

Ref : CB2/PL/MP/1

LC Paper No. CB(2) 333/03-04 (These minutes have been seen by the Administration)

## **Panel on Manpower**

# Minutes of meeting held on Tuesday, 21 October 2003 at 4:30 pm in the Chamber of the Legislative Council Building

Members : present	Hon LAU Chin-shek, JP (Chairman) Hon CHAN Kwok-keung, JP (Deputy Chairman) Hon Cyd HO Sau-lan Dr Hon LUI Ming-wah, JP Hon CHAN Yuen-han, 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 Kenneth TING Woo-shou, JP Hon LEE Cheuk-yan Hon LEUNG Yiu-chung Hon Ambrose LAU Hon-chuen, GBS, JP Hon Tommy CHEUNG Yu-yan, JP Hon Frederick FUNG Kin-kee
Public Officers : attending	Item IIIMr Matthew CHEUNG Kin-chung, JPPermanent Secretary for Economic Development and Labour (Labour)/Commissioner for LabourMrs DO PANG Wai-yeeAssistant Commissioner for Labour (Policy Support and Strategy Planning)

	Mr Patrick PANG
	Deputy Executive Director (Course Administration an Development)
	Employees Retraining Board
	Item IV
	Mr Matthew CHEUNG Kin-chung, JP Permanent Secretary for Economic Development and Labour (Labour)/Commissioner for Labour
	Mrs Jenny CHAN
	Assistant Commissioner for Labour (Employees' Rights and Benefits)
	Mr LAI Ka-tong
	Senior Labour Officer
	Labour Department
Clerk in	: Mrs Sharon TONG
attendance	Chief Assistant Secretary (2) 1
	· Miss Dotty MA
Staff in	: Miss Betty MA

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I. Confirmation of minutes of previous meeting and matters arising (LC Paper No. CB(2)81/03-04)

The minutes of meeting held on 9 October 2003 were confirmed.

**II. Date of next meeting and items for discussion** (LC Paper Nos. CB(2)112/03-04(01) and (02))

2. <u>Members</u> agreed that the following items proposed by the Administration be discussed at the next meeting to be held on 20 November 2003 at 2:30 pm -

- (a) Proposed amendments to reinstatement and re-engagement provisions under the Employment Ordinance;
- (b) Amendment of the Vocational Training Council Ordinance; and

(c) Tackling wage offences.

3. <u>Ms LI Fung-ying</u> pointed out that as the contracts of a number of temporary jobs created under the package of job creation projects announced in the Chief Executive's 2000 Policy Address and the 2001 Policy Address would expire in early 2004, the Administration should be requested to provide an up-to-date position of these temporary jobs and its plan for the way forward.

4. <u>Permanent Secretary for Economic Development and Labour</u> (Labour)/Commissioner for Labour (PSL) responded that he was fully aware that some of these temporary jobs would expire in March 2003. However, having regard to the fact that some jobs had just been created, the Administration would not be able to complete a comprehensive review and report to the Panel its way forward at the November meeting. He said that the Administration would revert to the Panel in due course.

Admin 5. <u>The Chairman</u> suggested that the Administration should first provide members with the up-to-date position on the temporary jobs created, pending the completion of the comprehensive review of the way forward for these jobs. <u>The</u> <u>Chairman</u> hoped that the Administration would extend the employment contracts of these temporary jobs as far as practicable.

6. <u>Mr Andrew CHENG</u> expressed concern about the problem of illegal workers in Hong Kong. <u>Mr CHENG</u> suggested that the Administration be invited to brief members on the comprehensive measures taken to combat the problem.

7. <u>The Chairman</u> advised that the Panel on Security would discuss measures to combat illegal employment at its meeting scheduled for 13 November 2003. Members of the Panel on Manpower had been invited to join the discussion of the item. <u>The Chairman</u> said that members might wish to consider whether the Panel would further discuss the matter after the meeting of the Panel on Security.

8. <u>Miss CHAN Yuen-han</u> said that following the signing of the Closer Economic Partnership Arrangement (CEPA) between Hong Kong and the Mainland, the Administration should be invited to brief the Panel how the local employment market would be benefited. <u>PSL</u> said that as the subject matter straddled a number of policy areas, to allow more time for the Administration to prepare the information, he suggested to discuss the item in December 2003. After discussion, <u>members</u> agreed to include the item in the agenda for the next regular meeting in November 2003.

9. In view of the lengthy agenda, <u>members</u> agreed that one of the items mentioned in paragraph 2 above originally scheduled for discussion at the November meeting would be deferred to a future meeting. The Clerk would sort out with the Administration after the meeting. (*Post-meeting note* : The Administration advised that the item concerning tackling wage offences would be discussed at a future meeting of the Panel.)

10. Referring to item 1 of the list of outstanding items for discussion by the Panel (LC Paper No. CB(2) 112/03-04(02)), the Chairman said that members agreed at the meeting on 17 July 2003 that the Administration should provide further information before deciding on whether to delete the issue from the list of outstanding items. The Chairman suggested that the item be deleted from the list since the Administration had provided the information in September 2003. Members agreed.

#### III. Review of the Scheme to Provide Special Incentive Allowance to Local Domestic Helpers (LC Paper No. CB(2)112/03-04(03))

11. <u>PSL</u> briefed members on the progress of the Special Incentive Allowance Scheme (the Scheme) for local domestic helpers (LDHs), and the proposal to modify the implementation arrangements to enable more LDHs to benefit from the Scheme as set out in the Administration's paper.

12. While expressing support for further relaxing the implementation arrangements of the Scheme, the Chairman said that some trade unions of LDHs had pointed out that there were practical situations where LDHs would need to travel long distance even though their workplace was immediately adjacent to the one where they lived, e.g. travelling from Tai Po District to Shatin District. As the demarcation of District Council districts was not the same, the travel distance from one district to another would vary greatly. The Administration might consider providing incentive allowance to LDHs who had to work across districts in the New Territories. The Chairman further said that some LDHs had expressed concern about the abolition of fare concession offered by public transport companies.

13. <u>PSL</u> responded that the provision of incentive allowance to LDHs who were willing to take up jobs that were far from their residence was to address the problem of geographic mismatch. If incentive allowance was offered to those LDHs whose workplace was immediately adjacent to their residence, it might give rise to the situation where the travel distance between home and workplace was within walking distance. This would defeat the purpose of introducing the Scheme. <u>PSL</u> said that the Administration would review, in two to three months' time, the effectiveness of the proposed relaxation in the light of the implementation experience and the feedback from the applicants for the allowance. If there was a strong call from LDHs, consideration might be given to further relaxing the criterion for "cross-district" applications.

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14. As regards the fare concession offered by public transport companies, <u>PSL</u> said that public transport companies had already stated that the fare concession scheme would be discontinued. <u>PSL</u> believed that the Scheme would also serve the purpose of providing financial assistance to LDHs to meet the transport costs.

15. <u>The Chairman</u> reiterated that as a matter of fact, LDHs living in the New Territories needed to travel long distance and incur expensive transport costs when taking up jobs that required them to work in another district in the New Territories. The Administration should consider revising the definition of "cross-district" so that LDHs who had to work across districts in the New Territories could apply for the incentive allowance.

16. <u>Miss CHAN Yuen-han</u> shared the Chairman's view. <u>Miss CHAN</u> said that as there were over 200 000 foreign domestic helpers in Hong Kong, there was still much room for developing the LDH market. To further develop the great potential of LDH market and help alleviate the unemployment problem, <u>Miss CHAN</u> considered that the Administration should play a more active role to promote the service of LDHs. Instead of providing allowance to LDHs for a limited period, the Administration should assist LDHs to secure long-term jobs.

17. <u>PSL</u> said that to further promote the service of LDH, the Employees Retraining Board (ERB) had introduced a number of practical training modules to enhance LDHs' skills in domestic work. As part of the regular training, the LDH trainees had to attain a prescribed standard for general cleaning, say up to hotel service standard. LDHs would be issued a competency card if they could pass the standard written and practical skill tests. In order to qualify for the incentive allowance, LDHs must have obtained the competency card.

18. <u>Ms LI Fung-ying</u> expressed support for the Administration's proposal to further relax the implementation arrangements to enable more LDHs to benefit from the Scheme. <u>Ms LI</u>, however, pointed out that the problem of long travel distance between different parts in the New Territories would not be resolved in the near future. She saw no reasons why the Administration insisted to addres the problem and to reconsider the proposal of further revising the definition of "cross-district" later. <u>Ms LI</u> strongly urged that the Administration should consider the Chairman's suggestion to further relax the eligibility for "cross-district" applications right now.

19. <u>The Chairman</u> said that most of the Panel members had raised similar concerns about the eligibility criteria for "cross-district" allowance. The Administration should seriously consider members' views.

Admin 20. Having regard to members' views, <u>PSL</u> said that, as a compromise, the Administration would relax the criteria for "cross-district" allowance in respect of applications from LDHs who were required to take up jobs across districts in the New Territories, even if the workplace was immediately adjacent to the one where they

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lived, with effect from 1 November 2003. PSL further said that the Administration would review the implementation of the revised Scheme in three months' time. Members welcomed the proposal.

Noting that a non-recurrent commitment of \$60 million for the Scheme was 21. created to cover a period of two years, Ms LI Fung-ying expressed concern whether the fund would be sufficient to meet all the applications from LDHs. PSL responded that the Administration would review the effectiveness of the scheme in a year's time. It would not rule out the possibility of seeking additional funding provision, if required.

22. Mr Andrew CHENG said that the success of the Scheme would largely depend on the willingness of employers to employ LDHs. More importantly, the Administration should step up promotional publicity for the service of LDHs to facilitate the easy accessibility of LDHs by potential employers. Mr CHENG asked about the publicity plan put in place by the Administration.

23. <u>PSL</u> responded that ERB had launched a series of publicity programme in respect of the service of LDHs. Apart from making Announcements on Public Interest (API) on television and radio and distributing publicity leaflets, ERB had been working closely with local non-governmental organisations (NGOs) in developing and promoting the LDH market. The Government had also recently enclosed a publicity flyer on the LDH recruitment hotlines in the rates/government rents demand notes and water bills which went to two million households.

24. Mr Michael MAK noted from the Administration's paper that seven applications were rejected for not meeting the eligibility criteria, of which some were rejected because the LDHs concerned did not possess a competency card. Mr MAK said that to enable more LDHs to benefit from the Scheme, the Administration might consider granting exemption to those LDHs who did not possess a competency card if they had many years of relevant service.

PSL said that in order to qualify for the allowance, LDHs must meet the 25. eligibility criteria as set out in the paper. The possession of a competency card could assure the service standard of LDHs. Unqualified LDHs would be encouraged to take up training courses provided by ERB and attend skills test for competency cards. PSL further said that the Scheme aimed to provide incentive to encourage LDHs to work across districts so that more local families could benefit from LDH service.

26. Deputy Executive Director (Course Administration and Development) Employees Retraining Board (DED/ERB) supplemented that of the seven rejected applications as at 30 September 2003, two were rejected because the applicants did not possess a competency card. Three cases were rejected because their jobs were secured through the referral of ERB's Integrated Scheme for Local Domestic Helpers (the Integrated Scheme) before the commencement of the Scheme i.e. 2 June 2003. Action

As a result of the Administration's improvements to the Scheme in September 2003, these three applicants were now eligible for the allowance. As for the remaining two cases, they were rejected simply because the LDHs concerned were not carrying out domestic cleaning service.

27. Responding to Mr Michael MAK, <u>PSL</u> said that the prevailing market rate of LDHs ranged from \$40 to \$50 per hour. The average hourly rate would be lower if the total working hours in a day were longer.

28. <u>Mr Michael MAK</u> pointed out that some potential employers had expressed concern about the reliability of LDHs and therefore they had reservations about employing LDHs.

29. <u>PSL</u> explained that under the Special Incentive Allowance Scheme qualified LDHs had to be placed into a LDH job through the referral of ERB's Integrated Scheme. The Integrated Scheme was launched by ERB and referrals were made through its 13 localised placement networks being operated by NGOs. The NGOs concerned would go through matching process before making referrals. The NGOs had the relevant personal data of the LDHs in their database. No referral would be made if the background of a LDH was unknown to the NGO. Feedback from employers on the service and reliability of LDHs referred under the Integrated Scheme was so far satisfactory.

30. <u>Ms Cyd HO</u> said that LDHs would be willing to take up jobs that were far from their residence only if the pay could compensate the long travel distance and the transport costs. Unless LDHs were able to secure more than one job in a single "cross-district" trip, she saw no incentive for LDHs to continue to take up a job that required them to travel long distance after they had claimed the maximum amount of allowance. This would defeat the purpose of providing incentive allowance.

31. <u>PSL</u> said that the localised placement networks operated by NGOs had played a very important role in the implementation of the Scheme. Through their networks at the district level, the workplaces of LDH jobs referred by these NGOs were usually located in the same district. <u>DED/ERB</u> added that ERB had adopted the job packaging approach under which several jobs were offered to a LDH in each referral service. According to ERB's record, each placed LDH had taken up more than one job (1.8 jobs in average).

Admin 32. At the request of Ms Cyd HO, <u>DED/ERB</u> agreed to provide the average working hours of a LDH after the meeting.

<u>Action</u>

## IV. Proposed amendments to the Employees Compensation Assistance Ordinance (LC Paper No. CB(2)112/03-04(04))

33. <u>PSL</u> brief members on the Administration's proposal to introduce amendments to the Employees Compensation Assistance Ordinance as set out in the Administration's paper.

34. <u>PSL</u> said that the proposed amendments were technical in nature. He added that the Administration intended to introduce the legislative amendments into the Legislative Council in the current legislative session and to put the amendments into operation before 1 April 2004.

35. <u>Members</u> did not raise any questions on the legislative proposal.

# V. Any other business

36. There being no other business, the meeting ended at 5:15 pm.

Council Business Division 2 Legislative Council Secretariat 17 November 2003