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*Legislative Council*

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**Report of the Panel on Manpower  
for submission to the Legislative Council**

**Purpose**

This report gives an account of the work of the Panel on Manpower during the 1999-2000 session of the Legislative Council. It will be tabled at the meeting of the Council on 14 June 2000 in accordance with Rule 77(14) of the Rules of Procedure of the Council.

**The Panel**

2. The Panel was formed by resolution of this Council on 8 July 1998 for the purpose of monitoring and examining Government policies and issues of public concern relating to labour and manpower planning matters. The terms of reference of the Panel are in **Appendix I**.
3. The Panel comprises 20 members in the 1999-2000 session. Hon LAU Chin-shek and Hon LEE Kai-ming were elected Chairman and Deputy Chairman of the Panel respectively. The membership list of the Panel is in **Appendix II**.

**Major Work**

Manpower training in the information technology sector

4. With the rapid development of electronic commerce and the application of information technology (IT), the Panel noted with concern about the estimated manpower shortfall in IT professionals. The Panel expressed concern about whether the Administration had plans to equip the workforce with the necessary skills to meet market needs. The Administration responded that the estimated shortfall had not included returning emigrants and IT professionals recruited from other places. Tertiary education institutions were providing IT-related programmes at various levels on a self-financing basis to meet market

needs. Moreover, the continuing and professional education units of a number of tertiary education institutions were providing IT-related degree courses in collaboration with overseas universities. There would be a substantial increase in the number of IT training places provided by the Vocational Training Council (VTC) on upgrade courses for in-service personnel as well as conversion courses for non-computer university graduates in order to assist them in joining the IT profession. To meet the growth in demand for IT professionals, the Administration would discuss with local tertiary education institutions on the redeployment of resources for conducting more IT courses.

5. The Administration also informed the Panel that the Employees Retraining Board provided IT-related courses at the basic levels. A new IT Assistant Course which aimed to equip trainees with the necessary skills to take up jobs at the junior assistant level in IT field had been set up. The Administration assured the Panel that it would work closely with various training providers with a view to providing sufficient training opportunities that were relevant to the needs of the industry.

#### Impact on local employment of the recent economic transformation and China's accession to World Trade Organisation (WTO)

6. On the employment situation, the Administration informed the Panel that the Administration's initial assessment was that China's accession to the WTO would probably bring about the creation of more new business ventures and new jobs, particularly in the areas of distributive trades, communications, tourism, accounting, auditing, advertising, computer applications, management systems and finance. However, following the further opening up of the Mainland market, some sectors in Hong Kong might face greater competition from other economies. The Administration considered that there was a need to plan for more focused training and retraining to assist the local workforce in adapting to the new challenges to be brought about by the accession. The Administration further informed the Panel that an interdepartmental Steering Committee was set up to study in detail the implications of China's accession to the WTO on local employment. The Panel requested the Administration to report to the Panel the results of the study before mapping out its manpower training strategy for the coming three to five years.

#### Review of the Apprenticeship Scheme

7. The Panel discussed the review of the Apprenticeship Scheme and the VTC's plan to reduce the size of the Inspectorate of Apprentices and to redeploy surplus staff to its Institute of Vocational Education. The Panel considered that while there were need and merits in retaining the Apprenticeship Scheme, a comprehensive review of the Scheme should be conducted before deciding on the plan to downsize the establishment of the Inspectorate of Apprentices. The review should take into account the recommendations made by the consultants on the apprenticeship system, the

reasons for a decreasing demand for apprentices and the ways of improving the Scheme so as to attract more young people to join the Scheme. The Panel also considered that prior consultation with the staff affected was of utmost importance. Given the grievances expressed by the staff associations on the decision taken by the VTC management on downsizing and redeployment of inspectorates before consultation, the Panel urged that the VTC should continue to consult the staff associations concerned with a view to addressing the concerns of the affected staff.

8. The VTC had advised the Panel that due account had been taken of the consultant's recommendations, including the consultation with the commercial and industrial sectors. The Council of the VTC had decided that the deployment of inspectors and consultation with the industry should proceed in parallel. The finding of the manpower requirement forecast was that a total of 38 inspectors would remain, instead of the originally projected number of 36. Several briefing and consultation sessions had been held with the staff associations. In the meantime, initial feedback from consultation with the training boards indicated that it was unlikely that there would be substantial interest to resurrect the Apprenticeship Scheme in a significant manner. The latest projection of 38 inspectors would provide sufficient manpower to operate the Scheme. In the unlikely event that many new trades were identified for apprentices training, and where expertise of serving staff did not match the requirement, recruitment from outside would be resorted to.

#### Role of Vocational Training Council in the education system of Hong Kong and its system of technical and vocational training

9. The Panel expressed concern that the VTC was trying to emulate into a tertiary education institution and neglecting the training needs of secondary school leavers. The Administration assured the Panel that the main objective of the VTC was to provide vocational training for Secondary 3 and 5 school leavers. The VTC would not emulate into a tertiary education institution. The Administration advised that to provide education and training directly applicable to the requirements of the economy, mechanisms had been established for VTC to identify and respond to the needs of the employment market. More emphasis had been placed on training in general skills, such as training in language skills and computer operation. A reduction in the training places of some courses offered by the VTC to Secondary 3 or 5 school leavers would be accompanied by an increase in the number of training places of other courses offered by the VTC to the same group of school leavers. Thus, there was no reduction in the overall training opportunities for these school leavers. The Administration stressed that it would strive at securing more resources for the training of Secondary 3 or 5 school leavers. The Administration would, in consultation with the VTC, look into ways of providing more training opportunities for these persons.

10. Given the students' general dissatisfaction regarding the introduction of a

common first year for Diploma and Higher Diploma courses, some Members called upon the VTC to establish dialogue with trade union representatives and consider inviting a trade union representative to meetings of the VTC. Some members also urged the Administration to take the lead in recognizing the Certificate in Vocational Studies in its employment of new staff so that it would be generally accepted by employers as equivalent to Secondary 5 standard.

#### Review of the Employees Compensation Assistance Scheme

11. The Panel also discussed the result of the consultancy review of the Employees Compensation Assistance Scheme (ECAS). To address the problem of the significant imbalance between the estimated income and expenditure of ECAS, the consultant had put forward three strategic options which would make the ECAS financially viable in the long term, namely, retaining the existing scheme, capping the payment to each applicant at \$4 million and removing the common law payment. Some members considered the three options unacceptable as the option of retaining the existing Scheme would result in a substantial increase in the payment of employees' compensation insurance levy by employers, while the other two options would bring about a reduction in the protection of employees. Members pointed out that since the establishment of ECAS in 1991, a number of employers had not taken out or had taken out insufficient insurance cover for employees' compensation. Some members suggested that the Administration should consider an option where payments under ECAS would be financed by fines collected for non-compliance with the requirement of taking out a policy of insurance pursuant to the Employees' Compensation Ordinance. Members also suggested that the Administration should consider increasing the level of fine on employers who did not take out the compulsory insurance and step up enforcement action.

#### Review of provisions under Employment Ordinance relating to reinstatement

12. Members expressed support for the proposals that where an employee who had been found to be unreasonably and unlawfully dismissed made a claim for reinstatement, the Labour Tribunal (LT) might make an order of reinstatement if LT considered it appropriate and reasonably practicable without the need to secure the consent of the employer. Some members pointed out that the right to strike was a right guaranteed under the Basic Law. The dismissal of an employee who took part in a strike should be classified as unlawful dismissal so that it would be subject to reinstatement. The Administration responded that the present proposals on reinstatement were related to unreasonable and unlawful dismissal. As the reinstatement of employees dismissed for taking part in a strike had wide implications, the issue would need to be examined in detail by the Labour Advisory Board. Some members considered that the reinstatement of employees dismissed for taking part in a strike should not be included in the present proposals on reinstatement. Members urged the Administration to introduce the legislative proposals as soon as practicable.

### Scheme on Admission of Talents

13. The Panel had jointly discussed with the Panel on Security on the Scheme on Admission of Talents. Members noted that a Selection Committee comprising official and non-official members would be set up to advise the Director of Immigration the merits of the applications in the light of eligibility criteria and comments from relevant government departments. Some members considered that representatives of trade unions should be appointed to the Selection Committee. The Administration assured Members that the Administration had no intention to discriminate against or exclude trade unions. Members of the Selection Committee would be appointed on an *ad personam* basis. In view of the limited size of the membership and the nature of the Scheme, it was necessary to appoint persons with expertise in relevant fields to the Selection Committee. The Administration stressed that as the talents to be admitted must possess outstanding qualifications and expertise or skills not readily available in Hong Kong, the Scheme should not lead to an influx of a large number of unskilled low wage workers.

14. Some members expressed concern about the possible abuse of the Scheme since talents would be allowed to be self employed after the first year of admission. Some members also expressed concern about the impact on the population growth since a talent's spouse and children aged 21 could also live in Hong Kong and become eligible for right of abode after having ordinarily resided in Hong Kong for a continuous period of seven years. The Administration shared the concerns of members. The Administration considered that talents' spouses should be allowed to work and live in Hong Kong. Caution would be exercised by the Selection Committee to ensure that talents admitted would genuinely contribute to the development of high technology and high value-added industries. The Administration would take steps to ensure that talents would return to the Mainland once they were no longer engaged in high technology or high value-added industries. Regardless of whether the talent changed job or became self-employed after the first year of admission, he would be required to continue to be engaged in high technology or high value-added industries.

### Review of driving duties by foreign domestic helpers

15. The Panel had jointly discussed with the Panel on Security the Administration's proposal to impose a total ban on driving duties by foreign domestic helpers (FDHs). The Administration explained that FDHs were not allowed to work as full-time chauffeurs. However, under the existing standard employment contract, they were permitted to perform driving duties if these were incidental to and arising from domestic duties. Since 1993, the Administration had received repeated complaints that some employers had deployed their FDHs to undertake full time chauffeur duties and that the problem was becoming increasingly serious. This was against the existing rules

and undermined the employment prospects of local drivers. The present arrangement whereby FDHs were allowed to undertake incidental driving duties had given rise to grey areas which made enforcement action virtually impossible. In the absence of a feasible alternative, the Administration had concluded that a total ban was the only practical solution.

16. The Panel was consulted on 22 July 1999 on the Administration's proposal and noted that thereafter the Administration would consult interested parties, including FDH employers' association and FDH employees' groups before making a final decision. The Administration announced on 30 September 1999 its decision to implement a total ban with effect from 1 January 2000. The ban would be imposed as a condition of stay in the passport of FDHs by the Immigration Department (ImmD).

17. Some members considered that FDHs should not be prohibited from driving duties incidental to and arising from domestic duties merely because of the enforcement difficulties. They urged the Administration to step up enforcement action against suspected cases of FDHs being deployed as full-time chauffeurs while continuing to allow FDHs to perform driving duties incidental to and arising from domestic duties. Some members however supported the proposed ban. They shared the Administration's view that it would be very difficult to take actions against FDHs performing full-time driving duties if the existing policy of allowing them to perform driving duties incidental to and arising from domestic duties was to be continued. They also considered that the employment opportunities of local drivers should be protected.

18. Having considered the views of Members and other interested parties, the Administration had adopted a revised measure on driving duties by FDHs. Under the revised measure, a general ban on driving duties by FDHs was imposed with effect on 1 January 2000. A special arrangement, which would be administered by ImmD would be introduced to provide for individual employers, who had genuine need for their FDHs to perform driving duties incidental to and arising from domestic duties, to apply for permission to do so. The Administration stressed that it would step up enforcement action against suspected cases of malpractice. Some members were dissatisfied with the sudden change in the decision of the total ban. They considered that the new measure was even worse than the present arrangement as some FDHs would be formally permitted to perform driving duties. They also considered that the employment opportunities and livelihood of local drivers would be affected. Some members were of the view that it would be very difficult for the Administration to enforce the revised measure.

#### Employer and employee relations

19. Employer and employee relations was one of the main concerns of the Panel. A subcommittee was tasked to examine in detail issues relating to the

right to organize, discrimination against trade unions, collective bargaining and right to strike. The Administration stressed that Labour Department (LD) had been putting much effort in promoting of employer-employee dialogue at industry level through the setting up of tripartite committees comprising representatives of employers, employees' organizations and LD. These committees served as a forum for the discussion of industry specific issues. The Subcommittee urged the Administration to look into the use of trade union funds for political purposes and the restrictions on the eligibility as council members of trade unions.

#### Measures to improve industrial safety

20. The Panel was consulted on a number of legislative proposals to improve industrial safety. They included the extension to the container handling industry the requirement to employ registered safety officers and safety supervisors, and the tightening of the registration requirement for registered safety officers; the establishment of a regime for controlling the provision of suitable personal protective equipment to employees of industrial and non-industrial undertakings; and the governing of the occupational safety and health of employees exposed to the risks associated with the habitual use of display screen equipment. The Panel took note of the promotional and training efforts undertaken by the Administration to assist the industry in improving work safety. The Panel stressed the need for sustained efforts in education, training and enforcement, as well as the importance of tripartite co-operation among employers, employees and Government in promoting safety and health at work.

#### Overseas study visit

21. A delegation of the Panel comprising seven members visited Singapore from 7 to 10 May 2000 to study the country's training system and manpower development strategy. The delegation was briefed by the Ministry of Manpower of the Singapore Government on Singapore's strategy for the knowledge age and its vision and initiatives in manpower planning and development. The delegation was also briefed by the Productivity and Standards Board on its workforce development strategies and programmes. The delegation visited the Bukit Merah Skills Development Centre which was a Government run and funded centre to meet the training needs of adult workers. The delegation also exchanged views with the Singapore National Employers Federation and the National Trades Union Congress on the training of Singapore workforce.

#### Other issues

22. The Panel had discussed a range of other issues with the Administration. They included the legislative proposal to improve the system of settling compensation claims for fatal cases under the Employees' Compensation Ordinance; employment opportunities arising from the Hong Kong Disneyland

project; review on provisions under the Employment Ordinance relating to sickness allowance, lay-off and wage; review of the applicability of the Employment Ordinance to live-in domestic helpers; protection of employees' retirement benefits after the implementation of the Mandatory Provident Fund Schemes; equal pay for work of equal value; and memorandum of administrative arrangements between the Government and the VTC.

23. Between October 1999 and May 2000, the Panel held a total of 16 meetings, of which three were joint meetings with the Panel on Security.

Legislative Council Secretariat

2 June 2000

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**LegCo Panel on Manpower**

**Terms of Reference**

1. To monitor and examine Government policies and issues of public concern relating to labour and manpower planning matters.
2. To provide a forum for the exchange and dissemination of views on related policy matters.
3. To receive briefings and to formulate views on any major legislative or financial proposals in the relevant policy area prior to their formal introduction to the Council or Finance Committee.
4. To examine and to report on any major issues of wide public concern in the relevant policy area as referred by the Council or House Committee or as raised by the Panel itself.