

**立法會**  
**Legislative Council**

LC Paper No. CB(2)1591/11-12  
(These minutes have been seen  
by the Administration)

Ref : CB2/PL/MP

**Panel on Manpower**

**Minutes of meeting**  
**held on Thursday, 16 February 2012, at 2:30 pm**  
**in Conference Room 1 of the Legislative Council Complex**

**Members present** : Hon LEE Cheuk-yan (Chairman)  
Hon LI Fung-ying, SBS, JP (Deputy Chairman)  
Hon LEUNG Yiu-chung  
Hon Andrew CHENG Kar-foo  
Hon Tommy CHEUNG Yu-yan, SBS, JP  
Hon Frederick FUNG Kin-kee, SBS, JP  
Hon WONG Kwok-hing, MH  
Hon Andrew LEUNG Kwan-yuen, GBS, JP  
Hon CHAN Kin-por, JP  
Hon CHEUNG Kwok-che  
Hon WONG Sing-chi  
Hon WONG Kwok-kin, BBS  
Hon IP Wai-ming, MH  
Hon IP Kwok-him, GBS, JP  
Dr Hon PAN Pey-chyou  
Hon Alan LEONG Kah-kit, SC  
Hon LEUNG Kwok-hung

**Member attending** : Hon Miriam LAU Kin-ye, GBS, JP

**Member absent** : Hon CHEUNG Man-kwong

**Public Officers  
attending** : Item IV

Mr Matthew CHEUNG Kin-chung, GBS, JP  
Secretary for Labour and Welfare

Mr Franco KWOK Wai-fan  
Principal Assistant Secretary for Labour and Welfare  
(Poverty)

Mr CHEUK Wing-hing, JP  
Commissioner for Labour

Miss Mabel LI Po-yi  
Assistant Commissioner for Labour (Development)

Item V

Mr Paul TANG Kwok-wai, JP  
Permanent Secretary for Labour and Welfare

Mr Edward MAK  
Principal Assistant Secretary for Labour and Welfare  
(Manpower)

Mr Francis YIU  
Senior Statistician (Manpower)  
Labour and Welfare Bureau

Ms Reddy NG, JP  
Principal Economist  
Financial Secretary's Office

Ms Agnes LO  
Assistant Commissioner for Census and Statistics  
(General)

**Attendance  
by invitation** : Item IV

Hong Kong Catholic Commission for Labour Affairs

Ms LAW Pui-shan  
Policy Research Officer

North District Employment Concern Group

Ms Venny KWOK  
Convener

Catholic Diocese of Hong Kong Diocesan Pastoral  
Centre for Workers (New Territories)

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Mr Augustine YU Siu-po  
Program Officer

New Territories Evangelical Ambassador

Mr Simon TAM  
Group Member

Oxfam Hong Kong

Ms WONG Shek-hung  
Advocacy Officer, Hong Kong Program

Friends of Tin Shui Wai

Ms TANG Wai-kuen

The Hong Kong Federation of Trade Unions - Rights  
& Benefits Committee

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Miss Alice MAK Mei-kuen

Democratic Alliance for the Betterment and Progress  
of Hong Kong

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Mr NGAN Man-yu  
Manpower Deputy Spokesperson

Working Poor Concern Group

Mr LAM Wai-kau  
Representative

Housing Right Concern Group

Mr TO Yuk-lun  
Representative

Society for Community Organization

Mr NG Wai-tung  
Community Organizer

Single Man Concern Group

Mr Joel SUEN Mo  
Representative

The Federation of Hong Kong and Kowloon Labour Unions

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Mr LAM Chun-sing  
Vice-Chairman

Tin Shui Wai Development Alliance

Ms WONG Wing-chi  
Representative

Transportation Concerning Group of Northern Tin Shui Wai

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Mr KONG Kin-shing  
Representative

Community Development Alliance

Mr CHAN Yu-cheung  
Project Worker

Yuen Long Friends

Mr KEUNG Kwok-wai  
Chairman

Hong Kong Confederation of Trade Unions

Mr LAM Cho-ming  
Organizing Secretary

San Po Kong Workers' Group Alliance

Ms LEE Ka-fung  
Vice Chairman

Kwai Chung Estate Low Income Concern Group

Miss Vincci WONG  
Representative

Kwai Chung Estate Striving for Transportation  
Subsidy Concern Group

Ms CHIM Miu-cheung  
Representative

Kwai Chung Estate Labour Rights Concern Group

Miss LEE Man-kiu  
Representative

Kwai Shing East Transportation Concern Group

Mr LAI Chi-po  
Representative

On Yam Estate Labour Rights Concern Group

Mr LAU Ka-lok  
Representative

Concern Group for Women Poverty

Ms IP Lai-hing  
Chairman

Civil Force

Mr MAK Ping-fai  
Action Committee

Smart and Beauty House

Mr Raymond LO  
Representative

Hong Kong Women Development Association Limited

Ms LEE Kwai-chun, MH  
Vice Chairperson

Civic Party

Mr Stanley CHAN  
District Developer (KLW)

Tung Chung Development Alliance

Miss CHIU Sin-ting  
Social Worker

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

**Staff in attendance** : Miss Josephine SO  
Senior Council Secretary (2) 7

Mr Ian CHOW  
Council Secretary (2) 1

Ms Kiwi NG  
Legislative Assistant (2) 1

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**I. Confirmation of minutes of previous meeting**  
(LC Paper No. CB(2)1019/11-12)

The minutes of the meeting held on 15 December 2011 were confirmed.

**II. Information paper(s) issued since the last meeting**

2. Members noted that no information paper had been issued since the last meeting.

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**III. Date of next meeting and items for discussion**

(LC Paper Nos. CB(2)1021/11-12(01) and (02))

3. Members agreed to discuss the following items proposed by the Administration at the next regular meeting to be held on 15 March 2012 at 2:30 pm -

(a) Implementation of the Employment (Amendment) Ordinance 2010; and

(b) Implementation of the Pilot Employment Navigator Programme.

**IV. Implementation of the Work Incentive Transport Subsidy Scheme**

(LC Paper Nos. CB(2)1021/11-12(03) and (04))

Briefing by the Administration

4. Secretary for Labour and Welfare ("SLW") took Members through the Administration's supplementary information paper tabled at the meeting entitled "Adjustments to the Means Test Limits of the Work Incentive Transport Subsidy ("WITS") Scheme", in which the updated income and asset limits for applying WITS were set out. For the income limits, actual updating would make reference to the latest income figures of the fourth quarter of 2011 to be published on 21 February 2012. The updated income limits shown in the paper were based on the income figures of the third quarter of 2011 to illustrate the adjustment methodology. The updated limits would take effect from March 2012 onwards.

*(Post-meeting note: The supplementary information paper provided by the Administration and tabled at the meeting was circulated to Members vide LC Paper No. CB(2)1114/11-12(01) on 17 February 2012.)*

5. Apart from elaborating on the rationale for adjusting and the details of the adjustments to be made to the means test limits effective from March 2012, SLW also briefed Members on the latest implementation progress of the WITS Scheme, as detailed in the Administration's paper issued to Members on 14 February 2012.

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6. SLW added that as at 15 February 2012, the Labour Department ("LD") had received 24 058 applications involving 26 281 applicants. Subsidy payment had been granted to 17 985 applicants. The majority of them (over 80%) belonged to the 2-member, 3-member and 4-member households.

Deputations' views and the Administration's response

7. The Chairman reminded the deputations attending the meeting that they were not covered by the protection and immunity provided under the Legislative Council (Powers and Privileges) Ordinance (Cap. 382) when addressing the Panel. At the invitation of the Chairman, 30 deputations presented their views on the subject.

*Hong Kong Catholic Commission for Labour Affairs  
(LC Paper No. CB(2)1021/11-12(05))*

8. Ms LAW Pui-shan presented the views of Hong Kong Catholic Commission for Labour Affairs as detailed in its submission. She said that the crux of the problem laid with the Administration's reluctance to adopt the "dual-track" approach for the means test. She welcomed the Administration's adjustments to the means test limits and urged the Administration to consider increasing the amount of subsidy provided under the WITS Scheme and introducing some forms of wage subsidy to encourage low-income employees to remain in employment.

*North District Employment Concern Group  
(LC Paper No. CB(2)1021/11-12(07))*

9. Ms Venny KWOK presented the views and suggestions of North District Employment Concern Group as set out in its submission.

*Catholic Diocese of Hong Kong Diocesan Pastoral Centre for Workers  
(New Territories)  
(LC Paper No. CB(2)1021/11-12(08))*

10. Mr Augustine YU presented the views of Catholic Diocese of Hong Kong Diocesan Pastoral Centre for Workers (New Territories), as detailed in its submission. He doubted whether the WITS Scheme would be able to achieve the Administration's intended policy objectives, in the light of its low take-up rate in the first four months of operation. He strongly requested that applicants should be given the choice of undergoing a means test on a household or individual basis.



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*New Territories Evangelical Ambassador  
(LC Paper No. CB(2)1021/11-12(09))*

11. Mr Simon TAM presented the views of New Territories Evangelical Ambassador as set out in its submission. He strongly requested the Administration to give serious consideration to relaxing the existing household-based mechanism for assessing applicants' income and assets and adopting a "dual-track" approach to provide applicants with the choice of undergoing a means test on a household or individual basis, in order to allow a greater number of low-income workers to benefit from the WITS Scheme.

*Oxfam Hong Kong  
(LC Paper No. CB(2)1021/11-12(10))*

12. Ms WONG Shek-hung presented the views of Oxfam Hong Kong as detailed in its submission. She highlighted the results of the analysis conducted by Oxfam Hong Kong, which revealed that each additional child aged under 15 would incur an additional household expenditure of about \$5,328 per month. She welcomed the adjustments to the means test limits under the WITS Scheme to be made by the Administration. While urging the Administration to take this into account when reviewing and adjusting the household income and asset limits, Oxfam Hong Kong also recommended that the Administration should expedite the review of the WITS Scheme.

*Friends of Tin Shui Wai  
(LC Paper No. CB(2)1021/11-12(11))*

13. Ms TANG Wai-kuen presented the views of Friends of Tin Shui Wai as set out in its submission. Ms TANG welcomed the Administration's adjustments to the means test limits under the WITS Scheme and said that the Administration should carefully consider the suggestion of adopting a "dual-track" approach for the means test.

*The Hong Kong Federation of Trade Unions - Rights & Benefits  
Committee ("HKFTU")  
(LC Paper No. CB(2)1021/11-12(12))*

14. Miss Alice MAK presented the views and suggestions of HKFTU as detailed in its submission. HKFTU, welcoming the adjustments to the means test limits to be made by the Administration, considered that the

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amount of subsidy provided under the WITS Scheme should be subject to review on an annual basis to take into account the latest inflation rate and economic forecast.

*Democratic Alliance for the Betterment and Progress of Hong Kong ("DAB")*  
(LC Paper No. CB(2)1021/11-12(13))

15. Mr NGAN Man-yu presented the views and suggestions of DAB as detailed in its submission. In gist, DAB considered that the Administration should proceed immediately with the comprehensive review of the WITS Scheme, covering its objectives, eligibility criteria and application procedures. A job search allowance should also be provided under WITS.

*Working Poor Concern Group*  
(LC Paper No. CB(2)1021/11-12(14))

16. Mr LAM Wai-kau presented the views of Working Poor Concern Group as detailed in the joint submission. Citing his own personal experience, Mr LAM considered the eligibility criteria for WITS too rigid. He called on the Administration to relax the income and asset limits under the WITS Scheme.

*Housing Right Concern Group*  
(LC Paper No. CB(2)1021/11-12(14))

17. Mr TO Yuk-lun called on the Administration to adopt a "dual-track" approach for the means test and raise the income limit for different household sizes by making reference to the existing benchmarks adopted by the Community Care Fund ("CCF") for its various financial assistance schemes.

*Society for Community Organization*  
(LC Paper No. CB(2)1021/11-12(14))

18. Mr NG Wai-tung pointed out that the relevant household income limit for applying subsidy under CCF was set at a much higher level than the WITS Scheme.

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*Single Man Concern Group  
(LC Paper No. CB(2)1021/11-12(14))*

19. Mr Joel SUEN said that the requirement to pass a restrictive income and asset assessment discouraged the needy low-income employees from making application. The Administration should drop the means test requirement, in particular the asset threshold requirement.

*The Federation of Hong Kong and Kowloon Labour Unions ("FHKKLU")  
(LC Paper No. CB(2)1021/11-12(18))*

20. Mr LAM Chun-sing presented the views of FHKKLU as detailed in its submission. He welcomed the Administration's adjustments to the means test limits under the WITS Scheme but urged the Administration to further relax the eligibility criteria for WITS in order to benefit more low-income employees.

*Tin Shui Wai Development Alliance*

21. Ms WONG Wing-chi strongly requested the Administration to respond to public aspiration for adopting the "dual-track" approach for means test. She was also happy to find the Administration making adjustments to the means test limits of the WITS Scheme.

*Transportation Concerning Group of Northern Tin Shui Wai*

22. Mr KONG Kin-shing shared the view that applicants should be provided with the choice of undergoing a means test on an individual or household basis. While he was happy to find the Administration making adjustments to the means test limits of the WITS Scheme, he also suggested that the income and asset limits for applying public rental housing should be used for assessing applicants' eligibility for WITS.

*Community Development Alliance*

23. Mr CHAN Yu-cheung said that while the Community Development Alliance welcomed the Administration's adjustments to the means test limits under the WITS Scheme, the Alliance hoped that the Administration would consider adopting the "dual-track" approach so as to give applicants the choice of undergoing a means test on a household or individual basis. Regarding the policy objective of the Scheme, he queried whether WITS was intended as a financial incentive to relieve the burden of travelling expenses on low-income employees and encourage them to stay in

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employment or a form of welfare measure to address the problem of working poverty. He stressed that the two issues were unique in character, and hence requiring separate policies to deal with.

*Yuen Long Friends*

*(LC Paper No. CB(2)1021/11-12(22))*

24. Mr KEUNG Kwok-wai presented the views and suggestions of Yuen Long Friends as detailed in its submission. He also requested the Administration to increase the amount of subsidy provided under the WITS Scheme.

*Hong Kong Confederation of Trade Unions ("HKCTU")*

*(LC Paper No. CB(2)1021/11-12(23))*

25. Mr LAM Cho-ming expressed disappointment that despite the Administration's plan to relax the income and asset limits under the WITS Scheme, the Administration failed to give full regard to public and HKCTU's views on how to improve the Scheme to ensure that it could benefit more low-income earners. He was also concerned whether the Administration's adjustments to the means test limits would be applied with retrospective effect.

*San Po Kong Workers' Group Alliance*

*(LC Paper No. CB(2)1021/11-12(24))*

26. Ms LEE Ka-fung presented the views of San Po Kong Workers' Group Alliance as set out in its submission.

*Kwai Chung Estate Low Income Concern Group*

*(LC Paper No. CB(2)1021/11-12(25))*

27. Miss Vincci WONG presented the views of Kwai Chung Estate Low Income Concern Group as detailed in the joint submission.

*Kwai Chung Estate Striving for Transportation Subsidy Concern Group*

*(LC Paper No. CB(2)1021/11-12(25))*

28. Ms CHIM Miu-cheung strongly requested the Administration to adopt the "dual-track" approach to give applicants the choice of undergoing a means test on a household or individual basis, in order to allow a greater number of low-income workers to benefit from the Scheme.

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*Kwai Chung Estate Labour Rights Concern Group  
(LC Paper No. CB(2)1021/11-12(25))*

29. Miss LEE Man-kiu presented the views of Kwai Chung Estate Labour Rights Concern Group as set out in the joint submission. She welcomed the Administration's adjustments to the means test limits under the WITS Scheme and urged the Administration to adopt the "dual-track" approach for the means test and to drop the requirement for applicants to pass an asset test in order to become eligible for WITS.

*Kwai Shing East Transportation Concern Group  
(LC Paper No. CB(2)1021/11-12(25))*

30. Mr LAI Chi-po strongly requested the Administration to increase the amount of subsidy under the WITS Scheme and to remove the requirement for applicants to pass an asset test.

*On Yam Estate Labour Rights Concern Group  
(LC Paper No. CB(2)1021/11-12(25))*

31. Mr LAU Ka-lok strongly requested the Administration to give serious consideration to deputations' suggestions of adopting a "dual-track" approach for the means test and removing the requirement for applicants to pass an asset test.

*Concern Group for Women Poverty  
(LC Paper No. CB(2)1021/11-12(31))*

32. Ms IP Lai-hing presented the views and suggestions of Concern Group for Women Poverty as detailed in its submission.

*Civil Force  
(LC Paper No. CB(2)1021/11-12(33))*

33. Mr MAK Ping-fai presented the views and suggestions of Civil Force as set out in its submission. He was happy to find the Administration making adjustments to the means test limits under the WITS Scheme.

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*Smart and Beauty House*

34. Mr Raymond LO shared the views of many deputations that the Administration should consider the suggestion of adopting a "dual-track" approach for the means test, i.e. allowing applicants to choose to be means-tested either on an individual or household basis.

*Hong Kong Women Development Association Limited*  
(LC Paper No. CB(2)1021/11-12(35))

35. Ms LEE Kwai-chun presented the views of Hong Kong Women Development Association Limited as detailed in its submission, and urged the Administration to conduct a comprehensive review of the WITS Scheme as early as possible.

*Civic Party*  
(LC Paper No. CB(2)1047/11-12(01))

36. Mr Stanley CHAN presented the views and suggestions of Civic Party as detailed in its submission.

*Tung Chung Development Alliance*  
(LC Paper No. CB(2)1021/11-12(32))

37. Miss CHIU Sin-ting presented the views and suggestions of Tung Chung Development Alliance as detailed in its joint submission with the Concerning CSSA Review Alliance and 清河低收入關注組.

38. Members noted that the following organizations and individuals had provided the Panel with written submissions -

- (a) Mr TANG Ka-piu, Islands District Council member (LC Paper No. CB(2)1021/11-12(06));
- (b) Tin Ching Community Service Centre (LC Paper No. CB(2)1021/11-12(25)) ; and
- (c) Mr WONG Yun-tat, Kwai Tsing District Council member (LC Paper No. CB(2)1079/11-12(02)).

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39. SLW thanked the deputations for their views and responded as follows -

- (a) the WITS Scheme sought to relieve the burden of travelling expenses arising from commuting to and from work on employed members of low-income households, and encourage them to stay in employment. As the subsidy would be provided on a recurrent basis, the Administration had to ensure that public money was spent prudently. The means test requirement, in particular the asset threshold requirement, should remain;
- (b) regarding the level of subsidy, WITS was provided on a monthly basis at a flat rate per qualified applicant. To keep the WITS Scheme simple and easy to administer, the Administration did not provide a customized subsidy based on beneficiaries' actual travelling expenses. According to the General Household Survey conducted by the Census and Statistics Department in the second quarter of 2010, the average monthly expense of target beneficiaries of WITS on public transport for travelling to and from work was only \$410, and that for those who needed to work across districts was only \$460. In the third quarter of 2011, these figures slightly increased to \$436 and \$472 respectively. The Administration considered that a transport subsidy of \$600 per eligible person per month could provide sufficient support to most people in need to relieve their burden of travelling expenses; and
- (c) the WITS Scheme had been open for application since 3 October 2011 and had been running smoothly. While the Administration would carry out a mid-term review to take account of the operational experience in the first year of implementation, and a comprehensive review after three years of operation, it saw a need to update the income and asset limits for its means test in order to keep pace with the changes to the Hong Kong's economic situation and better serve the policy objectives.

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Discussions

40. Ms Miriam LAU considered that the low take-up rate in the first four months of operation had indicated that the WITS Scheme failed to achieve its policy objective. Even if the income and asset limits for the means test were to be updated, the situation would not change much given the fact that the Scheme adopted a household-based approach in assessing applicants' income and assets. In her view, there was room for further improvement. The Administration should embark on its review as early as possible and consider adopting the "dual-track" approach and streamlining the application procedures, in order to enable more low-income earners to benefit from the Scheme. Mr WONG Sing-chi echoed her view.

41. Mr WONG Kwok-hing, Dr PAN Pey-chyou and the Deputy Chairman shared the view that the low take-up rate was due to the stringent eligibility criteria. They urged the Administration to give serious consideration to adopting the "dual-track" approach for means test. Enquiring whether the Administration had reviewed the reason for the low take-up rate of the WITS Scheme, the Deputy Chairman said that the need to pass a restrictive income and asset assessment discouraged needy low-income employees from making application. She suggested that to allow a greater number of low-income employees to benefit from the Scheme, the Administration should remove the requirement for applicants to pass an asset test.

42. Mr Frederick FUNG queried the sincerity of the Administration in responding to Members' views, as it took no heed of Members' and public aspiration for adopting a "dual-track" approach for the means test. In his view, the Administration was unclear as to whether the WITS Scheme should be intended as a work incentive or a form of welfare measure to assist the working poor. He stressed that the crux of the problem laid with the question of whether or not the Administration agreed to adopt the "dual-track" approach for the means test.

43. Mr IP Wai-ming shared a similar view that the crux of the problem laid with the Administration's reluctance to adopt the "dual-track" approach for the means test. He queried whether WITS was intended as a financial incentive to relieve the burden of travelling expenses arising from commuting to and from work on low-income employees and encourage them to stay in employment or a form of welfare measure to address the problem of working poverty. In his view, the two issues were unique in character and should be dealt with by separate policies.



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44. Responding to Members' concern about the take-up rate of WITS, SLW said that it was difficult to have an accurate estimate of the public response and the actual number of persons who would benefit from the Scheme. As the Administration did not have information on household asset, it was unable to take that factor into account. The figure provided at the time the Administration sought funding approval in respect of the WITS Scheme from the Finance Committee was a rough indication for reference only. Considering that the introduction of the Statutory Minimum Wage had led to a notable increase of wages across the board, particularly at the low-end fraction, and also the wage movement which had been in an upward trend over the last year or so owing to the significantly improved local economic situation, the Administration had taken the initiatives to update the income limits and, at the same time, increase the asset limits to maximize the flexibility of enhancing the Scheme.

45. Mr IP Wai-ming and Mr CHEUNG Kwok-che enquired about the Administration's timetable for conducting the review on the WITS Scheme. SLW said that the Administration would carry out a mid-term review in October 2012 to take account of the operational experience in the first year, and a comprehensive review after three years of operation. SLW stressed that since the policy objective of the Scheme was to assist employed members of low-income households, the concept of "household" was adopted for the purpose of means-testing. Notwithstanding this, the Administration would consider different issues, including the "dual-track" approach, during its review of the Scheme.

46. Mr LEUNG Kwok-hung expressed strong dissatisfaction with Administration's reluctance to adopt the "dual-track" approach for the means test.

*(At this juncture, Mr LEUNG Kwok-hung threw three plastic bottles at SLW. The Chairman ordered Mr LEUNG whose conduct was grossly disorderly to withdraw from the meeting.)*

47. Mr LEUNG Yiu-chung asked about the reason for not adopting and whether there were difficulties in adopting the "dual-track" approach. He was also concerned about the yardsticks for assessing whether the policy objective of the WITS Scheme had been met.

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48. Mr CHEUNG Kwok-che asked about the additional number of persons or households eligible for WITS, consequential to the adjustments of the means test limits. He considered the application procedures for WITS cumbersome, inflexible and not user-friendly to the applicants. The application form was too complicated for low-income earners to complete. In his view, the requirement for applicants to provide full and relevant information in the form and file in detailed documents in support of a WITS application would only deter people from making application. He urged the Administration to modify the application form to make it more user-friendly, and suggested that staff members of the WITS Division should help the applicants to fill out the application form. His view was echoed by Dr PAN Pey-chyou.

49. Mr WONG Kwok-hing and Dr PAN Pey-chyou considered that the Administration should take an initiative to notify the unsuccessful WITS applicants of its plan to update the means test limits and invite them to re-submit application at the beginning of March 2012.

50. SLW responded that LD would publicize the updated means test limits through various channels to bring the message across. Regarding the application form and procedures, SLW stressed that the Administration was mindful of the need to make the application process user-friendly. Applicants were only required to complete a six-page application form and provide the essential information required for eligibility assessment.

51. Mr CHAN Kin-por concurred that the Administration should seriously consider the suggestion of adopting the "dual-track" approach for the means test. Regarding the inclusion of cash value of insurance policies in the calculation of household assets, he considered that it was unfair to those who made an effort to keep savings through taking out insurance plan that offered life protection and savings. He opined that cash value of insurance policies should not be counted as income or asset, if the amount of which did not exceed a specific threshold.

52. SLW responded that the Administration was open on the matter and would consider Mr CHAN's suggestion during its review of the WITS Scheme.

53. Summing up, the Chairman said that the Administration's adjustments to income and asset limits was the first step to respond to the strong call from the community to enhance the WITS Scheme. He hoped that the Administration would continue to closely monitor the

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implementation of the WITS Scheme and actively consider adopting the "dual-track" approach for the means test.

**V. Manpower projection to 2018**

(LC Paper Nos. CB(2)1010/11-12(01) and CB(2)1021/11-12(36))

54. Permanent Secretary for Labour and Welfare ("PSLW") briefed Members on the preliminary key findings of the Manpower Projection to 2018 ("MP2018") and the preliminary observations of the bureaux and departments concerned on the findings, as detailed in the Administration's paper.

55. Mr CHEUNG Kwok-che noted with concern that the manpower demand for healthcare workers in the coming years was expected to increase. He sought information about the manpower projection in this respect.

56. PSLW and Principal Assistant Secretary for Labour and Welfare (Manpower) ("PAS/LW(MP)") responded that -

- (a) the average annual growth rate for the manpower requirement of the medical services industry from 2009 to 2015 was projected to be 3%. It would be higher than that of the economy as a whole, which was projected to increase at an average rate of 1.1% per annum;
- (b) while the manpower requirement projection covered an analysis by economic sector, the manpower supply projection did not, since it was not possible to identify in the manpower supply projection the sector in which a person would take up a job after completing his/her relevant education. Hence, MP2018 could not analyze whether there would be any deficit or surplus in the manpower of specific industries. Nonetheless, MP2018 equipped bureaux and departments overseeing the respective industries with a useful planning tool to facilitate them in the consideration of the need for further studies in this respect in conjunction with the sector-specific data they possessed, as well as the formulation of appropriate measures to provide for sufficient human resources for various industries; and

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- (c) the relevant bureaux and departments overseeing the development of the respective industries would continue to keep under review the sectoral manpower requirement and supply in consultation with the respective industrial bodies and education institutions. Various bureaux and departments had also worked very closely with the industry practitioners concerned in taking forward some of the related initiatives. Regarding the medical services industry, in addition to regular sectoral manpower requirement assessment, a high-level steering committee under the Food and Health Bureau would conduct a strategic review on healthcare manpower planning and professional development. The steering committee would look into, inter alia, the supply of and demand for healthcare professionals and come up with recommendations on how to cope with the anticipated demand and strengthen the related training as warranted.

*(Members agreed to extend the meeting by 15 minutes.)*

57. Mr CHAN Kin-por said that the manpower requirements of the six industries would be affected by a host of factors, particularly when there were policy changes or introduction of new policies. Citing the proposed Health Protection Scheme as an example, he expressed concern about the possible impact of policy changes on the accuracy of the projections.

58. PSLW advised that the projection findings mainly offered useful reference on the broad trends in the future manpower supply and requirement of the economy at the macro level as well as the potential manpower balance at different education levels. They also provided pointers for bureaux and departments and other stakeholders in conducting further studies and formulation of policies or measures to provide for sufficient human resources for various industries.

59. The Deputy Chairman noted with concern about the high projected growth rate for the manpower requirement of the education services industry during the projection period up to 2015, and enquired about the basis on which the Administration worked out the projection.

60. PAS/LW(MP) responded that MP2018 adopted 2010 as the base year and a projection horizon up to 2018, except for the six industries which had a projection period up to 2015. A two-pronged approach, comprising quantitative projections of manpower requirement and supply

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for the projection period based on historical data, as well as qualitative and quantitative analyses of data gathered from establishment and household surveys and consultations on the future growth in manpower requirement with the business, academics and trade associations, was adopted. The manpower projections were made on the basis of certain assumptions on, for example, the general direction in the provision of education and development of various economic sectors. Scenario studies had been conducted to assess the effect of economic fluctuations and cycles on the projections.

61. The Deputy Chairman referred to paragraph 17 of the Administration's paper which stated that "the projected shortfall at the upper secondary level can be partly addressed by the replenishing youth with higher qualifications who can better carry out the jobs with enhanced productivity and more sophisticated skills", and questioned whether this implied a depreciation in the value of the qualifications attained by the youth. She further referred to paragraph 18 and asked about the number of in-service workers who had attended skills upgrading training courses and acquired a higher qualification along the seven-level hierarchy of qualifications provided under the Qualifications Framework ("QF").

62. In response, PAS/LW(MP) made the following points -

- (a) it was noteworthy that for the economy as a whole, the growth in both the manpower requirement and supply was projected to tilt towards workers with higher education qualifications. This reflected the opportunity for the upward mobility of workers, which was in line with Hong Kong's continued transformation into a knowledge-based economy;
- (b) in a society that embraced lifelong learning, it was common for people to acquire higher qualifications than those required by individual jobs, for instance, an employee taking a job requiring first degree qualification might acquire a post-graduate qualification to facilitate career advancement. In addition, there was some degree of substitutability between workers with different education qualifications;
- (c) it was projected that there would be an overall manpower shortfall of 22 000 at the various education levels between lower secondary and first degree. This projected manpower shortfall, primarily at the upper secondary level, was mainly due to the retirement of post-war baby boomers during the

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projection period who would not be replaced sufficiently by new entrants into the workforce given the low birth rates and abundant progression pathways available to the youth in Hong Kong. The projected shortfall at the upper secondary level could be partly addressed by the replenishing youth with higher qualifications, for example, those at technician and sub-degree levels, who could better carry out the jobs with enhanced productivity and more sophisticated skills. Employers might take this opportunity to enhance their competitiveness; and

- (d) to help enhance the industry-specific knowledge and skills of in-service workers with low skills and low education attainment, the Employees Retraining Board ("ERB") had and would continue to provide training and retraining courses to assist them in acquiring the necessary vocational skills and recognized qualifications under QF with a view to improving their competitiveness and employability. In 2012-2013, ERB planned to provide 130 000 training places, while reserving resources to offer an additional 30 000 places, and to further enhance its training services.

63. Noting that the slow growth in manpower supply was mainly attributable to the ageing population, Mr CHAN Kin-por and Dr PAN Pey-chyou suggested that the Administration should take appropriate measures to promote the employment of elderly persons and retirees in both the public and private sectors.

64. PSLW responded that there was no statutory retirement age in Hong Kong. As such, it would be up to individual industries/companies to formulate their policy on retirement and decide on the retirement age of their employees. To help promote and facilitate the employment of elderly or retirees, the Administration had been taking various measures such as promoting active ageing and organizing job fairs targetting the elder employees. Regarding the civil servants, their normal retirement age at present was between 55 and 60. The suggestion of extending the retirement age of civil servants with a view to retaining experienced staff had to be considered with care in view of its far reaching implications.

65. Regarding the elderly workers and the anticipated manpower surplus of about 8 500 people at the education level of lower secondary and below, Dr PAN Pey-chyou considered that the Administration should explore formulating strategic measures to facilitate the sustainable growth

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of, for instance, the environmental industries with a view to absorbing the surplus manpower supply.

66. PSLW responded that "environmental industries" was one of the six industries in which Hong Kong enjoyed a competitive edge. The relevant bureaux and departments overseeing the industries attached great importance to formulating appropriate policies and measures to promote the further development of the industries, which in turn would create more job opportunities with different requirements, as well as to attract the suitable people and upgrade their skills for the jobs.

67. The Chairman noted that apart from the manpower surplus of about 8 500 people at the education level of lower secondary and below, there would be a manpower shortfall of 22 000 people at various education levels between lower secondary and first degree. He expressed concern whether the training and retraining courses offered by ERB could address the problem of manpower mismatch.

68. PSLW responded that ERB provided a full range of multi-faceted and QF-recognized courses to assist their trainees in acquiring vocational skills and recognized qualifications. ERB courses would help improve the qualifications and employability of low-skilled workers, which might in part help address the projected manpower shortfall at the education levels between lower secondary and first degree.

69. There being no other business, the meeting ended at 5:48 pm.