

**立法會**  
***Legislative Council***

Ref : CB2/PL/MP/1

LC Paper No. CB(2)1664/03-04

(These minutes have been seen by the  
Administration)

**Panel on Manpower**

**Minutes of meeting**  
**held on Thursday, 15 January 2004 at 2:00 pm**  
**in Conference Room A of the Legislative Council Building**

**Members present** : Hon LAU Chin-shek, JP (Chairman)  
Hon Kenneth TING Woo-shou, JP  
Hon LEE Cheuk-yan  
Hon CHAN Yuen-han, JP  
Hon Ambrose LAU Hon-chuen, GBS, JP  
Hon SZETO Wah  
Hon LI Fung-ying, JP  
Hon Tommy CHEUNG Yu-yan, JP

**Members absent** : Hon CHAN Kwok-keung, JP (Deputy Chairman)  
Hon Cyd HO Sau-lan  
Dr Hon LUI Ming-wah, JP  
Hon LEUNG Yiu-chung  
Hon Andrew CHENG Kar-foo  
Hon Michael MAK Kwok-fung  
Hon LEUNG Fu-wah, MH, JP  
Hon Frederick FUNG Kin-kee

**Public Officers attending** : Item I

Professor Arthur K C LI, GBS, JP  
Secretary for Education and Manpower

Mrs Fanny LAW, JP  
Permanent Secretary for Education and Manpower

Item II

Mr Stephen IP, GBS, JP  
Secretary for Economic Development and Labour

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

Mrs Jennie CHOR, JP  
Deputy Commissioner for Labour (Labour Administration)

Mr K W TSANG  
Assistant Commissioner for Labour (Employment Services)

Mrs DO PANG Wai-yee  
Assistant Commissioner for Labour (Policy Support and  
Strategic Planning)

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

**Staff in** : Ms Amy WONG  
**attendance** : Senior Council Secretary (2)1

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**I. Briefing by Secretary for Education and Manpower on the Chief Executive's 2004 Policy Address relating to manpower portfolio (LC Paper No. CB(2)962/03-04(01))**

The Secretary for Education and Manpower (SEM) briefed members on the key policy initiatives of the Education and Manpower Bureau on manpower training and development in the coming year as set out in the Administration's paper. The policy initiatives included a Qualifications Framework (QF) and the associated quality assurance mechanism, the implementation of the Continuing Education Fund and the Skills Upgrading Scheme, as well as the introduction of a levy on employers of foreign domestic helpers (FDHs) to provide a stable source of income for retraining services.

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Qualifications Framework and the associated quality assurance mechanism

2. Ms LI Fung-ying asked whether the Administration had any complementary measures to ensure that the implementation of a QF and the associated quality assurance mechanism would be successful. Miss LI pointed out that as workers had to work long hours, they might not be able to spare time for training. She asked whether the Administration would make arrangements with employers to provide training leave to their employees.

3. SEM responded that whether or not the implementation of the proposed QF would be successful would depend on the support of employers, employees and relevant stakeholders. He said that the feedback from the six industries which had been consulted about the establishment of QF was positive, though some workers expressed concern over job security in case they failed to fulfill the qualification requirements. SEM stressed that QF was not meant to be compulsory for the industries and therefore should not affect the employment of existing workers. However, to ensure the success of QF which would enhance the competitiveness of Hong Kong's human resources in the global economy, the Administration would continue to communicate with the trade and workers to help upgrade the skills and qualifications of workers.

Continuing Education Fund

4. Ms LI Fung-ying asked the Administration to provide information on the number of degree holders applied for subsidy under the Continuing Education Fund following the relaxation on the eligibility criteria and the type of courses they pursued.

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5. SEM said that as the relaxation was only put into effect in September 2003, he did not have the information on hand. He undertook to provide the requested information when available.

Levy on employers of foreign domestic helpers

6. Mr LEE Cheuk-yan expressed concern that the Employees Retraining Board (ERB) had not been able to use the levy collected from employers of FDHs (about \$1.1 billion) as there was a judicial review initiated by some FDHs challenging the legitimacy of the proposed levy. However, ERB had to pay \$16 million to the Immigration Department as the administrative costs for collecting the levy. As the funding provided to ERB had already been reduced, withholding the levy collected and ERB's payment of the administrative cost would seriously affect its service. He requested the Administration to consider releasing the levy to ERB so that it could expand retraining service for the unemployed. He pointed out that there had been precedents, such as in the cases of the public officers pay adjustment and the reclamation project in Central, that the Administration proceeded with its decision

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despite judicial review was underway. He queried whether the Administration was worried that it might lose in the judicial review in respect of the levy.

7. SEM responded that the Department of Justice was confident over the case. However, the Administration was exercising caution since in the event the Administration lost its case, the levy collected would have to be refunded. Under the envelope system for operating expenditure, resource allocation for education would be affected. SEM added that the judicial review was expected to conclude by the end of 2004.

8. Mr LEE Cheuk-yan pointed out that ERB had to absorb the \$16 million administrative costs for collecting the levy, even if the Administration lost in the case. He considered it unfair that ERB had to shoulder the administrative costs as it was not its decision to introduce the levy. The Chairman asked why the administrative costs had to be charged to ERB.

9. Permanent Secretary for Education and Manpower said that as the Employees Retraining Fund was self-financed, all expenses incurred would have to be charged to the Fund.

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10. At the request of the Chairman, SEM agreed to consider paying the \$16 million administrative costs of the Immigration Department on behalf of ERB, and recovering the amount from ERB when the judicial review was concluded.

**II. Briefing by Secretary for Economic Development and Labour on the Chief Executive's 2004 Policy Address relating to labour portfolio**  
(LC Paper No. CB(2)962/03-04(02))

One year pilot scheme to train and assist 1 000 young people aged 18 to 24 to become self-employed

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11. Referring to the pilot scheme to train and assist 1 000 young people aged 18 to 24 to become self-employed (the Scheme), Miss CHAN Yuen-han asked whether the Administration had considered the negative impact if the trainees failed in their self-employment attempt. She also asked about the assistance provided to the trainees.

12. Secretary for Economic Development and Labour (SEDL) said that although there were different views in the community, the Administration was of the view that the experience gained by trainees under the Scheme would be valuable. The trainees would be made aware of the risks involved. To ensure that young people were given guidance and support which would be essential to the success of the Scheme, the Hong Kong Council of Social Service would play a coordinating role and help to review and evaluate its effectiveness.

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13. Permanent Secretary for Economic Development and Labour (Labour) (PSL) said that the Scheme aimed at helping trainees to become self-employed, rather than starting up a business. The focus was to provide them with skills training and support such as the loan of equipment and provision of office facilities, but not on providing any start-up capital support to trainees. The training would last only for one year with the first four months on training and the remaining period on promotion, development and business start-up. Ten pilot projects covering different industries each with 100 trainees, making a total of 1 000 trainees, would be launched. Non-government organisations (NGOs) would be invited to submit proposals and a committee would be formed to examine the proposals. NGOs would act as the business managers of trainees in securing business, and provide follow-up service to them on completion of the pilot projects.

Admin

14. Miss CHAN Yuen-han said that it would be important for NGOs to be involved in the planning, organisation and implementation of the Scheme. She urged the Administration to adopt policy and measures to facilitate the development of creative industries, and to provide room for creativity for young people. SEDL agreed to convey to the Secretary for Home Affairs Miss CHAN's views on creative industries.

15. Mr Kenneth TING welcomed the initiative of helping young people to be self-employed so that they could become self-reliant.

16. Mr LEE Cheuk-yan asked about the difference between the Scheme and the Youth Sustainable Development and Employment Fund.

17. SEDL responded that the Youth Sustainable Development and Employment Fund was broader in scope which covered not only employment of the youth, but also training and development of young people.

Extension of temporary jobs and employment

18. Mr LEE Cheuk-yan asked about the temporary jobs which had not been extended, and the respective number of jobs for youth workers and for adults. He understood that out of the 900 temporary cleaner jobs with the Agriculture, Fisheries and Conservation Department, less than 200 were extended, resulting in over 700 middle-aged workers unemployed. He expressed concern about the unemployment problem of the middle-aged.

19. SEDL said that about 19 000 temporary jobs in the public sector would expire by end-March 2004 and 11 000 of them would be extended, having regard to the operational needs of the departments concerned. SEDL pointed out that there were also measures to help the unemployed middle-aged, such as the Re-employment Training Programme (RTP) for the Middle-aged which would provide 10 000 places for job-seekers. The Special Incentive Allowance Scheme for local domestic helpers

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(LDHs) would be able to benefit some 7 000 LDHs. In addition, funding for public works projects would also be increased to \$29 billion each year for the next five years, thereby providing job opportunities for about 41 000 construction workers excluding professionals each year.

20. Mr LEE Cheuk-yan considered that the public works projects had not created enough employment opportunities. He said that \$27 billion was allocated to public works projects each year in the past five years and yet the unemployment rate in the construction industry remained as high as 20%. Regarding RTP, Mr LEE said that the 2 048 persons who were placed into employment under the Programme were mainly engaged in jobs such as security guards, cleaners and labourers, which normally employed the middle-aged. There were no additional employment opportunities for the middle-aged. To increase employment opportunities, he considered that a restriction on maximum working hours should be imposed.

21. SEDL said that the \$29 billion annual expenditure in public works would not be able to solve the unemployment problem in Hong Kong. The Administration was taking measures to create jobs even at a time of fiscal deficit. The problem of unemployment of the middle-aged could be alleviated through RTP under which a training allowance would be provided to the employers for hiring unemployed workers aged over 40. The Administration was also making every effort to promote the development of the tourism and logistic industries, thereby creating more jobs for the middle-aged.

22. Ms LI Fung-ying asked why, despite the operational needs of the Housing Department (HD), the temporary jobs hired in September 2003 would not be extended upon expiry in March 2004.

23. PSL explained that the temporary jobs engaged by HD were not included in the list of extension of temporary jobs because HD was financially autonomous.

24. Miss CHAN Yuen-han pointed out that Hong Kong was undergoing economic restructuring, thus resulting in the problem of structural unemployment. The employment situation would not be improved even with the improvement in economy.

25. SEDL believed that the employment situation would improve when the economy revived. He said that with the addition of about 12 000 hotel rooms two years later, some 13 000 jobs would be created and that would benefit not only workers in the tourism and logistic industries but those in the catering and retail industries as well. Efforts had been made to promote the development of environmental protection and creative industries so as to create more jobs. He hoped that with the implementation of the Mainland and Hong Kong Closer Economic Partnership Arrangement (CEPA), more industries would return to Hong Kong and hence creating more job opportunities for the local workforce.

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26. Miss CHAN Yuen-han welcomed the newly formed task force on economy and employment under the purview of the Financial Secretary (FS) to discuss the economy and employment-related matters. She hoped that the Administration would also listen to the views of various sectors in the community.

27. Mr LEE Cheuk-yan expressed concern that with the fusion of the Task Force on Employment into the Economic and Employment Council (EEC), the problem of unemployment might be neglected as the focus would be on economic development.

28. SEDL responded that economic development and employment could not be separated. Improvement in the economy would ultimately bring about more job opportunities. He said that the EEC headed by FS would have representatives from all sectors concerned.

Employment terms for persons engaged in projects or services contracted out by the Government

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29. Miss CHAN Yuen-han pointed out that according to a survey conducted by Oxfam, 60% of the workers engaged in projects or services contracted out by the Government received a salary of about \$2,000 a month. She expressed concern about the exploitation of worker by the contractors, and urged the Administration to follow up on the issue and consider imposing a minimum wage and maximum working hours for workers employed by government contractors.

30. SEDL said that the Administration would not tolerate unreasonably low wages and exploitation of labour. Guidelines were in place for the procurement of government services. He undertook to convey to the Secretary for Financial Services and Treasury Miss CHAN's concerns.

Illegal employment

31. Ms LI Fung-ying expressed concern about the increase in illegal employment. She asked whether the Administration had any measures to deter employers from hiring illegal workers. She believed that light penalty was the crux of the problem.

32. Miss CHAN Yuen-han also considered that illegal employment was rampant and urged the Administration to look into the matter seriously.

33. SEDL said that the Administration was determined to combat illegal employment. He believed that the problem was induced by the wide difference in wages between local workers and workers in the Mainland. The Administration had stepped up prosecution action. He informed members that there were cases where the employer was convicted for employing illegal workers and sentenced to imprisonment.

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34. PSL pointed out that an employer employing illegal workers was liable to conviction to a heavy fine and imprisonment up to three years. To step up its efforts to combat illegal employment, the Labour Department had set up a telephone hot line to facilitate the reporting of illegal employment. The Administration would not rule out the possibility of seeking a review of the court's sentence in individual case if circumstances so warrant in order to have deterrent effect on employers.

Admin

35. The Chairman requested the Administration to provide information on the sentences imposed on employers convicted of employing illegal workers. SEDL agreed.

36. SEDL said that the sentence imposed was a matter for the court. He agreed to convey to the Judiciary members' concerns about the inadequacy of the sentences imposed on employers convicted of employing illegal workers.

Implementation of CEPA and illegal circumvention of origin rules

37. Miss CHAN Yuen-han said that with the implementation of CEPA, 273 Mainland products would enjoy zero tariff. She asked how the Administration would ensure that local workers would be employed in manufacturing these products and what measures the Administration had taken to prevent the illegal circumvention of origin rules.

38. SEDL responded that following the implementation of CEPA, it was hoped that some industries would relocate their manufacturing processes to Hong Kong, and overseas entrepreneurs would set up manufacturing plants in Hong Kong, thereby creating more job opportunities for local workers. He said that there were plans that might require importation of labour in addition to local workers. These plans would need to be further discussed. He would convey to the Secretary for Commerce, Industry and Technology Miss CHAN's concern about illegal circumvention of origin rules.

39. Mr Kenneth TING urged the Administration to take more initiative in contacting overseas and Mainland manufacturers and provide assistance for them to set up plants in Hong Kong, thereby creating more jobs for the local workforce.

40. SEDL said that the Administration had been discussing with the Chinese Manufacturers' Association of Hong Kong, the Federation of Hong Kong Industries and other trade associations to find out what assistance the Administration could provide. The Hong Kong Economic and Trade Offices overseas and the Commerce, Industry and Technology Bureau would provide necessary information and assistance.



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Mandatory Provident Fund

41. Ms LI Fung-ying expressed concern that some employers had deducted employees' contribution for the Mandatory Provident Fund Scheme from their employees' wages but failed to make the contribution to the employees' account.

Admin

42. SEDL said that such practice would be a criminal offence. The Administration would follow up the issue with the Mandatory Provident Fund Schemes Authority.

**III. Any other business**

43. There being no other business, the meeting ended at 3:35 pm

Council Business Division 2  
Legislative Council Secretariat  
11 March 2004