

立法會
Legislative Council

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LC Paper No. CB(2) 3019/02-03

(These minutes have been seen
by the Administration)

Panel on Manpower

Minutes of meeting
held on Thursday, 17 July 2003 at 2:30 pm
in the Chamber of the Legislative Council Building

Members present : Hon CHAN Kwok-keung, JP (Deputy Chairman)
Hon LEE Cheuk-yan
Dr Hon LUI Ming-wah, JP
Hon CHEUNG Man-kwong
Hon CHAN Yuen-han, JP
Hon LEUNG Yiu-chung
Hon YEUNG Yiu-chung, BBS
Hon Ambrose LAU Hon-chuen, GBS, JP
Hon SZETO Wah
Hon LI Fung-ying, JP
Hon Michael MAK Kwok-fung
Hon Frederick FUNG Kin-kee

Members absent : Hon LAU Chin-shek, JP (Chairman)
Hon Kenneth TING Woo-shou, JP
Hon Cyd HO Sau-lan
Hon Andrew CHENG Kar-foo
Hon Tommy CHEUNG Yu-yan, JP
Hon LEUNG Fu-wah, MH, JP

Public Officers : Item III
attending

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

Mr Stanley NG Ka-kwong
Director
Youth Work Experience and Training Scheme
Labour Department

Item IV

Mr Byron LAM
Principal Assistant Secretary for Education and Manpower

Mr Gary AU
Assistant Secretary for Education and Manpower

Item V

Mr Philip CHOK, JP
Deputy Secretary for Education and Manpower

Mr Byron LAM
Principal Assistant Secretary for Education and Manpower

Mr H Y CHEUNG
Acting Government Economist

Mr Dominic LEUNG
Assistant Commissioner for Census and Statistics

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

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

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The Deputy Chairman took the chair as the Chairman was unable to attend the meeting.

I. Confirmation of minutes of previous meeting
(LC Paper No. CB(2)2823/02-03)

2. The minutes of meeting held on 19 June 2003 were confirmed.

II. Date of next meeting and items for discussion
(LC Paper Nos. CB(2)2822/02-03(01) and (02))

3. Members agreed that the next meeting would be held in October 2003 after the commencement of the 2003-04 legislative session.

4. Referring to the list of outstanding items for discussion (LC Paper No. CB(2)2822/02-03(02)), the Deputy Chairman said that after discussing with the Administration, it was proposed that items 1, 2, 3, 4 and 6 should be deleted from the list, and that the Administration would provide further information on items 5 and 11 before deciding on whether they should be deleted. Members agreed.

III. Youth Work Experience and Training Scheme
(LC Paper No. CB(2)2822/02-03(03) and (04))

5. At the request of the Permanent Secretary for Economic Development and Labour (Labour)/Commissioner for Labour (PSL), members agreed that items III and IV of the original agenda concerning "Youth Work Experience and Skills Enhancement Programme for the Manufacturing Industry" (the Programme), which was under the Youth Work Experience and Training Scheme (YWETS), and "Progress Report on YWETS" respectively, be discussed at the same time. PSL briefed members on the background of the Programme and the progress of YWETS as set out in the Administration's papers. He added that four briefing sessions on the Programme would be conducted on 23 July 2003. As regards YWETS, 6 250 trainees had been successfully placed in training vacancies and that 5 226 trainees were placed in other jobs in the open employment market with the advice and assistance of their case managers as of to date.

6. Mr CHEUNG Man-kwong noted that one of the programmes under the YWETS was to create 200 teaching assistant posts for young people with secondary education level attainment to assist in extra-curricular activities. While he supported the programme, he considered that young people with tertiary education attainment should also be eligible for the job. He pointed out that the reduction in classes and teaching positions in primary and secondary schools as a result of decline of birth rate had already left hundreds of teachers redundant. With some 1 000 fresh graduates

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from the Hong Kong Institute of Education and universities this year, they had great difficulty in finding a teaching job under the current situation. As lots of resources had been used to develop university graduates and their parents had great expectations on them, it was important to help these young people find their first job. He requested the Administration to consider expanding the teaching assistant programme in terms of size and eligibility criteria to include degree holders. He pointed out that the programme would be beneficial to students, fresh graduates and the parents alike.

7. Mr CHEUNG also expressed concern that YWETS was targeted at young people aged 15 to 24 with education attainment below degree level only. As many fresh university graduates had already resorted to taking junior jobs rather than laying idle, Mr CHEUNG questioned the rationale for excluding degree holders from YWETS. He pointed out that it would be a waste of human resources if trained personnel and talents were not given a chance to develop their potential. Mr CHEUNG therefore urged the Administration not to impose restriction on education attainment under YWETS. In his view, relaxation of eligibility criteria would help relieve unemployment, alleviate discontent among young people, and maintain social stability.

8. PSL responded that it was necessary to explore with the Subsidized Primary Schools Council and the Subsidized Secondary Schools Council the feasibility of creating more teaching assistant posts for young people with tertiary education level attainment. As regards the scope of YWETS, PSL said that the funding of the Scheme was approved by the Finance Committee on the basis of helping young people aged 15 to 24 with education attainment below degree level with a view to enhancing their employability. As the Government had frozen recruitment of civil servants, fresh graduates would face employment difficulties. To ease the situation, the Administration would launch the Graduate Employment Training Scheme (GETS) in August this year. Under the Scheme, 2 000 training places with a duration of six months would be created for university graduates from local institutions and those returning from abroad. Employers participating in GETS would be entitled to receive a training subsidy of \$2,000 per trainee per month during the training period. The Labour Department was allocated a provision of \$26 million for this Scheme. Meanwhile, the Government would be creating 8 300 temporary jobs lasting for six months for young people to ease high unemployment among youngster. PSL assured members that the Administration would continue to try its best to resolve unemployment among young people.

9. Mr CHEUNG Man-kwong requested the Administration to provide in due course a progress report on the number of graduates of the Hong Kong Institute of Education and universities being recruited under the different employment programmes launched by the Government.

10. Ms LI Fung-ying said that she supported YWETS. She pointed out that if university graduates found it difficult to find a job, then Form 3 school leavers would

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be in an even harder position. It was therefore important for those who could not continue education in mainstream schools to acquire special skills to enhance their employability. To this end, she supported that YWETS be offered on a continuous basis. Noting that some of the training course under YWETS lasted for only six months, including a 40-hour induction course, Ms LI expressed concern that trainees were given insufficient time for on-the-job training. If trainees were terminated at the end of the training period and could not find another job, then all the training effort rendered by employers under YWETS and the resources spent by the Government would have been wasted. Ms LI therefore asked the Administration to consider increasing resources for the purpose of extending the period for practical training.

11. PSL said that in order to encourage participation from employers, they were given the flexibility to decide on the duration for on-the-job training based on the nature and demand of the job concerned. Nevertheless, employers were encouraged to provide one-year on-the-job training as far as practicable. Director of YWETS supplemented that the subsidy of \$2,000 per trainee per month sought to cover the training costs incurred by an employer. The Administration attached great importance to the content of the training course and would review its content whenever there was a vacancy offered by an employer. Some of the training courses were straightforward and did not warrant a long period of on-the-job training, for instance, training on delivery and dispatch services. However, projects such as "IT Seeds" were more technical and required a training period of one year.

12. Ms LI was disappointed that the Programme was only offered to young people with an education level of Form 5 and above. She considered that young people with an education level of Form 3 in particular needed training to acquire specialized skills. PSL said that certain programmes under YWETS were offered to young people with an education level of Form 3. However, the Programme was tailor-made to equip trainees to take up future employment in the manufacturing industry. Under the Programme, trainees were required to attend off-the-job vocational training courses offered by recognized training institutions such as the Hong Kong Polytechnic University and Vocational Training Council. The minimum entry requirement for the Programme, as set by the organisers, was therefore Form 5 graduates. Upon satisfactory completion of on-the-job training, trainees would receive a certificate from their employers specifying the skills attained and their period of employment. Employers were encouraged to continue to employ those trainees who had performed well during the training period.

13. Ms LI asked whether an employer who wished to continue employing a trainee at the end of a 6-month training period would continue to receive subsidy from the Government, and if not, whether and how the employer could apply for an extension. PSL responded that application for extension of subsidy would be considered on a case-by-case basis, taking into account the aspiration of the employer concerned and the resources available.

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14. Noting that some trainees might be given the opportunity of short-term attachment training at their employers' production plants in the Mainland, Ms LI asked whether the trainees concerned were covered by insurance policy while working in the Mainland. PSL confirmed that the manufacturers participating in the Programme must have their companies and offices registered in Hong Kong. As employers, they were obliged to take out insurance policy for their employees under the laws of Hong Kong, irrespective whether the employee concerned was working in the Mainland or in Hong Kong.

(The meeting adjourned at 3:05 pm and resumed at 3:15pm.)

IV. Review of Continuing Education Fund
(LC Paper No. CB(2)2822/02-03(05))

15. Principal Assistant Secretary for Education and Manpower (PASEM) briefed members on the outcome of the review on the Continuing Education Fund (CEF) and the recommendations arising therefrom as set out in the Administration's paper.

16. Ms LI Fung-ying said that she was disappointed with the result of the review. She remained of the view that the scope of CEF, which covered courses on only four sectors (logistics, financial services, China business and tourism) and three generic domains (language, design and interpersonal and intrapersonal skills for the workplace), was too narrow and short-sighted. Although the Administration had encouraged people to develop local economy and creative industry, the CEF, even after the review, had not proposed any assistance to nurture talents in these two sectors, let alone other sectors. While she conceded that degree holders should pursue continuing education, she did not see the need for such pursuit to be funded by CEF. She considered that the review had been conducted in a bureaucratic manner, without exploring the alternative to benefit more sectors. She questioned how the review was conducted, what parties had been consulted and the basis for recommending relaxation of the eligibility criteria to include degree holders.

17. PASEM explained that the review was commissioned to an independent consultant who had made reference to two other surveys conducted by the Census and Statistics Department (C&SD), namely the Household Survey on Employment Concerns and Training Needs and Establishment Survey on Manpower Training and Job Skills Requirements. The recommendation to relax the eligibility criteria to include degree holders was based on two considerations. First, many of the respondents had expressed the need for CEF to include degree holders. Secondly, taking into account the current utilization rate of CEF, it was anticipated that the recommendation would not have enormous impact on the funding available to the other eligible applicants. In fact, consideration had been given to include degree holders even before the establishment of CEF. It was out of resources consideration that CEF was restricted to non-degree holders.

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18. Miss CHAN Yuen-han and Mr LEUNG Yiu-chung shared the view that the scope of CEF should be expanded to include other sectors. Miss CHAN pointed out that with the signing of the Closer Economic Partnership Arrangement (CEPA) and other new economic developments, there was a need for the Administration to relax the scope of CEF to prepare workers of the relevant industry sectors to take up new challenges and opportunities. Mr Michael MAK declared interest as he was eligible for applying CEF under the new proposal. He requested the Administration to consider including the medical and health sector into CEF, as health care workers were obliged by their profession to pursue continuing education to upgrade their skill and knowledge. He added that at present, many of them were pursuing continuing education at their own expense.

19. PASEM assured members that the Administration was well aware that there were other potential sectors or domains to which CEF might extend. To take this forward, the Administration would consult academics, business figures and other stakeholders and consider the appropriateness of including these sectors under CEF. The Administration would also made reference to the projection results of the Report on Manpower Projection to 2007 (MP2007). In response to members' question on the timetable of the consultation, PASEM said that it would be completed by the end of this year or early next year. The Administration would report to the Panel on its recommendations in due course.

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20. The Deputy Chairman asked about the industry sectors which had demanded relaxation of the eligibility criteria of CEF and whether the creative industry was one of them. PASEM replied that the creative industry had not voiced strong demand for inclusion into CEF. Nevertheless, design, which involved creativity, was one of the three domains provided under CEF. Ms LI Fung-ying queried about the criteria adopted by the Administration in assessing a sector's demand for inclusion into CEF. Miss CHAN Yuen-han was not convinced that the creativity industry had not voiced strong demand. PASEM said that based on the two surveys, the industry sectors that were suggested most for inclusion were IT, manufacturing and hotel and catering. The generic domains that were suggested most were computer knowledge and management skills.

21. Noting that the total amount of fund committed under CEF was \$310 million since its commencement in June 2002, Miss CHAN Yuen-han asked whether the sum was financed by the interest income derived from the \$5 billion CEF. PASEM clarified that CEF was operated under a capital account, it was not an independent fund so it did not have interest income.

22. Miss CHAN Yuen-han said that over the years, many schemes and funds were introduced in a piecemeal manner to improve knowledge and skills of workers. To avoid duplication of resources, she urged that the Administration should provide a comprehensive plan setting out medium and long term strategies for manpower

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training and development. PASEM said that the various programmes were introduced to address the needs of different groups of people. The ultimate purpose was to upgrade workers' skills and work standards. He assured members that the Administration had been co-ordinating the different programmes to ensure that effort had not been duplicated.

23. Mr Michael MAK asked whether the reasons for low awareness of CEF in the population (33%) was due to the cumbersome application procedure. PASEM replied in the negative. He said that 82% of the applicants were satisfied with the application procedure of CEF which was quite straightforward. He admitted that the demand for CEF was below the Administration's projection made in April 2002, when funding was sought from the Finance Committee. However, with over 31 000 applicants approved of the funding since June 2002, the response was considered fair. When CEF was relaxed to include degree holders in September 2003, it was expected the demand for CEF would increase and more people would benefit. In further response to Mr MAK's question on promotional campaign to increase awareness, PASEM said that the Administration would step up its effort in this area. The publicity plan would include, among other things, broadcasting of Announcement of Public Interest on television and radio, placing advertisements on public transport, road shows, etc.

24. Mr LEUNG Yiu-chung asked about the detailed breakdown on the application statistics. PASEM said that of the 32 000 approved applications up to mid-July 2003, 40% of the courses were related to financial services, 20% to languages, 15% to logistics, 10% to design and the remaining to tourism and China business. Mr LEUNG also asked about the range of course fees. PASEM responded that 80% of the approved courses were below \$10,000. To this end, 77% of applicants considered that the Government's subsidy of courses was reasonable. The highest fee recorded for an approved course was \$190,000. In response to the Deputy Chairman, PASEM undertook to provide more statistical information relating to applications of CEF in writing.

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(Post-meeting note : The statistical information provided by the Administration was issued to members vide LC Paper No. CB(2) 2955/02-03 on 7 August 2003.)

25. Mr LEUNG said that the Administration must have in mind the aspiration of degree holders in taking courses under CEF, such as the type of courses they would take, the amount of course fees they were prepared to pay, etc. He pointed out that the relaxation of eligibility criteria might not achieve the desired results if, for example, the subsidy granted to degree holders was insufficient. PASEM said that he expected the type of training required of by degree holders would be in the areas of language, information technology and management, same as the outcome revealed in the surveys. The Administration remained of the view that the amount of subsidy was reasonable. It had no intention to increase the level of subsidy at this stage as this would impact on the number of people benefited from CEF.

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V. Manpower projection to 2007
(LC Paper No. CB(2)2772/02-03(01))

26. Government Economist (Acting) (GE) gave a presentation on the findings of MP2007 with the aid of power point, the content of which was the same as that of the Administration's paper.

27. The Deputy Chairman asked how accurate the "Manpower Projection 2005" (MP2005) conducted in 2000 was. GE replied that there existed some discrepancy between the projected manpower requirement in MP 2005 and the actual outcome in early 2003, partly due to some unforeseen external factors such as global economic downturn, the 11 September 2001 incident and the war in Iraq. These had dampened overall economic activity and hence labour demand. More recently, the outbreak of the Severe Acute Respiratory Syndrome (SARS) had aggravated the situation further, with enterprises streamlining their operation by a greater scale than expected. One major purpose of MP 2007 was to keep track of the latest economic developments and update the projection of MP 2005.

28. Noting that MP2007 projected that there would be surplus in manpower with lower educational attainment, Miss CHAN Yuen-han expressed concern that this group of people, in particular those who had difficulty in catching up with training programmes, could not benefit from the training courses offered by the Government. She pointed out that in the United Kingdom, there were effective programmes to help low skill workers. She said that the Administration should introduce effective measures to help this group of people. As regards unemployment, she disagreed with the figures estimated by C&SD. According to her estimation, the number of unemployed workers run as high as 200 000 and that the unemployment rate would soon reach 10%. She asked about the Administration's strategy to tackle the problem.

29. Deputy Secretary for Education and Manpower (DSEM) said that the directions adopted by the Administration to tackle the problem of manpower mismatch between manpower requirement and supply included increasing education opportunities, diversifying learning options and promoting continuing education. The proposed measures, as detailed in the Administration's paper, included the following -

- (a) All Form 3 school leavers were provided with subsidized education and training with effect from 2002-03 school year;
- (b) The Project Yi Jin was introduced in 2001 to provide alternative progression pathway to Form 5 school leavers. Apart from formal academic subjects, eight senior secondary schools which provided diversified curriculum would start operations in the 2003-04 academic year to offer 12 career-oriented subjects for interested students. The purpose was to provide senior secondary school students with a diversity of options and to enable them to understand their abilities and

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aptitudes with a view to better planning for their future learning and employment. The provision of these alternative routes to young people would help provide them with better articulation opportunities to obtain higher qualifications;

- (c) To help Hong Kong's workforce prepare for transformation into acknowledged-based economy, CEF commenced operation in June 2002 to encourage and subsidize workers to pursue continuing education in a number of economic sectors and areas of skills which the workforce most needed;
- (d) To enhance the competitiveness and employability of workers with low educational attainment, the Skills Upgrading Scheme was introduced in September 2001 to provide industry specific and focused skills training for workers with secondary education and below;
- (e) To meet the manpower requirements of the market, more opportunities would be provided to young people of the relevant age group to receive tertiary education. The target was to achieve by 2010 a participation rate of 60% from the relevant age group; and
- (f) In the longer term, a qualification framework (QF) which attested and linked the standards of vocational and formal educational qualifications would be established. QF would facilitate the recognition of qualifications and be conducive to the development of flexible and multiple progression pathways for learners.

30. Miss CHAN said that the Administration had not addressed the problems faced by people with low education attainment and who had difficulty in catching up with training programmes. She also considered that the measures adopted by the Administration were too short-term. DSEM said that while he noted that Miss CHAN was concerned about employment opportunities for low skill workers, the Education and Manpower Bureau (EMB) could only address the problem from the perspective of education and training with a view to enhancing employability of workers. He said that the Skills Upgrading Scheme and retraining services were targeted at low skill workers.

31. To address Miss CHAN's concern about the difficulty of workers in catching up training programmes, DSEM said that QF would help workers draw up their road maps to upgrade their skills and pursue lifelong learning. The Administration had made reference to overseas experience such as the recognition of prior learning and would apply it to the proposed QF. The qualifications under QF would be consisted of eight levels including an open-ended entry level. There would be specific learning outcomes and standards for each level of qualification in respect of individual industries. These would be supported by accredited training packages. The

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development process would be elaborated involving identification of skills and standards required for different levels of jobs in the industry. They would form the basis for specifying the learning outcome for each level of qualification and the corresponding assessment criteria. Training providers would design training programmes accordingly. The training packages would be developed with the collaborated efforts of employers, employees, training providers and the Government.

32. Miss CHAN Yuen-han pointed out when MP2007 was prepared, the detailed offers of CEPA such as 273 classes of goods from Hong Kong would enjoy zero import tariff treatment and Hong Kong firms involved in 17 sectors would have earlier access to the Mainland markets had not been disclosed. Under the circumstance, she asked how the Administration could accurately project the manpower requirement by economic sectors. GE replied that in preparing MP 2007, C&SD had collected views from industries and enterprises about the economic and trading relationship with the Mainland. The respondents generally were aware of CEPA in broad terms, although admittedly the specific details were not yet available at that time. The consensus view was that CEPA would have a positive impact on Hong Kong's economy and employment. This view had been reflected in MP 2007.

33. Ms LI Fung-ying said that according to the findings of MP2007, people with high education attainment had a bright prospect but this was not the case in reality. At present, many fresh graduates from tertiary institutions were jobless. In this connection, Ms LI queried whether the projection was over optimistic. GE said that the seasonally adjusted unemployment rate in the second quarter of 2003 had increased to 8.6%. This largely reflected the adverse impact of SARS on the labour market. The rise in unemployment rate was most apparent amongst persons aged between 15 and 24. A considerable proportion of them comprised fresh graduates and school leavers with little working experience. Yet, the SARS impact was only short-term in nature and the economy was expected to revive over time. Granting that the economy would return to a more stable growth path after the current setback, the present assessment pointed to a gradually improved aggregate manpower resource balance in the medium term period up to 2007. MP 2007 also took into account in broad terms the business opportunities brought about by CEPA, which was expected to lift the demand for workers, especially those with higher educational attainment.

34. Ms LI was dissatisfied that CEF only proposed to relax the eligibility criteria in terms of education attainment but not by sector. She asked about the basis for confining the courses in the four sectors. DSEM said that the Administration recognized that there were other potential sectors or domains to which the CEF might extend. The Administration welcomed suggestions from members and other parties, with the aim to making CEF more pertinent to market needs.

35. Referring to Annex 3 to the Report on MP2007 concerning the 10 highest economic sectors ranked by absolute increase in manpower requirement over 2001-07, Mr LEE Cheuk-yan commented that the manpower demand might not be as rosy

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as depicted. He cited for example that the construction sector, which ranked third, had transferred much of its operation into the Mainland. Similarly, the real estate sector, which ranked eighth, experienced great drop in business in recent years. He expressed concern that the manpower projection might be too optimistic. He pointed out that even though the economy was expected to grow in 2007, it was uncertain whether the local job market would benefit from such a growth.

36. Assistant Commissioner for C&SD said that there could be deviation in all projections but he reckoned that the manpower demand by 2007 might not be as pessimistic as Mr LEE expected. He explained that MP2007 was based on inputs from quite a number of sources. It had made reference to past trend, latest economic developments, and views of academia, government departments, business, labour and related organizations collected during consultations. He clarified that the group Mr LEE referred to, i.e. construction (excluding on-site manual workers), was in that part of the construction sector which did not include site workers in construction projects, the demand of which was expected to fall over 2001-07. The increased requirement for non-site workers was expected to come from such tasks as repair and maintenance of existing buildings and road, demolition of illegal structure, etc, which were covered by the projection group Mr LEE was referring to.

37 Mr LEE Cheuk-yan said that the Administration should propose other means to address the mismatch between manpower requirement and supply apart from education and training. He asked whether the Administration would consider setting up an inter-departmental working group to study the manpower needs of various sectors and to ensure the manpower requirements for these sectors were sufficiently met, in order to strive for the optimal and efficient use of human resources and to underpin economic growth.

38. DSEM said that the Report on MP2007 had been distributed to various government departments and bureaux for information and action. A meeting had been held with policy bureaux to discuss the implications of MP2007, the prominent issues identified and how to meet the manpower demand of the various sectors. Some bureaux and departments had made further enquiries about MP2007 after the meeting. EMB would provide assistance to these bureaux if needed. In addition, a meeting would be held on 23 July 2003 to brief training institutions of the findings of MP2007, so that they could get prepared for designing courses to meet market needs.

39. Mr LEE said that a single meeting could not help resolve the problem of manpower mismatch. He suggested that a letter be sent to the Financial Secretary requesting an inter-departmental working group be formed to study economic and manpower development and to take follow-up actions in the light of the problems identified in MP2007. He said that LegCo could also form a working group to follow up the matter.

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(Post-meeting note : The aforementioned letter was sent to the Financial Secretary on 22 July 2003.)

40. The meeting ended at 4:50 pm.

Council Business Division 2
Legislative Council Secretariat
26 August 2003