent basis when the existing supernumerary AOSGC post lapsed. The creation of the AA/SEDL post would be filled by a civil servant on posting or by way of direct appointment to a non-civil service position at the rank of D2-equivalent. In further response to Miss LI, PSL said that enclosures 1 and 18 to the paper showed the existing and proposed organization chart of the office of the SEDL.

44. The meeting ended at 12:38 pm.

Council Business Division 2
Legislative Council Secretariat
9 June 2003