

**LegCo Panel on Manpower
(Meeting on 6 May 2003)**

**Severe Acute Respiratory Syndrome:
Proposed Employment Relief Measures**

Purpose

This paper briefs Members on Government's proposed employment relief measures in response to the outbreak of the Severe Acute Respiratory Syndrome (SARS).

Background

2. The outbreak of SARS in March this year in Hong Kong has brought about a slowdown in our economic activities. Businesses in a number of sectors, notably catering, tourism, hotel and retail, have been hard hit. There have been a number of business closures and suspension, and employees affected have been laid off or are taking no-pay leave.

3. On 23 April 2003, the Administration proposed a package of relief measures costing about \$11.8 billion to help the community tide over the difficulties resulting from SARS and to revive the economy after the disease is brought under control. Within the package are five job creation and training initiatives costing \$432 million. Together, they will create 11 500 temporary jobs and 10 000 short-term training places. These proposed measures are outlined below. Members may refer to the Annexes for detail. This employment-cum-training package has been devised with the following objectives in mind:

- to create short-term job opportunities to ease unemployment;
- to turn the adversity caused by SARS into an opportunity for skills enhancement and development for employees in the worst hit sectors through creation of short-term training places;
- to help clean up Hong Kong and promote personal hygiene amongst the disadvantaged groups; and

- to foster social cohesion and community building by helping the needy and disadvantaged through service provided by temporary workers.

The Initiatives

Skills Enhancement Project

4. With the steep slowdown of business activities in tourism, hotel, retail and catering industries, employees affected are either unemployed or are taking no-pay leave pending the revival of business. These employees may make the best use of this interim period to enhance their skills before re-employment. To help them turn adversity into opportunity by equipping them with improved skills for future challenges in their career, we will provide special tailor-made skills enhancement training for employees in those sectors. The training will have two components, namely trade-specific skills enhancement training and complementary generic training. The two components are proposed to be delivered by the Skills Upgrading Scheme Secretariat (SUSS) and the Employees Retraining Board (ERB) as training agents of the Government. The training will last for two months. Some 10 000 training places will be provided for unemployed workers previously engaged or workers on temporary no-pay leave in the catering, retail and tourism industries. The training includes specialised trade-specific skills enhancement courses to be provided by SUSS and soft skills such as work ethics, occupational safety and health hygiene, language and IT to be offered by ERB. Each participant of the course will receive a special monthly allowance of \$4 000 during the training period. We estimate that about \$150 million will be required to implement this initiative. Details are set out at *Annex A*.

Improvement of environmental hygiene for vulnerable groups

5. Amidst the fight to contain the spread of SARS, particular attention has been given to assisting the elderly living alone in carrying out the necessary precautionary measures on personal and household hygiene. Community efforts and volunteers have been mobilised by the Social Welfare Department (SWD) and Non-Governmental Organisations (NGO) to pay concern visits to these elderly residents distributing health advice, face masks, and cleansing materials as well as mobilising volunteers to do the household cleaning for them. In line with the stated objectives to promote personal hygiene, create short-term job opportunities and foster community building and mutual concern, we welcome the initiative to mount

a special operation to provide household cleaning and minor household repair services to elderly residents and other vulnerable groups. This initiative will be carried out by SWD in full collaboration with NGOs.

6. The operation is intended to provide a total of 4 500 jobs for a period of three months, broken down as follows --

- (a) 2 500 non-skilled worker jobs at a monthly salary of \$5,500 to provide free household cleaning service to elders and people with disabilities living alone. These workers will be directly employed by NGOs commissioned by SWD to undertake the operation. Clients will include all the 47 000 vulnerable elders currently networked by the NGOs' Support Teams for Elders, people with disabilities currently waitlisting for day or residential services and others to be identified through various sources. We expect to serve over 100 000 clients. The estimated expenditure is about \$50 million; and
- (b) 2 000 semi-skilled jobs for unemployed construction workers at a monthly salary of \$7 000 to provide minor repairs and other patching up work for elders, people with disabilities and other vulnerable families. These workers will be directly employed by NGOs commissioned by SWD to undertake the operation. Clients will include those referred from the above cleansing teams, existing SWD/NGO centres serving vulnerable families and others to be identified by various sources. It is more difficult to assess the number of beneficiary families at this stage. The estimated expenditure is about \$52 million.

Details of the two initiatives under this operation are set out at Annex B.

7. These posts are time-limited in nature. However, since more and more NGOs are now engaged in employment support services under the Support For Self-reliance Scheme for Comprehensive Social Security Assistance clients, the involvement of NGOs in this operation will help improve accessibility of support services, such as child care, family counselling, etc, to the unemployed. The work involved in organising these cleaning and household repair teams will also give NGOs the relevant

experience in running further employment assistance projects.

8. From the service users' point of view, while the household cleaning and repairs to promote environmental hygiene is a one-off campaign, elders or people with disabilities identified in this operation who are not already existing clients of the social support network will be introduced or referred to the services they need, such as the Integrated Home Care Services Teams for elders or the Home-Based Training Teams for people with disabilities. Participating NGOs may also match volunteers to support the needy elders on an ongoing basis.

Promotion of local domestic helpers (LDHs)

9. With a soaring demand for home cleaning service, we see the opportunity to promote the service of LDHs. Many LDHs prefer to work in the vicinity of their residence to avoid high transport cost and long travelling time. They are also more willing to work during the day time so that they may take care of their own families in the evening whereas many employers would like LDHs to prepare the evening meal and do the washing of dishes afterwards. Such geographical and time mismatch has resulted in a large number of LDH vacancies unfilled and hindered the expansion of the LDH market.

10. To address the mismatch, we propose to offer incentive allowance to LDHs who are willing to work across the harbour and during unsocial hours. This should help spur the expansion of the market. We propose to provide incentive allowance for 4 000 ERB retrainees who have received retraining under ERB's Integrated Scheme for LDHs and have obtained the competency card. The estimated expenditure of this programme is about \$30 million (*Annex C*).

Improvement in Environmental Hygiene

11. As a result of the outbreak of SARS, there has been growing awareness in the community on the importance of keeping a clean and healthy environment. The Food and Environmental Hygiene Department (FEHD) will create 3 000 temporary jobs for six months to reinforce the Government's efforts in cleaning up Hong Kong. The expenditure is estimated at \$150 million.

12. FEHD plans to contract out this work, thereby providing, additional to employment, also business opportunities in the private sector. Furthermore, it will be very difficult for FEHD to manage and directly

supervise an additional 3 000 staff. To protect the interest of the workers, FEHD will follow the guideline issued by the Financial Services and Treasury Bureau on the engagement and monitoring of Government service contracts. FEHD will require the contractors to specify in their proposals the wages and working hours of their staff. The Department will monitor closely compliance by contractors and follow up on any complaints from the workers. FEHD will also require the contractors to provide adequate protective gears, such as face masks and gloves, to the workers to ensure work safety (*Annex D*).

Way Forward

13. The above relief measures will cost \$432 million and benefit about 21 500 persons. Following consultation with the LegCo Panel on Manpower, we will seek funding approval from the Finance Committee on 16 May 2003. Thereafter, all the initiatives will be implemented.

Economic Development and Labour Bureau (Labour Branch)
May 2003

Skills Enhancement Project

The Skills Enhancement Project is designed to provide short-term condensed skills improvement and upgrading courses to unemployed workers in the catering, retail and tourism sectors or workers in these sectors who are temporarily suspended from employment without pay because of the downturn in business as a result of the outbreak of SARS. This initiative aims to turn the adversity of unemployment into an opportunity for investing in our workforce in terms of skills development. Not only would this project engage these workers gainfully when the employment market is in the doldrums, it would also add value to the employees themselves and further equip them to re-enter the labour market when the economy revives.

2. The project has two components, namely trade-specific skills enhancement training and complementary generic training. The Skills Upgrading Scheme Secretariat (SUSS) (based in the Vocational Training Council) will be the training agent for the former whilst the Employees Retraining Board (ERB) for the latter. The training will last for two months (each component lasting four weeks) and cater for 10 000 unemployed workers in the restaurant, retail and tourism industries or workers from these sectors who are on extended no-pay leave. Each participant will be eligible for a special monthly allowance of \$4 000 for the whole period of training.

Eligibility

3. The applicants' current or last employment must be in the restaurant, retail or tourism sector. They must provide the name and address of their current/previous employers in the relevant trade and the period of the employment. Unemployed applicants must provide proof of their previous employment in the relevant trades (e.g. termination letters, wage bills, employers' reference letters etc) or to make a declaration on their previous employment and current unemployment status. Applicants who are on no-pay leave must provide proof of their status (e.g. documentary proof from their current employers) or make a declaration of their employment status. To ensure that the skills enhancement training will be provided to those who

need it most, workers who have previously received the same industry training under the Skills Upgrading Scheme would not be eligible for the Skills Enhancement Project.

Special Allowances

4. A special allowance of \$4000 per month will be paid to each participant. Payment will be made by two instalments of every four weeks of training completed, subject to a 90% attendance rate of each component. Allowance will be payable according to the actual attendance of participants at \$200 per day. This means no payment will be made in respect of days absent.

Operation

5. The training comprises a period of four weeks of trade specific skills-enhancing (TSSE) courses followed by another four weeks of generic skills training. In the first four weeks, there will be 5 000 TSSE training opportunities made up of around 1 500 places for retail trade, 1 150 places for restaurant, 600 places for hotel and 1 750 places for tourism sectors. In the second month, the first batch of participants, after undergoing the TSSE courses, will receive four weeks of generic training. Concurrently, the second batch of participants will undergo TSSE courses. In the third month, the second batch will receive generic training. The training programme will be completed in three months.

6. Some simple streaming for the generic module on English will be carried out based on the options of trainees on two levels (elementary and higher) to ensure that the level of English training meets the need of participants.

7. Random check will be conducted by the SUSS and ERB on the delivery of courses by training bodies. In the event that participants drop out within the first three days of the training period of the courses or after completion of the TSSE part of the whole course, replacement will be found to fill the vacant places from the waiting lists or through second round enrolment in case the number of applicants fall below 10 000 places available.

Course content

TSSE Courses

8. The contents of the TSSE courses are highlighted as follows:

A. Retail Industry

(i) Integrated Course for Retail Industry

- Shop Management and Customer Services
- Staff Management
- Merchandise Sale and Visual Merchandising
- Finance Management
- Putonghua for Retail
- English for Retail

B. Catering Industry

(i) Integrated Course on Customer Services for Chinese Catering (Attendant)

- Service Culture
- Customer Services
- Food Safety and Hygiene
- Occupational Safety and Health
- Knowledge and Promotion skills on Food Manual
- Knowledge and Practices in Bar Tendering
- Design Theory and Practices for Cantonese Banquet and Dinner Party

(ii) Integrated Course on Kitchen Services for Chinese Catering (Chef)

- Food Safety and Hygiene
- Occupational Safety and Health
- Knowledge and Promotional Skills on Food Manual
- Theory and Practices in Dim Sum Making

- Theory and Practices in Food Making
- Food and Beverage Preparation

C. Hotel Industry

(i) Integrated Course for Hotel Industry

- Quality Service
- Concierge/Security Service
- Food and Beverage Service
- Banquet Management & Operation
- Cleaning & Maintenance
- English for Hotel Industry
- Putonghua for Hotel Industry

D. Tourism Industry

(i) Integrated Tour Guide Training Course

- Comprehensive Tour Guide Training
- Computer Operation and Applications for the Tourism Industry
- English/Putonghua for Tourism Industry
- Quality Service

(ii) Integrated Course for Tourism Industry

- Computer Operation and Applications for the Tourism Industry
- English/Putonghua for Tourism
- Basic Ticketing Skills
- Basic Outbound Tour Escort Skills
- Basic Tour Guide Skills
- Basic Eco-tourism and Heritage
- Quality Service

Generic Courses

9. The 4-week generic training mainly comprises soft skills, language and information technology (IT) training. Soft skills training covers presentation techniques, job search skills, team work, change management, etc. Training on occupational safety and health, hygiene and first aid will also be provided. For the language training part, two levels of English training will be offered to cater for different educational background of trainees and their preferences. The higher level English module is also designed to assist trainees to prepare for examinations recognised under the Workplace English Campaign. The IT training modules aim to equip trainees with basic knowledge of computer operation as well as basic word processing techniques.

Implementation timetable

10. Application will be invited from 19 May 2003 to noon, 24 May 2003 and courses will commence on 2 June 2003. All 10 000 participants are expected to complete the training within three months (i.e. end-August 2003).

Financial Implications

11. The cost of the TSSE training of the Project will be charged to the existing commitment approved under the Skills Upgrading Scheme. To provide for the special allowance, provision of generic courses and administration of the Scheme, the Project will separately require a one-off funding of about \$150 million, broken down as follows:

Generic skills training (\$30/hour x 120 hours x 10 000 places)	\$36 m
Special allowances (\$4 000/month x 2 x 10 000 places)	\$80 m
Administration cost (including enrolment, employing temporary staff, printing and publicity, etc)	\$3.5 m

*Provision for variation

\$30.5 m

Total : **\$150 m**

** We will consider how to make best use of this provision to fund additional skills enhancement activities after taking into account the feedbacks of the participants, the needs of the industries and the employment and training situation of the affected employees mid-way through the project.*

Special Operation to Improve Environmental Hygiene for Elders and Vulnerable Groups

Purpose

The Operation (to be given a name and a slogan in due course) is designed to improve the general household environment of elders living alone and other vulnerable groups who are less capable of self-care. Apart from tangible benefits of a cleaner and brighter living environment for these vulnerable groups, the initiative aims also to foster community care and lay a more solid ground for continuous support to the more disadvantaged members of the community.

Details of the Cleansing Operation

2. We intend to use the existing network of District Elderly Community Centre (DECC) and their outreaching arm, Support Teams for the Elderly (STE), as the main operators of this initiative. There are 40 DECCs over the territory with demarcated boundaries. Each has a funded STE to reach out to vulnerable elders whose personal particulars and assessed needs are maintained in a comprehensive database. As at end March 2003, there were 47 112 elders on the STE database. To facilitate identification of other clients including people with disabilities, we intend to commission on top of these 40 DECCs, other district or local NGOs including women's associations, kaifong associations, etc. to carry out the cleansing work. These additional operators will be identified by SWD's District Social Welfare Offices (DSWO). We also welcome referral of clients from District Councils, Offices of DC Members, housing estates management or self-referrals through publicity to be done at a territory-wide and district level.

3. Based on the available man-hours from a workforce of 2 500 workers for three months, we should be able to serve over 100 000 households. These workers will be employed directly by the NGO operators. SWD will draw up general guidelines on what to cover in the

household cleansing task with the needed advice from Department of Health in relation to preventing the spread of SARS, dengue fever or other public hygiene concerns. Leaflets and consumables will be standardised as far as possible.

4. Each NGO operator will receive from SWD a lump sum grant calculated on the basis of the number of workers allocated to that team. The grant will cover --

- (a) wages at \$5,500 per month plus employer's Mandatory Provident Fund contribution and employees' insurance. This item alone will take up some \$44 to \$45 million of the estimated expenditure. Generally we expect workers to be employed on a full-time basis for the three-month period but shared jobs justified for some workers such as single parents is permissible;
- (b) administrative overheads at a modest percentage to enable the operator to engage some extra part-time staff to organise the operation; and
- (c) provision for protective materials, consumables, etc.

Details of the Household Repairs Operation

5. As household repair is not a normal activity of SWD, we do not have an existing network that we could mobilise to undertake this operation. We have approached a few NGOs that are implementing such household repairs scheme for elders as a voluntary service with construction workers as volunteers. They have all indicated interest to take part in this operation. SWD's DSWOs are identifying more such NGOs with relevant experience at the district level.

6. Households in need of such repairs service will be identified through the cleansing teams. Our DSWOs will also receive referrals from other sources including District Council Members and match these to the relevant operator. Since a majority of the beneficiaries are living in public rental housing, SWD will discuss with the Housing Department with a view to drawing up a scope of the repairs work to be covered and an agreement to

receive referral from these teams if more work related to building structure and services such as pipe and drains is identified. We generally expect the repairs to be minor and non-structural in nature. Repainting will be carried out on a need basis subject to the wish and consent of the occupant.

7. Each NGO operator will receive from SWD a lump sum grant calculated on the basis of the number of workers allocated to that team. The grant will cover --

- (a) wages at \$7,000 per month plus employer's Mandatory Provident Fund contribution and employees' insurance. This item alone will take up some \$45 to \$46 million of the estimated expenditure. Generally we expect workers to be employed on a full-time basis for the three-month period but shared jobs justified for some workers such as single parents is permissible;
- (b) administrative overheads at a modest percentage to enable the operator to engage some extra part-time staff to organise the operation; and
- (c) provision for materials, consumables, etc.

Service monitoring

8. As these initiatives are employment-related, SWD will require full compliance and regular reporting on the number of workers employed. Standard terms and conditions of employment will be prescribed by SWD. NGOs may employ such people from their own networks or through the Labour Department's Job Centres as well as referrals from Employees' Retraining Board or relevant trade unions. Output statistics on the number of clients served and follow-up action as identified will also be collated during the operation. As the operation will be carried out on a district basis, SWD's DSWOs will be responsible for liaising with NGO operators, receiving referrals and matching these to operators and service monitoring.

Financial Implications

9. The operation will be financed by a one-off funding commitment of

\$102 million with the Director of Social Welfare as Controlling Officer, made up of \$50 million for the cleaning component and \$52 million for the household repairs component. Grants will be made to individual NGOs based on the scale of their operation as assessed on the basis of the number of workers allocated. Operating NGOs are required to expend the full amount on the operation and submit financial statements upon conclusion of the operation. Any excess funds will be returned to SWD or to be deployed on purposes related to the operation, such as in providing follow-up assistance to needy elders, with the agreement of SWD. Any other expenses such as publicity or production of leaflets will be absorbed by SWD.

Implementation timetable

10. We expect to start the cleaning operation by late May, to be followed by the household repairs operation in early June. The entire operation will be completed by early September. A complete report will be produced upon conclusion of the operation.

Promotion of Local Domestic Helpers

Purpose

We aim to promote employment opportunities for local domestic helpers (LDHs) by addressing the current mismatch in supply and demand arising from geographic locations and working hours. LDHs are encouraged to fill vacancies in those areas with a constant surplus of job opportunities in and those requiring LDHs to work at unsocial hours (i.e. between 6 p.m. and 9 a.m.). A special allowance will be given to those who have taken up such employment despite geographical and/or time constraints. Most of the jobs in the LDH market are part-time. The travelling time and expenses viz-a-viz the hourly pay would render it unattractive for LDH to take up jobs which require cross-district travel. We hope that the incentive allowance will act as a catalyst and encourage more LDHs from the New Territories and Kowloon to work on Hong Kong Island where the ratio of LDH trainees to vacancies are much higher (e.g. in Central & Western and Wanchai, the ratios of LDH trainees to vacancies are 1:5.6 and 1: 7.4 respectively, much higher than those of Kowloon City and Shatin which stand at 1:2.5 and 1:1.6 respectively). Likewise, the rate of vacancies unfilled for jobs covering working hours from 6:00 p.m. to 9:00 a.m. is 60% as compared with 44.5% for other period. The initiative will benefit 4 000 LDHs.

Eligibility

2. To be eligible for the special allowances, the LDHs must be registrants of the Integrated Scheme for LDHs who are in possession of a competency card issued by the ERB. They must either take up new placements located in districts across the harbour from the LDHs' home with a minimum working hours of two hours or take up new placements with at least two hours of work falling within 6 p.m. to 9 a.m. Job matching and referrals for the placements must be conducted by training bodies under the Integrated Scheme. All participating LDHs must present documentary proof showing the address of their residence and a written declaration

confirming the details of the employment and attendance records certified by their employers.

Allowance

3. LDHs taking up eligible employment will be given a daily incentive allowance of \$50/day and up to a maximum of \$1200 per month. LDHs participating in this scheme may claim the allowance within the six-month period since they are first entitled to the incentive allowance. The incentive allowance will be payable to individual LDHs upon their production of certified monthly attendance records to the concerned training bodies at the end of each month. Each LDH can only claim the incentive allowance for either taking up cross-harbour work or working during unsocial hours. There will not be any double payment. They will also not be allowed to claim the daily allowance twice a day.

Operation

4. The programme will be administered by training bodies under the ERB's Integrated LDH Scheme and coordinated by ERB. To prevent abuse, training bodies and/or the ERB will conduct random check with employers of participating LDHs. Participants' application for payment will be made on a prescribed form and will be endorsed by training bodies upon receipt of employers' certified attendance and/or wage records. Based on the records received from training bodies, ERB will arrange payment of the allowance to participants through bank transfers on a monthly basis. LDHs found to have made false claims will have to repay the whole sum claimed and be debarred from using the services offered by the Integrated Scheme for LDHs for two years.

5. The programme will start in June 2003. A review will be conducted after six months to assess the effectiveness of the programme.

Financial Implications

6. The financial implication is broken down as follows:

Incentive allowances \$28.8 m
(4 000 LDHs) x (\$1 200/month) x 6 months

Administration \$1 m

Publicity \$0.2 m

Total \$30 m

Improvement in Environmental Hygiene

The Food and Environmental Hygiene Department (FEHD) will create about 3000 temporary jobs through service contractors for six months to improve environmental hygiene. The enhanced service will be introduced gradually from May 2003.

Operation

2. The work to be undertaken will include: enhanced cleansing and washing of public places and environmental blackspots; clearing and cleansing of private lanes and common parts of old tenement buildings; minor repair works, including limewashing; intensified rodent and pest control work, including anti-mosquito measures; more frequent cleansing of markets, cooked food centres and hawker sites; and enhanced collection of refuse at on-street dumping spots. We plan to contract out the work so as to create new business as well as job opportunities in the private sector.

Financial Implications

3. Based on our past experience in outsourcing similar work, we estimate that the cost of engaging the service of 3000 workers together with the necessary equipment and protective gears would be around \$150 million.