

## **Chapter XIV : Labour**

---

14.1 At the invitation of the Chairman, the Secretary for Economic Development and Labour, Mr Stephen IP, briefed members on the key measures to strengthen employment services, promote labour relations, combat wage offences and illegal employment, protect employee's rights and benefits, and enhance occupational safety and health (Appendix V-12).

### **Employment services**

14.2 Miss CHAN Yuen-han noted that a total provision of \$30 million had been earmarked for the launching of the "Youth Self-employment Support Scheme" (YSSS), which was aimed at providing assistance to 1 000 youngsters interested in self-employment. Given that only \$6 million would be allocated for training purpose, she expressed concern about the adequacy of this provision.

14.3 The Permanent Secretary for Economic Development and Labour (Labour) (PSL) replied that the allocated funds would be able to provide each trainee under YSSS training and support services for a full year from a non-governmental organization (NGO) or a non-profit-making training body. Depending on the nature of the trade, the training would last for a period of no more than four months and cover both vocational training on work skills and basic training on self-employment. To enhance the understanding of trainees on the various aspects of self-employment, the commissioned bodies would assume the role of business managers and assist trainees in establishing business connections with a view to developing their self-employment potentials. The duration for such support service would vary with the length of the training period but would not be less than eight months. As a result, each trainee would receive training and support services for a full year.

14.4 As the bulk of the provision under YSSS would be disbursed to the participating agents for the provision of equipment and facilities, Miss CHAN Yuen-han enquired about the arrangement for the disposal of the equipment and facilities after the training period. PSL replied that in order to provide a full range of facilities and administrative support for securing business during the service period, the commissioned bodies would make available the necessary equipment and hardware support to the trainees on a loan basis. The ownership rights of the facilities rested with the Government. PSL took note of Miss CHAN's suggestion that the Government should approach the relevant companies for securing sponsorship of equipment and facilities.

## Chapter XIV : Labour

---

14.5 Noting that the Administration planned to stage 34 job fairs in 2004-05 at an estimated expenditure of \$610,000, Mr LEUNG Fu-wah enquired about the details of the funding provision. PSL said that the planned job fairs included territory-wide large-scale job fairs as well as thematic functions organized at the district level. The funds earmarked for the job fairs would mainly be spent on site preparation and labour charges. The rental charges incurred would be minimal as most job fairs would be held in Government premises. He further said that where resources permitted, the Labour Department (LD) was prepared to offer assistance to other bodies in organizing job fairs to help job seekers and employers.

14.6 Mr LEE Cheuk-yan was concerned about the cost-effectiveness of the two employment programmes, namely the Re-employment Training Programme for the Middle-aged (RTP) and the District Employment Programme for the Middle-aged (DEP). He pointed out that the estimated expenditure for RTP in 2003-2004 was \$6.4 million and the placement rate was about 30% (2 629 placements out of the 8 522 job seekers). Regarding DEP, the estimated expenditure in 2003-2004 was \$9.75 million and the placement rate was about 20% (480 placements out of the 2 466 job-seekers). With such low placement rates, Mr LEE suggested that the Administration should consider diverting the resources to other retraining programmes run by other institutions to ensure value for money.

14.7 PSL said that the financial provisions for both programmes were meant to be the full-year budget. The actual expenditure for each programme would hinge on the number of placements finally achieved. Both programmes were subject to tight cost control to ensure cost-effectiveness. PSL explained that DEP was a one-year pilot programme to assist job-seekers aged 40 or above who had been unemployed for three months to find jobs in the vicinity of their residence. Under the programme, LD joined hands with NGOs to launch DEP in districts where the unemployment problem of the middle-aged was more serious. LD would make use of NGOs' district network to explore new job opportunities and canvass vacancies from employers who were not frequent users of LD's recruitment service. Regarding the placement rates, PSL said that the rates were only provisional figures. When the two programmes were launched in mid-2003, the local economy was hit by the Severe Acute Respiratory Syndrome (SARS), and hence, most companies were reluctant to employ additional staff. The Administration had since critically reviewed the operation of the programmes and introduced a number of improvement measures. For example, NGOs were now

## **Chapter XIV : Labour**

---

allowed to make use of RTP to place job-seekers under DEP, thereby enabling an employer who engaged a job-seeker under DEP and provided on-the-job training to receive a training allowance of \$1,500 for not more than three months. This had proved an effective incentive for employers. In 2004-05, LD would continue to enhance the effectiveness of RTP.

14.8 Referring to the Vocational Development Programme (VDP) launched by the Vocational Training Council (VTC) and the Young Pre-employment Training Programme (YPTP) launched by LD, Miss CHAN Yuen-han was concerned about the possible overlap between the two programmes and the resulting waste of resources. She opined that it might be more cost-effective for a single institution to provide young people with the employment-related training.

14.9 PSL said that YPTP was targeted at young school leavers aged 15 to 19. Its primary objective was to provide young people with a wide range of employment-related training and workplace attachment opportunities, thereby improving their employability and competitiveness. On the other hand, to provide young persons with training on vocational, life and generic skills to help them find their interest and equip them to pursue further training or employment, VTC launched a pilot VDP. Initially the programme was targeted at those with below secondary 3 educational level. PSL took note of Miss CHAN's view and remarked that the two programmes were dedicated to helping the young people. The Task Force on Continuing Development and Employment-related Training for Youth would examine the role of different institutions and the long-term strategy in providing development and training programmes for youth.

### **Safety and health at work**

14.10 Ms LI Fung-ying expressed concern that LD would cease providing financial assistance to help government departments and subvented bodies to comply with occupational safety and health standards. PSL replied that this financial assistance scheme was introduced in 1998-99 to assist government departments and NGOs to adjust to the new situation arising from the introduction of the Occupational Safety and Health Ordinance (Cap. 509). As the scheme had been in place for six years, a new occupational safety and health culture was developed and the stakeholders should now be adequately equipped to meet the safety standards.

### **Employees' rights and benefits**

14.11 Noting that only a small team of three members was deployed to undertake the investigation work relating to combat against illegal employment under the Importation of Labour Schemes, Mr Andrew CHENG was concerned whether there was sufficient manpower to deal with the problem. PSL said that the team was only responsible for dealing with breaches of labour laws and contractual terms under the Supplementary Labour Scheme. In 2003, labour inspectors detected 490 employees in suspected illegal employment. The wider aspect of combating illegal employment required the joint effort with the Police and the Immigration Department as there was a need to apprehend illegal workers and their employers on the spot for successful prosecution. As far as LD was concerned, there were sufficient inspectorate staff to tackle the problem.

14.12 Given the rising workload and the pressure for staff reduction, Ms LI Fung-ying was concerned about the staff morale and the service quality of LD. PSL explained that in order to maintain the service standard within the budget constraint, LD had completed an internal review to achieve greater efficiency. Apart from streamlining the work procedures and work flow, the work priorities were also reshuffled. For example, instead of simply increasing the number of inspections, resources could be put into more effective use if the work focus was shifted to strengthening the collection and analysis of intelligence on illegal employment activities before carrying out such inspections.

14.13 Mr MAK Kwok-fung enquired if LD had allocated resources to help the SARS patients to obtain compensation under the labour legislation. PSL said that about 400 cases were being processed by LD. LD would assist the victims and their family members to obtain compensation in accordance with the labour legislation.

14.14 Referring to the legislative amendments to recognize Chinese medicine under the labour legislation, Mr LEUNG Fu-wah pointed out that some representatives from the trade unions were concerned that the matter had dragged on for a long time. He enquired about the progress of the matter. PSL replied that the legislative proposals had been endorsed by the Labour Advisory Board. The Administration was working on the draft legislation and, on present plan, the bill would be introduced into the Legislative Council in the new session of 2004-05.