

**Motion debate on
“Enhancing employment support and creating employment opportunities”
at the Legislative Council meeting on 25 November 2009**

Progress Report

Purpose

At the Legislative Council (LegCo) meeting on 25 November 2009, the motion moved by Hon. Wong Kwok-kin, as amended by Hon. Wong Shing-chi, Hon. Tommy Cheung Yu-yan, Hon. Leung Yiu-chung, Hon. Cyd Ho Sau-lan, Hon. Lee Cheuk-yan and Hon. Audrey Eu Yuet-mee on “Enhancing employment support and creating employment opportunities” was carried. The wording of the original motion and the passed motion is at **Annex**. This report briefs Members on the work progress of the major areas covered by the motion.

General employment situation

2. The seasonally adjusted unemployment rate decreased notably by 0.3 percentage point to 4.6% in December 2009 – February 2010, the lowest since November 2008 – January 2009. Indeed, the total employment recorded a solid increase of 8 600 in the previous quarter (i.e. November 2009 – January 2010), followed by an addition of 7 900 this quarter. This indicates that the labour market is continuing to revive and that companies are in a stronger recruiting mood.

Poverty indicators and pragmatic and multi-pronged approach in poverty alleviation

3. There have been different understandings of “poverty”, mainly defined in terms of “absolute poverty” or “relative poverty”. “Absolute poverty” means setting a minimum living standard through objective means, and those who fail to attain this standard are considered poor. In the case of “relative poverty”, people are considered poor if they possess less than the others.

4. The former Commission on Poverty (CoP) took the view that in an affluent city like Hong Kong, poverty could not be understood simply by the concept of “absolute poverty” or “the lack of ability to afford minimum subsistence”, nor could we rely upon a single poverty line to measure income poverty. We must take into consideration the actual situation and needs of the poor and their families, including their access to essential services and

opportunities such as housing, health care, education and employment, etc. The Government agrees with CoP's view, and has been adopting a set of 24 multi-dimensional poverty indicators that CoP recommended for examining the overall poverty situation in Hong Kong from different perspectives and understanding the needs of different social groups, including children and youth, working people and the elderly, as well as people in different districts. These indicators provide a basis for the formulation and evaluation of policies to assist the needy.

5. The Government has all along been adopting a pragmatic and multi-pronged approach to tackling poverty. At present, the Government helps the disadvantaged and low-income earners meet their basic needs through the Comprehensive Social Security Assistance Scheme, and the provision of a wide range of free or highly subsidised services in various areas, including housing, education and health care, etc. In addition, we strive to promote economic growth to create more job opportunities, while providing training and retraining to raise the competitiveness and skills of our workforce, in particular the middle-aged and the low-income earners. The Government also invests heavily in education and child development to enhance social mobility and reduce inter-generational poverty.

6. The Task Force on Poverty, headed by the Secretary for Labour and Welfare and comprising representatives of relevant bureaux and departments, has duly followed up on the recommendations of CoP. It will continue to monitor the poverty situation in Hong Kong and coordinate efforts across the Government in tackling poverty-related issues.

Promoting the economy with development works

7. The Government will continue to invest heavily in infrastructure to promote economic development, create employment opportunities and enhance the long-term competitiveness of Hong Kong. In 2009-10, capital works expenditure reached \$45.1 billion. Construction works for the Hong Kong-Zhuhai-Macao Main Bridge, site formation works for the new cruise terminal, and the Central-Wan Chai Bypass project all began at end-2009. The works for the Hong Kong section of the Guangzhou-Shenzhen-Hong Kong Express Rail Link project also started in January this year.

8. The estimated capital works expenditure for 2010-11 will increase to \$49.6 billion. Major works projects expected to start include the Kai Tak Cruise Terminal Building and ancillary facilities, Hong Kong-Zhuhai-Macao Bridge Hong Kong boundary crossing facilities, Harbour Area Treatment Scheme Stage 2A, and Town Park, Indoor Velodrome-cum-Sports Centre in Area 45 of Tseung

Kwan O. With many projects entering their construction peaks, it is estimated that the capital works expenditure for each of the next few years will be over \$50 billion.

9. In 2010-11, the estimated \$49.6 billion expenditure for capital works will provide 62 500 job opportunities. Among them, about 6 600 are for professional/technical staff and about 55 900 are for other workers, representing an increase of 15 400 jobs in total when compared with 2009-10. In addition, under the “Operation Building Bright”, works have been completed for 66 eligible buildings while works are in progress for 201 eligible buildings, creating around 5 900 job opportunities. To provide timely assistance to more owners of old buildings to repair their properties, the Financial Secretary proposed in the 2010-11 Budget to allocate additional funding of \$500 million for “Operation Building Bright” to provide targeted assistance to those owners who cannot coordinate maintenance works on their own, including owners of dilapidated buildings without owners’ corporations.

10. In the last ten months, the overall unemployment rate of the construction industry has come down from the peak of 12.7% in February – April 2009 to 7.3% in December 2009 – February 2010. The unemployment rate of the “Repair and Maintenance” sector in the same period has dropped from 21.6% to 10.8%, while that of the “Foundation and Superstructure” sector has dropped from 10.2% to 6.2%. The above figures indicate that the policies implemented by the Government targeting at alleviating the unemployment situation of the construction industry have attained certain achievement. We will continue to monitor the employment situation of the industry.

The six industries

11. As stated in the 2010-11 Budget by the Financial Secretary, the role of the Government in developing the six industries is to provide a conducive environment under the principle of “Market Leads, Government Facilitates”. The Government will provide the necessary support in land resources, human capital and incentives to facilitate the diversification of industries under the market mechanism.

12. To get a better grasp of the manpower situation of the six industries, the Government will conduct another round of manpower projection in the first half of this year. The relevant policy bureaux will implement appropriate measures and ensure the provision of suitable training in light of the findings, to ensure that there will be sufficient manpower and professionals to meet the development needs of the industries.

13. In addition, under the Qualifications Framework, industry training advisory committees have already been set up for 13 sectors, covering about 30% of the labour force. These committees set out the skills, knowledge and outcome standards required of employees in those sectors to encourage training providers to design training courses that meet the needs of the sectors. The Government will further promote the Qualifications Framework to enhance vocational education and training relevant to the industries.

14. To support the development of the six industries, the Vocational Training Council (VTC) and various tertiary institutions have been offering programmes to nurture talent. For example, the VTC provided 210 additional places in its higher diploma programmes on testing and certification as well as environmental and related studies in the 2009 academic year, and will provide 310 additional places in the 2010 academic year. Upon commissioning of its new campus in Tseung Kwan O in the 2010 academic year, the Hong Kong Design Institute will provide about 4 500 places for training design students. The Academy of Film recently established by the Hong Kong Baptist University, and the various design and creative media programmes to be launched at the end of this year by the Hong Kong campus of the Savannah College of Art and Design situated at the former North Kowloon Magistracy, will help nurture more creative talent for Hong Kong.

Testing and certification services

15. Twenty million dollars will be allocated in the next two years to support the work of the Hong Kong Council for Testing and Certification set up last September, with a view to enhancing the professional standards of the local testing and certification services as well as international recognition, thereby creating more business opportunities. An additional \$21 million will also be allocated in the next two years to the Hong Kong Accreditation Service to strengthen services to the industry.

16. The Hong Kong Council for Testing and Certification will shortly submit an industry development plan for the coming three years. The plan will make specific recommendations to increase the competitiveness of the industry, step up promotional effort in the Mainland and overseas, strengthen manpower support, and help the industry tap business opportunities in those areas with good potential.

Waste recycling

17. The development of green economy will bring about new business and job opportunities. The Government has been working with professional and training institutions with a view to stepping up relevant training in order to gear our people up for such opportunities. For instance, the Government has drawn the attention of various training institutes to the increase in demand for energy audits, carbon audits and energy efficiency projects, with a view to incorporating relevant trainings in their programmes. The VTC has already launched two courses relating to energy and carbon audits to equip practitioners with relevant skills.

18. On waste recycling, two non-profit making organisations will start operation of two waste recycling centres at EcoPark in 2010, creating over 100 employment opportunities and related on-the-job training. To complement the development of green economy, the Government will further explore with training institutions ways to strengthen collaboration on the provision of technical training and the introduction of green elements in various courses.

Continuing education, training and retraining

Continuing Education Fund (CEF)

19. Hong Kong residents aged between 18 and 65, regardless of education level, employment status and economic background, can choose from a very wide range of some 7 000 CEF reimbursable courses which are provided by around 300 course providers. Eligible applicants will be reimbursed 80% of their course fees, subject to a maximum sum of \$10,000 per person, on successful completion of a reimbursable course. In order to benefit more people from different sectors of the community, CEF received an injection of \$1.2 billion in July 2009 as a special one-off arrangement during the economic downturn. Since its establishment in 2002, around 510 000 applications have been approved (as at end-February 2010).

Employees Retraining Board (ERB)

20. With a wide target clientele covering all local people aged 15 or above with education attainment at sub-degree or below, ERB provides a wide array of full-time placement-tied courses as well as part-time courses that cater for the needs of different target groups. It will also continue to organise dedicated courses for specific target groups, such as the “Youth Training Programme” (YTP) which aims at non-engaged youths aged between 15 and 20. The YTP seeks to provide trainees with training on vocational and foundation skills and

help them develop a positive attitude of life and build up their confidence. Trainees who have completed the course are provided with follow-up placement service for six to nine months. ERB will continue to closely monitor changes in the market and adjust the allocation of training places flexibly to address training needs.

The Construction Industry Council Training Academy (CIC)

21. CIC is committed to providing training courses for the young people and those intending to join the construction industry. The full-time courses provided by CIC include Basic Craft Courses, Construction Supervisor/Technician Programme, and Adult Short Courses. These courses can provide the trainees with appropriate training in specialised skills for them to attain recognised qualifications, and assist them with employment and career development in the construction sector. To attract more people to participate in the above training, most of the courses do not charge tuition fee. Trainees will also receive training allowance.

22. CIC has established its fifth training centre in Tin Shui Wai, and commenced enrolment in September 2009. As at January 2010, the training centre has recruited 95 intakes who intend to pursue their career in the construction industry to join courses of the training centre.

23. Apart from the above regular measures, the Financial Secretary has earmarked \$100 million in the 2010-11 Budget to implement a series of one-off measures to attract fresh blood to join the construction industry in order to meet the manpower needs of future infrastructure projects. The new measures cover two main areas. The first is to provide incentives to attract more people to receive training or re-training in the industry so as to address the ageing problem and skills mismatch in the construction workforce as well as to help enhance the skills and competitiveness of in-service construction workers. Another measure is to improve the practice of the construction industry. This will include requiring public works contractors to provide uniform for workers and improving the working environment on construction sites. It may also include enhancing publicity on various fronts so that more people will know about the construction industry and become interested to join the industry.

Employment services and support

“Pilot Employment Navigator Programme”

24. The Financial Secretary announced in the 2010-11 Budget Speech that the Government will launch a two-year “Pilot Employment Navigator

Programme”. Under this programme, a cash incentive of \$5,000 will be payable to each person who has worked for a continuous period of three months after receiving the department's intensive employment counselling and job matching services. The programme will provide 11 000 places a year. It is designed to address the problem of manpower mismatch, fully utilise our labour productivity and encourage employment.

Other employment support measures

25. We will continue our efforts on various employment support measures and programmes, to provide services to job seekers of different age groups and to enhance the dissemination of job information. The Chief Executive announced in the 2009-10 Policy Address that a pioneer one-stop employment and training centre will be set up in Tin Shui Wai to streamline, integrate and enhance the existing employment and training/retraining services offered by the Labour Department, the Social Welfare Department and ERB. We will also set up a Recruitment Centre for the Retail Industry to provide tailor-made employment support for employers and job seekers of the industry, so as to respond to their recruitment and employment needs in a more effective and efficient manner.

Employment support for the youth

Enhanced support

26. To step up our efforts to help young people with special employment difficulties, the Financial Secretary announced in the 2010-11 Budget Speech that the Government will launch a targeted employment programme under which non-government organisations will provide training and internship for 12 months to young people, aged between 15 and 24 with low educational qualifications and who need special assistance because of emotional and behavioural problems or learning difficulties. The programme will provide 500 places.

YPTP • YWETS

27. Since September 2009, we have enhanced and integrated the “Youth Pre-employment Training Programme” (YPTP) and the “Youth Work Experience and Training Scheme” (YWETS) into a “through-train” programme – “YPTP • YWETS” – to provide seamless and comprehensive youth training and employment support.

28. On 14 August 2009, YPTP • YWETS started to accept applications for the 2009/10 programme year. As at the end of 2009, some 10 700 applications have been received.

Youth Employment Start (Y.E.S.)

29. Two Y.E.S. Centres were set up respectively in Langham Place, Mongkok and Metroplaza, Kwai Fong in 2007-08 to provide one-stop and personalised advisory and support services on employment and self-employment to young people aged 15 to 29 with different backgrounds and development needs.

30. In 2009, the two Y.E.S. Centres provided services to a total of 71 680 young people.

Transport Support Scheme (TSS)

31. TSS aims at encouraging needy job seekers living in remote districts where job opportunities are fewer to “go out” and seek jobs or work across districts. We will complete by the end of 2010 a study on ways to reduce the burden of travelling expenses borne by the working poor in Hong Kong. The existing TSS will remain in force until the completion of the study.

Assistance to vulnerable groups in employment through social enterprises

32. We will continue to implement the Enhancing Self-Reliance Through District Partnership (ESR) Programme to provide seed grants to eligible organisations for the initial operations of social enterprises (SEs). Since the launch of the ESR Programme in June 2006, a total grant of about \$94 million has been approved to 94 new SE projects, creating some 1 500 jobs for the underprivileged.

Promotion of the cultural software

Promotion of local community culture economy

33. On the promotion of the local community culture economy, we have since 2002 promoted the development of local community culture economy with the objectives of stimulating domestic consumption, lifting community dynamism, promoting district characteristics and creating employment opportunities. To facilitate the development of local community economy, we

will continue to provide suitable support and adopt measures to promote the cultural features of the districts, while encouraging the private sector to suggest ideas on, invest in and operate local community economy projects.

34. In September 2009, the Financial Secretary announced that the Government will provide a one-off funding of \$180 million to the 18 districts to further foster community building, enhance social cohesion, promote cultural, arts and sports activities, stimulate consumption and domestic demand, and create business opportunities for local tourism. The funding was approved by the Finance Committee of the LegCo on 22 January 2010. We believe that these initiatives will be helpful to the promotion of local community culture economy.

Promotion of arts and culture

35. We will allocate additional funding to promote the arts and culture through arts programme development, audience building and enhancement of art education and manpower training. Apart from developing young people's interest in the arts and culture and their appreciation abilities in these areas through enhanced promotion of arts in schools, we will also organise trainee programmes to provide training and internship opportunities for people who aspire to a career in the arts and culture. We will provide support for arts groups and individual artists to develop their brand performances. The promotion of public art and popular cultural and art activities will also be stepped up with a view to integrating the arts into our community.

36. We plan to promote on a trial basis street performances at designated places for arts enthusiasts to perform and showcase their creativity, enhancing public access to the arts and enriching the city's characteristics. It is our plan to launch the street performance trial scheme in the latter half of this year at three designated locations with a relatively high pedestrian flow and an enabling setting for public performances. The scheme will run for six months and will thereafter be subject to review to map out the way forward. We are now consulting the relevant District Councils (DCs) about the scheme.

Allocation of fixed hawker pitches

37. At its meeting on 12 January 2010, the LegCo Panel on Food Safety and Environmental Hygiene (the Panel) discussed the suggestion that priority should be given to existing registered assistants of hawkers in the selection of vacant fixed hawker pitches, and listened to the views of hawker associations. Representatives of the hawker associations and Members attending the meeting generally considered that existing registered assistants with experience in the

hawking trade should have priority in selecting the vacant pitches. Having considered the views of the Panel, the Government is prepared to give priority to existing registered assistants with experience in the hawking trade to apply for 70% of the vacant fixed hawker pitches. Registered assistants who have registered with the Food and Environmental Hygiene Department for five years or above are eligible for application. If the number of eligible applicants exceeds 70% of the vacant fixed hawker pitches, the selection priority of pitches will be decided by a computer ballot. As for the remaining 30% of the vacant pitches, applications will be invited in an open manner from existing registered assistants who have not been allocated any fixed pitches in the first round as well as other members of the public.

38. After consultation with various DCs, we have identified a total of 218 pitches available for re-allocation to members of the public. The availability of another 82 vacant pitches will be decided after further discussion and consideration by the relevant DCs.

Statutory Minimum Wage (SMW)

39. We introduced the Minimum Wage Bill (the Bill) into the LegCo on 8 July 2009. The Bill seeks to establish an optimal SMW regime which would provide a wage floor to forestall the payment of excessively low wages but without unduly jeopardising our labour market flexibility, economic freedom and competitiveness and without causing significant adverse impact on the employment opportunities of the vulnerable employees. Scrutiny of the Bill in the LegCo Bills Committee is underway. We will continue to work closely with the Bills Committee to facilitate the early passage of the Bill.

40. In tandem with LegCo's scrutiny of the Bill, the Provisional Minimum Wage Commission (PMWC) continues to work on the recommendation for the initial SMW rate. PMWC, in deliberating the initial SMW rate, adopts an evidence-based approach through data research and analysis as well as extensive consultations with stakeholders, with a view to ensuring a sensible balance between forestalling excessively low wages and minimising the loss of low-paid jobs, while sustaining Hong Kong's economic growth and competitiveness.

Labour and Welfare Bureau
Labour Department
April 2010

(Translation)

**Motion debate on
“Enhancing employment support and
creating employment opportunities”
to be held at the Legislative Council meeting
of Wednesday, 25 November 2009**

1. Hon WONG Kwok-kin’s original motion

That, since the reunification, Hong Kong’s growth in Gross Domestic Product has exceeded 40% but the population of the poor has increased persistently to over one million, and according to a report published by the United Nations Development Programme, Hong Kong even ranks first in the world in terms of disparity between the rich and the poor, the problem is attributed to the mismatch between manpower supply and job positions, the Government should allocate more resources to expand various employment services as well as continuing education and training, and create jobs to assist the grassroots in securing employment, thereby alleviating the disparity between the rich and the poor; in this connection, this Council urges the Government to adopt the following measures:

- (a) while developing the six industries, to provide various concessionary measures particularly targeting at labour-intensive industries, such as the recycling industry, in order to encourage and support the development of these industries;
- (b) to provide avenues to continuing education to enable young people, new arrivals, etc to equip themselves for taking up professional positions in the six industries at the middle ranking or supporting levels;
- (c) to introduce a territory-wide transport subsidy scheme to subsidize the costs of low-income employees in working across districts, so as to enable them to have more choices in jobs;
- (d) to provide re-employment support allowance and employment counseling, etc for the unemployed;
- (e) to establish a start-up fund to provide the unemployed with capital to set up their own businesses, and invite professionals to provide support on setting up and operating businesses;
- (f) to promote local community culture economy, issue licences to people engaged in arts and cultural performances and activities, and relax the restrictions on on-street arts and cultural activities; and
- (g) to consider allowing regulated hawking activities in specific areas or during specific periods, so as to provide opportunities for running small businesses.

(Translation)

Motion on
“Enhancing employment support and creating employment opportunities”
moved by Hon WONG Kwok-kin
at the Legislative Council meeting
of Wednesday, 25 November 2009

Motion as amended by Hon WONG Sing-chi, Hon Tommy CHEUNG Yu-yan, Hon LEUNG Yiu-chung, Hon Cyd HO Sau-lan, Hon LEE Cheuk-yan and Hon Audrey EU Yuet-mee

That the problem of disparity between the rich and the poor has always been a concern in Hong Kong, and since the reunification, Hong Kong's growth in Gross Domestic Product has exceeded 40% but the population of the poor has increased persistently to over one million, and according to a report published by the United Nations Development Programme, Hong Kong even ranks first in the world in terms of disparity between the rich and the poor; given the continuing socio-economic development as well as changes in the demand for knowledge and technology, the Government should allocate more resources to expand various employment services as well as continuing education and training, and create jobs to assist the grassroots in securing employment, thereby alleviating the disparity between the rich and the poor; in this connection, this Council urges the Government to adopt the following measures:

- (a) while developing the six industries, to provide various concessionary measures particularly targeting at labour-intensive industries, such as the recycling industry, in order to encourage and support the development of these industries;
- (b) to provide avenues to continuing education to enable young people, new arrivals, etc to equip themselves for taking up suitable positions in various sectors and industries;
- (c) to introduce a territory-wide transport subsidy scheme and open it for application by all eligible Hong Kong people, so as to subsidize the costs of low-income employees in working across districts and enable them to have more choices in jobs;
- (d) to provide re-employment support allowance and employment counseling, etc for the unemployed;
- (e) to establish a start-up fund to provide the unemployed with capital to set up their own businesses, and invite professionals to provide support on setting up and operating businesses;

- (f) to promote local community culture economy, and relax the restrictions on on-street arts and cultural activities; and
- (g) to consider allowing regulated hawking activities in specific areas or during specific periods, so as to provide opportunities for running small businesses;
- (h) to provide free medium-term and short-term training places in various courses, including those on basic computer skills and language proficiency, etc, for middle-aged people with low educational attainment and low income, and provide an allowance for value-adding to attract those people to pursue further studies, thereby enhancing their competitiveness and enabling them to enjoy better remuneration packages;
- (i) in the light of the long-term manpower shortage in some industries, such as the testing and certification industry, and the large number of job vacancies in these industries which are suitable for people with average educational attainment, to expeditiously put forward a concrete blueprint on manpower training and planning, so as to strengthen the relevant education and training efforts and attract suitable talents to enter these industries for development;
- (j) to review the licensing policy for ‘dai pai dongs’, which includes assisting the operators of ‘dai pai dongs’ in identifying suitable sites to continue their operation, so as to ensure that the traditional culinary culture of ‘dai pai dongs’ will pass on continuously, thereby creating more employment opportunities; and
- (k) to retain as far as possible the existing open-air bazaars and suspend temporarily the Voluntary Surrender Scheme for hawkers; and
- (l) to establish a standard poverty line to serve as the basis for formulating a comprehensive policy on poverty alleviation and employment of the grassroots, and establish a representative committee on poverty alleviation and employment to promote the implementation of the strategies for alleviating poverty and supporting employment; and
- (m) to include ‘elimination of working poverty’ as one of the objectives for the enactment of legislation on minimum wage;
- (n) to extend the on-the-job training period under the Youth Pre-employment Training Programme and the Youth Work Experience and Training Scheme (‘YPTP·YWETS’), and request the employers participating in YPTP·YWETS to draw up detailed training plans for the trainees and regularly review their training progress, thereby enhancing the effectiveness of YPTP·YWETS and increasing their employment opportunities; and

- (o) to restructure the employment services of the Labour Department, establish district-based skills and employment counselling centres, and provide job seeking allowance and one-stop services for the unemployed and job seekers, which includes providing information on job vacancies and training courses, providing counselling on employment and training for people in need, and assisting job seekers with financial difficulties to apply for other assistance, such as Comprehensive Social Security Allowance, public housing rent reduction, tuition fee remission for their children, waiver of medical fees, etc, with a view to helping them to tide over the difficult times and enabling them to have peace of mind when looking for jobs during the unemployment period; and

- (p) to improve the business environment of the recycling industry, which includes providing more market outlets for the materials recovered, creating job positions in the recycling industry and considering the introduction of a licensing system to upgrade the recycling industry.