

**立法會**  
***Legislative Council***

LC Paper No. FC67/15-16

(These minutes have been  
seen by the Administration)

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**Finance Committee of the Legislative Council**

**Minutes of the 73<sup>rd</sup> meeting  
held at Conference Room 1 of the Legislative Council Complex  
on Friday, 17 July 2015, at 9:25 pm**

**Members present:**

Hon Tommy CHEUNG Yu-yan, GBS, JP (Chairman)

Hon Albert HO Chun-yan

Hon Emily LAU Wai-hing, JP

Hon TAM Yiu-chung, GBS, JP

Hon WONG Kwok-hing, BBS, MH

Hon Jeffrey LAM Kin-fung, GBS, JP

Hon Andrew LEUNG Kwan-yuen, GBS, JP

Hon WONG Ting-kwong, SBS, JP

Hon Cyd HO Sau-lan, JP

Dr Hon Priscilla LEUNG Mei-fun, SBS, JP

Hon IP Kwok-him, GBS, JP

Hon Paul TSE Wai-chun, JP

Hon LEUNG Kwok-hung

Hon Albert CHAN Wai-yip

Hon Claudia MO

Hon NG Leung-sing, SBS, JP

Hon Steven HO Chun-yin, BBS

Hon Gary FAN Kwok-wai

Hon MA Fung-kwok, SBS, JP

Hon Charles Peter MOK, JP

Hon CHAN Chi-chuen

Dr Hon Kenneth CHAN Ka-lok

Hon LEUNG Che-cheung, BBS, MH, JP

Hon Christopher CHEUNG Wah-fung, SBS, JP

Hon SIN Chung-kai, SBS, JP  
Hon IP Kin-yuen  
Dr Hon Elizabeth QUAT, JP  
Hon POON Siu-ping, BBS, MH  
Dr Hon CHIANG Lai-wan, JP  
Hon Christopher CHUNG Shu-kun, BBS, MH, JP  
Hon Tony TSE Wai-chuen, BBS

**Members absent:**

Hon CHAN Kin-por, BBS, JP (Deputy Chairman)  
Hon LEE Cheuk-yan  
Hon James TO Kun-sun  
Hon CHAN Kam-lam, SBS, JP  
Hon LEUNG Yiu-chung  
Dr Hon LAU Wong-fat, GBM, GBS, JP  
Hon Abraham SHEK Lai-him, GBS, JP  
Hon Frederick FUNG Kin-kee, SBS, JP  
Hon Vincent FANG Kang, SBS, JP  
Prof Hon Joseph LEE Kok-long, SBS, JP, PhD, RN  
Hon Ronny TONG Ka-wah, SC  
Hon Starry LEE Wai-king, JP  
Dr Hon LAM Tai-fai, SBS, JP  
Hon CHAN Hak-kan, JP  
Dr Hon LEUNG Ka-lau  
Hon CHEUNG Kwok-che  
Hon WONG Kwok-kin, SBS  
Hon Mrs Regina IP LAU Suk-yee, GBS, JP  
Hon Alan LEONG Kah-kit, SC  
Hon WONG Yuk-man  
Hon Michael TIEN Puk-sun, BBS, JP  
Hon James TIEN Pei-chun, GBS, JP  
Hon Frankie YICK Chi-ming, JP  
Hon WU Chi-wai, MH  
Hon YIU Si-wing, BBS  
Hon CHAN Han-pan, JP  
Hon CHAN Yuen-han, SBS, JP  
Hon Kenneth LEUNG  
Hon Alice MAK Mei-kuen, BBS, JP  
Dr Hon KWOK Ka-ki  
Hon KWOK Wai-keung

Hon Dennis KWOK  
Dr Hon Fernando CHEUNG Chiu-hung  
Dr Hon Helena WONG Pik-wan  
Hon Martin LIAO Cheung-kong, SBS, JP  
Hon TANG Ka-piu, JP  
Ir Dr Hon LO Wai-kwok, SBS, MH, JP  
Hon CHUNG Kwok-pan

**Public officers attending:**

Ms Elizabeth TSE Man-yee, JP	Permanent Secretary for Financial Services and the Treasury (Treasury)
Ms Esther LEUNG, JP	Deputy Secretary for Financial Services and the Treasury (Treasury)1
Mr Alfred ZHI Jian-hong	Principal Executive Officer (General), Financial Services and the Treasury Bureau (The Treasury Branch)
Miss Kathy CHAN Nap-sze	Principal Assistant Secretary for Commerce and Economic Development (Commerce and Industry) 5
Mr Kenneth MAK Ching-yu, JP	Director-General of Trade and Industry
Ms Belinda WONG Yuen-yung	Assistant Director-General of Trade and Industry (Industries Support)
Mr Albert LAM Kai Chung, JP	Deputy Secretary for Development (Works) 1
Mr Dominic CHOW Wing-hang	Principal Assistant Secretary for Development (Works) 1
Ir Dr Derrick PANG Yat-bond	Chairman of Construction Industry Training Board, Construction Industry Council
Mr Alex LEUNG Wai-hung	Director, Training and Development, Construction Industry Council

**Clerk in attendance:**

Ms Anita SIT	Assistant Secretary General 1
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**Staff in attendance:**

Mr Derek LO	Chief Council Secretary (1)5
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Mr Daniel SIN	Senior Council Secretary (1)7
Mr Raymond SZETO	Council Secretary (1)5
Mr Frankie WOO	Senior Legislative Assistant (1)3
Ms Michelle NIEN	Legislative Assistant (1)5
Miss Yannes HO	Legislative Assistant (1)6

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Action

**Item No. 3 – FCR(2015-16)26**

**HEAD 181 – TRADE AND INDUSTRY DEPARTMENT**

**Subhead 700 General non-recurrent**

**Item 524 SME Export Marketing and Development Funds**

The meeting continued with the deliberation on the item which sought the Committee's approval for an increase in the approved commitment of the SME Export Marketing and Development Funds ("EMDF") from \$3.75 billion by \$1.5 billion to \$5.25 billion.

2. Mr Andrew LEUNG expressed the support of the Business and Professionals Alliance for Hong Kong and the Federation of Hong Kong Industries ("FHKI") for the proposed injection into EMDF. He said that the two funding schemes financed by EMDF, namely the SME Development Fund ("SDF") and SME Export Marketing Fund ("EMF"), had assisted small and medium enterprises ("SMEs") in developing new markets in the past. He welcomed the Administration's plan to strengthen the support for trade associations such as FHKI through EMDF. Pointing out the slow adoption of information technology by local SMEs, he opined that the scope of EMDF should be expanded in order to assist SMEs in tapping into the huge electronic commerce ("e-commerce") market. He enquired about the new direction of EMDF in assisting SMEs and how the Administration would promote EMDF after the injection of funds.

3. Director-General of Trade and Industry ("DGTI") responded that at present, SMEs could make use of the EMF grants to place advertisements only on eligible trade websites pre-approved by the Administration. The scope of EMF would be expanded to cover export promotion activities conducted through all kinds of electronic platforms and media, and a set of objective assessment criteria would be established correspondingly. The Administration would promote EMF through established channels, including the websites of the Trade and Industry Department and Hong Kong Trade Development Council. Seminars would also be organized in collaboration with trade associations to introduce the enhancements to SMEs.

4. Mr Christopher CHEUNG and Dr CHIANG Lai-wan asked about the eligibility of SMEs in the financial and retail sectors as well as shopping malls in new housing estates for grants under SDF and EMF. DGTI explained that all sectors might apply for the grants as long as they used the grants within the scope of the two funding schemes. The purpose of EMF was to provide subsidy to individual SMEs for participation in export promotion activities, hence activities targeted at the local market were ineligible. SDF provided financial support to non-profit-distributing organizations, including trade and industrial associations, professional bodies, etc., for projects which could enhance the competitiveness of SMEs in general or in specific sectors.

5. Mr Albert CHAN expressed support for the funding proposal. Mr WONG Kwok-hing said that the Hong Kong Federation of Trade Unions supported the proposal since employees could benefit from the enhanced competitiveness of the SMEs.

6. There being no further question from members, the Chairman put the item to vote. The Chairman declared that the Committee approved the item.

**Item No. 4 – FCR(2015-16)27**

**HEAD 159 – GOVERNMENT SECRETARIAT :**

**DEVELOPMENT BUREAU (WORKS BRANCH)**

**Subhead 700 General non-recurrent**

**New Item "Enhancing the Skill Level of Construction Manpower"**

7. The Chairman advised that the item sought the Committee's approval for creating a commitment of \$100 million to support the Construction Industry Council ("CIC") in launching a pilot scheme for training semi-skilled construction workers for becoming skilled workers.

8. At the invitation of the Chairman, Mr Tony TSE, Chairman of the Panel on Development, reported that the Panel discussed the proposal on 26 May 2015. Panel members supported the proposal. They opined that CIC should maintain close dialogue with stakeholders in the construction industry, including employers and labour unions, to ensure that the pilot scheme and relevant training courses would meet the needs of the industry. To alleviate the labour shortage in the construction industry, members suggested that the Administration should put in place appropriate measures to attract more people, and in particular the younger generation, to join the industry. In addition, members urged that the Administration should prudently gauge the market demand for construction workers in the coming years to avoid unemployment or underemployment of trainees upon completion of training.

Trainee bonus

9. Mr POON Siu-ping expressed support for the proposal. He enquired about the basis on which CIC earmarked funding for providing under the pilot scheme bonuses to trainees who passed the trade tests and intermediate trade tests.

10. Director, Training and Development, Construction Industry Council ("D(T&D)/CIC") explained that each trainee who passed the trade test upon completion of training would receive a bonus of \$8,000. To encourage trainees to strengthen their competences and build up multiple skills, an additional bonus of \$4,000 would be granted to a trainee for passing each intermediate trade test or trade test of other skills (up to three additional skills). It was envisaged that out of the 1 000 training quota, around 800 to 900 trainees would complete the training and be registered as skilled workers, and the number of trade tests passed for other skills would vary among the trainees.

Wages of semi-skilled workers

11. Mr Tony TSE expressed support for the proposal. He noted that the on-the-job training programme under the pilot scheme would cover 22 trades, and suggested that CIC should allocate training quota among them flexibly according to the actual needs of the industry, and include more trades in the programme in future. Mr TSE further noted that each trainee would receive a minimum monthly wage while the participating employer of the trainee would receive a monthly training allowance to subsidize the training costs. He expressed concern about the potential drop in the wages of the participating semi-skilled workers upon completion of the training period of one to two years when their employers would no longer receive the relevant subsidies from CIC. This might not be conducive to retaining workers in the construction industry. Dr CHIANG Lai-wan echoed the concern and sought details about the expected wages of workers who would be registered as skilled workers after completing the training.

12. D(T&D)/CIC responded that having regard to the views expressed by employers and labour unions during discussion on the design of the pilot scheme, CIC decided to include 22 trades in the initial list under the programme. It might include other trades subject to further discussion with stakeholders. CIC would allocate the training quota in both the on-the-job training programme and the skills enhancement courses flexibly based on the applications received. He said that due to the huge demand for skilled workers in the construction industry, it was expected that those who would complete the

training and be registered as skilled workers would attain a wage higher than the amount they received during the training period.

13. Chairman of Construction Industry Training Board, Construction Industry Council ("C(CITB)/CIC") supplemented that, according to the guidelines on the recommended wages of skilled workers in different trades issued by labour unions, the expected minimum wages of skilled workers exceeded the amount a semi-skilled trainee would receive during the training period. He and D(T&D)/CIC emphasized that the wage levels of construction workers mainly hinged on the market demand for construction workers. D(T&D)/CIC undertook to provide supplementary information on the wage levels of semi-skilled trainees of different trades, and their expected wage levels after becoming skilled workers.

[*Post-meeting note:* The supplementary information provided by the Administration and CIC was issued to members on 21 August 2015, vide LC Paper No. FC247/14-15(01).]

#### Training quota and demand for skilled workers

14. Ms Emily LAU supported the proposal but expressed concern that the 1 000 training quota under the pilot scheme might fall short of meeting the demand of the construction industry which needed about 10 000 to 15 000 additional skilled workers in the coming years. She queried if CIC would consider expanding the scheme and the training quota, and sought details about other measures implemented by CIC to increase the supply of construction workers.

15. C(CITB)/CIC explained that there had been a decline in the number of construction works from 2003 to 2010 and many construction workers had left the industry due to unemployment at that time, but when the industry had regained momentum in recent years, they did not return to the industry. To help meet the manpower needs of the industry, CIC had organized programmes in the past years targeted at training general workers without trade skills for becoming semi-skilled workers. Deputy Secretary for Development (Works) 1 ("DS/DEV(W)1") added that the funding approved by the Legislative Council in the past few years to enhance manpower training in the construction industry totalled \$320 million. While previous programmes launched by CIC focused on training semi-skilled workers, the pilot scheme in question focused on increasing the supply of skilled workers by providing an alternative and faster path for semi-skilled workers to register as skilled workers.

16. C(CITB)/CIC and D(T&D)/CIC further explained that there was a supply of around 5 000 to 6 000 semi-skilled workers each year and generally they would be able to pass the trade tests and become skilled workers in three to four years. The pilot scheme would speed up the process of semi-skilled workers in becoming skilled workers systematically. CIC recognized the need to launch the pilot scheme expeditiously and would seek to expand the scheme in future. To prepare for the launch of the pilot scheme, CIC had already engaged contractors, sub-contractors and labour unions in relevant discussions. It was envisaged that the pilot scheme could be rolled out in September 2015 upon funding approval by the Finance Committee. As regards the total number of registered workers, D(T&D)/CIC said that there were around 340 000 registered workers currently, comprising 220 000 general workers, 20 000 semi-skilled workers and 100 000 skilled workers.

Enhancing the attractiveness of construction jobs to address the labour shortage

17. Dr Priscilla LEUNG and Mr WONG Ting-kwong expressed support for the proposal. Dr LEUNG observed that there were enormous employment opportunities with attractive incomes in the construction industry due to the acute shortage of construction workers. However, the construction industry encountered difficulties in recruiting new blood because of the physically demanding work, unstable incomes and occupational safety concerns. To address the shortage of workers, she suggested that the construction industry should seek to recruit more new blood from ethnic minorities and promote job satisfaction in the industry, and the Government should uplift the image of the industry. Mr WONG said that the Administration should encourage employers in the construction industry to enhance working conditions of construction sites and occupational safety.

18. Dr CHIANG Lai-wan also pointed out the need to uplift the image of the construction industry. She suggested that jobs of different trades in the construction industry should be given professional titles, instead of using the generic term "workers" ("工人"), so that they would be more appealing to young people.

19. DS/DEV(W)1 responded that the Administration had launched in collaboration with CIC a "Build Up" publicity campaign targeted at young people with a view to uplifting the construction industry's image and attracting more people to join the industry. In addition, the Administration was discussing with CIC ways to attract women and ethnic minorities to join the industry. The Administration would also implement measures to enhance safety and working conditions of construction sites.



20. Mr Tong TSE remarked that the fluctuation in construction works, which resulted in unstable jobs in the construction industry, was one of the major reasons for the recruiting difficulty faced by the industry. He suggested that the Government should seek to maintain stable investments in public works so as to enhance job security and improve career prospects in the construction industry. DS/DEV(W)1 responded that in recent years, spending on public works projects amounted to an average of about \$70 billion per year. It was envisaged that public works expenditure would be maintained at this higher level in the coming years. According to the projection of CIC, total investments in public works and private developments would be around \$170 billion to \$240 billion per year in the coming years, representing enormous employment opportunities in the construction industry. The Administration would endeavour to promote career prospects in the construction industry to trainees of CIC.

21. Mr POON Siu-ping said that the Administration should increase the supply of skilled workers through training local workers instead of importing foreign labour. Ms Cyd HO also cautioned against importation of foreign construction workers and called on the Administration to plan for public works programmes prudently so as to avoid spikes in demand for construction workers which would exacerbate the shortage of workers.

#### Concerns about plumbing works

22. Mr WONG Kwok-hing relayed FTU's support for the proposal. In view of the shortage of skilled workers in the construction industry and the recent incidents of excessive lead in drinking water, which gave rise to the public concern about the quality of plumbing works and drinking water safety in public rental housing estates, he considered it paramount to train up semi-skilled workers to increase the supply of skilled workers.

23. Ms Cyd HO asked if training would be provided to plumbers for identifying substandard materials used in water pipes and soldering materials containing lead. She considered that insufficient guidelines on the work ethics of construction workers and the fact that construction workers were generally employed on a temporary basis were major reasons for the incidents of excessive lead in drinking water. She suggested that construction workers should be vested with a legal responsibility for reporting to the authorities the use of substandard materials by contractors to prevent recurrence of the problem.

24. D(T&D)/CIC responded that the skills enhancement courses under the pilot scheme would cover plumbing works. In-service workers who joined the relevant courses would be taught the standard methods to carry out plumbing works. In designing the curricula of the courses, CIC had consulted relevant stakeholders, including the Course Advisory Panels for existing courses which comprised representatives from the industry and the Government. D(T&D)/CIC said that CIC attached great importance to the quality and safety of construction works and endeavoured to instil the concept of integrity into trainees in addition to teaching them technical skills. In view of the recent incidents of excessive lead in drinking water, a memorandum had been issued to trainers and staff members of CIC to remind them of the regulations and guidelines in respect of plumbing works. The Administration would relay to CIC Ms Cyd HO's suggestion of including in the skills enhancement courses the workers' responsibility to make reports to the authorities on the use of prohibited or substandard water pipe materials and soldering materials by contractors.

25. There being no further question from members, the Chairman put the item to vote. The Chairman declared that the Committee approved the item.

26. The meeting was adjourned at 10:11 pm.

Legislative Council Secretariat  
4 January 2016