

**立法會**  
**Legislative Council**

Ref : CB2/PL/MP/1

LC Paper No. CB(2)357/05-06  
(These minutes have been seen  
by the Administration)

**Panel on Manpower**

**Minutes of meeting**  
**held on Thursday, 20 October 2005 at 2:30 pm**  
**in Conference Room A of the Legislative Council Building**

**Members present** : Hon LAU Chin-shek, JP (Chairman)  
Hon KWONG Chi-kin (Deputy Chairman)  
Hon LEE Cheuk-yan  
Hon CHAN Yuen-han, JP  
Hon LEUNG Yiu-chung  
Hon Jasper TSANG Yok-sing, GBS, JP  
Hon Andrew CHENG Kar-foo  
Hon Tommy CHEUNG Yu-yan, JP  
Hon Frederick FUNG Kin-kee, JP  
Hon WONG Kwok-hing, MH  
Hon Andrew LEUNG Kwan-yuen, SBS, JP  
Hon LEUNG Kwok-hung

**Member absent** : Hon LI Fung-ying, BBS, JP

**Public Officers attending** : Item I  
Mr Stephen IP  
Secretary for Economic Development and Labour  
  
Mr Matthew CHEUNG Kin-chung  
Permanent Secretary for Economic Development and  
Labour (Labour)  
  
Mrs Jennie CHOR  
Deputy Commissioner for Labour (Labour Administration)

Mrs DO PANG Wai-yee  
Assistant Commissioner for Labour  
(Policy Support and Strategic Planning)

Mr Byron NG  
Assistant Commissioner for Labour (Employment Services)  
(Acting)

Item II

Prof Arthur K C LI, GBS, JP  
Secretary for Education and Manpower

Mrs Fanny LAW, GBS, JP  
Permanent Secretary for Education and Manpower

Mr Edward YAU, JP  
Deputy Secretary for Education and Manpower 1

**Clerk in attendance** : Mrs Sharon TONG  
Chief Council Secretary (2) 1

**Staff in attendance** : Mr Raymond LAM  
Senior Council Secretary (2) 5

Ms Alice CHEUNG  
Legislative Assistant (2)1

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**I. Briefing by Secretary for Economic Development and Labour on the Chief Executive's 2005-2006 Policy Address relating to labour portfolio (LC Paper No. CB(2)35/05-06(01))**

Secretary for Economic Development and Labour (SEDL) briefed members on the new and ongoing initiatives relating to labour portfolio of the Economic Development and Labour Bureau in the 2005-06 Policy Agenda, as set out in the Administration's paper.

Comprehensive review of the Employment Ordinance

2. Mr WONG Kwok-hing said that in a recent case where an employer was fined for discrimination against trade unions and failing to grant rest days to workers, the judge had commented that local labour legislation was outdated. He considered that the

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Administration should conduct a comprehensive review on the Employment Ordinance (EO) to better protect labour rights and address the concerns of the court.

3. SEDL responded that the heavier sentences imposed recently by the court on persons convicted of offences under labour legislation had a deterrent effect. He said that the Administration had been reviewing labour legislation and would introduce legislative amendments, where necessary. For example, it had reviewed provisions relating to wage offences and would consult the Panel in the following month on its legislative proposal to increase the maximum penalty on wage offences under EO. Although a full review could be conducted on EO, such a review might take a long time. It would be more effective to identify and give priority to areas where there were problems. The Administration would consult the Labour Advisory Board (LAB) in setting the priorities.

Problem of outstanding wages in default in the construction industry

4. Mr Andrew CHENG asked how the Administration would address the problem of outstanding wages in default in the construction industry, where multi-layer subcontracting was frequently found.

5. Permanent Secretary for Economic Development and Labour (Labour) (PSL) responded that the Environment, Transport and Works Bureau would shortly launch a pilot scheme aimed at addressing the problem of wage arrears found with multi-layering subcontracting. The following conditions, among others, would be imposed on three government works projects –

- (a) the layering of subcontracting should be specified by the project officer. In two of the trial projects, subcontracting for specified trades was restricted to a maximum of three layers;
- (b) the wages of workers should be paid by autopay; and
- (c) the employer should provide a labour relations officer in each construction site.

6. PSL added that if this pilot scheme proved successful after a review in 18 months, the Administration would consider extending the requirements to all government works projects.

7. Mr Andrew CHENG said that such a trial scheme, if successful, should be extended together with the system of long-term employment to both the public and private sector in the next five to 10 years so as to safeguard the rights of workers and ensure construction quality.

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8. SEDL undertook to convey Mr Andrew CHENG's views to the Environment, Transport and Works Bureau. He pointed out that the Administration was also working in the same direction.

Minimum wage, standard working hours and mandatory requirement on wage rates for non-skilled workers engaged in services contracted out by the Government

9. Mr LEUNG Yiu-chung expressed concern that there was no reference in the Administration's paper to minimum wage and standard working hours. He said that although the Administration was encouraging public-funded organisations to adopt the mandatory requirement on wage rates for non-skilled workers engaged in services contracted out by the Government, the mandatory requirement was not imposed on services contracted out by the Link Management Limited. The Chairman asked whether the Administration would take steps to ensure that the Link Management Limited would adopt the mandatory requirement.

10. SEDL responded that the Administration kept an open mind towards the issue of minimum wage, which was being examined by LAB. Although the Administration would encourage the Link Management Limited to adopt the mandatory requirement on wage rates for non-skilled workers engaged in services contracted out by the Government, it could not force the Link Management Limited to do so. The Administration would encourage subvented organisations and subvented schools to adopt the requirement. It would also encourage the private sector to follow the practice. Mr LEE Cheuk-yan said that the Administration should enact legislation to make it mandatory for all parties to adopt the requirement.

11. Mr LEE Cheuk-yan said that although the Administration was inviting public views on minimum wage and standard working hours, no consultation document had been issued for public consultation. He queried why the Administration was only inviting views through the homepage of the Labour Department, although it was aware that many low skilled workers did not have access to Internet. He asked how the Administration would analyse the views received. He considered that the Administration should issue a consultation document and set out the objectives of the public consultation exercise.

12. SEDL responded that the consultation was launched in response to the suggestion of some Members when the subject of minimum wage was previously discussed. The invitation of views through the homepage of the Labour Department only provided an additional channel for the public to express their views. In any case, the public could always voice their opinion and write to the Labour Department. For the current exercise, they could submit their views by electronic mail, fax or letter. The views received would be considered by the Government and LAB.

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13. Mr Tommy CHEUNG pointed out that CE had stated in his Policy Address that the Administration had taken the initiative to require its service contractors to ensure that the wages of their non-skilled workers were not lower than the average market level. He considered that such a requirement should not be adopted, as it might lead to a gradual increase in the average market wage level. Wages should be determined by the market forces of demand and supply. He expressed concern about media reports that a minimum wage would be set at a level higher than the level of Comprehensive Social Security Allowance. He asked whether the Administration intended to set a minimum wage for all industries.

14. SEDL responded that under the mandatory requirement, a tender offer would not be considered if the monthly wages of non-skilled workers offered by the tenderer were less than the level of the average monthly wages for the relevant industry/occupation in the Quarterly Report of Wage and Payroll Statistics published by the Census & Statistics Department (C&SD) when the tender was invited. The requirement was to ensure that the wages offered to such workers would not be lower than the market level.

15. Referring to paragraph 53 of the 2005-06 Policy Address, PSL said that CE was appealing to the business community to follow the level of average monthly market wages announced by the Government in paying their non-skilled workers, such as cleaners and security guards. The average monthly wages referred to those for the relevant industry or occupation in the Quarterly Report of Wage and Payroll Statistics published by C&SD. In the most recent survey conducted by C&SD, the average monthly salary of a cleaner was \$4, 976, while that for a security guard on eight-hour shift was \$5,817. Mr Tommy CHEUNG requested the Administration to provide a written response on the trades where such a requirement would be imposed and whether minimum wage would be set at a level higher than the level of Comprehensive Social Security Allowance.

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16. Miss CHAN Yuen-han said that the need for setting a minimum wage arose from an excess supply in the labour market. She pointed out that CE had said that if the wage levels of all employees were lower than that required for maintaining a living, the Government would finally have to shoulder the burden, thus resulting in tax increases. Steps should be taken, as in many other places, to address the problem. She considered that LAB's discussions on minimum wage and standard working hours might become lengthy discussion on fundamental issues. Thus, the Administration should provide a timetable for LAB's public consultation exercise and its study of the views received.

17. SEDL responded that he was not in a position to provide a timetable. He stressed that the Administration had done much in introducing the mandatory requirement in respect of Government contracts and encouraging private sector employers to follow suit. The Administration hoped that the number of employers following its practice would continue to increase.

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18. PSL said that LAB had covered a lot of ground in its study so far. This included the experience of other economies, the income distribution of local workers, and the wage level of the cleansing, security and catering sectors.

19. Mr LEUNG Kwok-hung said that the views of the public on minimum wage and standard working hours had been clearly reflected in a motion debate at a Council meeting in the last term. He considered that the Administration should, instead of inviting views through its homepage, promptly issue a consultation document for public consultation. He asked whether the Administration would enact legislation on minimum wage and standard working hours.

20. SEDL responded that the Administration had already spelt out its position clearly. He reiterated that the invitation of views through the homepage of the Labour Department merely provided an additional channel for members of the public to submit their views. The Administration had no intention to use this consultation exercise as a means of delaying LAB's study on minimum wage and standard working hours. PSL added that the consultation was being carried out in the interval between the previous and the next LAB meeting. The Labour Department was, indeed, making full use of this window of opportunity to tap the views of the public.

Penalty levels for offences relating to abuse of the Protection of Wages on Insolvency Fund

21. Mr Tommy CHEUNG said that there were media reports that an employee had recently been prosecuted for submitting false information in his application for payment from the Protection of Wages on Insolvency Fund (PWIF). He asked whether the Administration would, apart from proposing increases to the maximum penalty on wage offences, propose increasing the maximum penalty on employees who abused PWIF.

22. SEDL responded that the provisions in existing legislation which dealt with the provision of false information were applicable to both employers and employees.

**II. Briefing by Secretary for Education and Manpower on the Chief Executive's 2005-2006 Policy Address relating to manpower portfolio**  
(LC Paper No. CB(2)35/05-06(02))

23. Secretary for Education and Manpower (SEM) briefed members on the key policy initiatives of the Education and Manpower Bureau on manpower training and development in the 2005-06 Policy Agenda and the coming year, as set out in the Administration's paper.

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Tailoring training programmes to meet market needs

24. Mr WONG Kwok-hing said that the Police had recently procured a fleet of Police launches which worth about \$234 million from other places for the reason that the required technology and skills were not available locally. He asked whether manpower training which met market needs could be provided so that it would not be necessary for Mainland professionals to be imported.

25. SEM responded that even if local workers were trained with the necessary skills to build the fleet of Police launches, there might not be sufficient orders in the future to maintain their employment. He said that the percentage of employees who had received post-secondary education or above had increased from 17% in 1994 to 27% in 2004. The percentage of low-skilled workers who had completed junior secondary education had decreased from 44% in 1994 to 33% in 2004. As it was estimated that there would be a shortage in 2007 of some 100 000 employees with post-secondary education qualifications, the Administration was focussing its work on the training of 230 000 workers with low academic qualifications. As the training of people would inevitably take some time, there might be a need for importation of labour in some sectors.

26. Miss CHAN Yuen-han expressed concern that many unemployed persons could not find a job after undergoing training or retraining. There were still a large number of unemployed and the number of employees earning less than \$5,000 was still increasing. She considered that there was a lack of co-ordination between the Economic Development and Labour Bureau, the Education and Manpower Bureau and the Health, Welfare and Food Bureau. She considered that the Administration should establish a bureau specifically to deal with employment and social security matters.

27. Mr LEUNG Kwok-hung said that there was an obvious mismatch between market needs and the training schemes launched by the Education and Manpower Bureau. Many people remained unemployed after completing the courses provided under such schemes. He considered that the Administration should, instead of launching different training schemes on a piecemeal basis, draw up long-term manpower training plans that met market needs.

28. SEM responded that that 90% of the graduates of the programmes of Project Yi Jin (PYJ) had managed to find a job or continue their studies. He reiterated that the percentage of employees who had received post-secondary education or above had increased from 17% in 1994 to 27% in 2004. The percentage of low-skilled workers who had completed junior secondary education had decreased from 44% in 1994 to 33% in 2004.

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School fees for evening secondary schools

29. Mr WONG Kwok-hing said that many new arrivals from the Mainland had complained of the high school fees of evening secondary schools. He asked whether there was a mechanism for remission of school fees for such persons.

30. Permanent Secretary for Education and Manpower responded that it might not be appropriate for adults to take academic courses offered by evening secondary schools. Such adults could enrol in language courses approved under the Continuing Education Fund (CEF). They could also enrol in PYJ programmes, where needy students could apply for full reimbursement of tuition fee upon successful completion of each PYJ module. Students who had successfully completed PYJ programmes would be awarded a certificate comparable to five passes in the Hong Kong Certificate of Education Examination (HKCEE).

The proposed qualifications framework

31. Referring to the proposed establishment of a qualifications framework (QF), Miss CHAN Yuen-han said that the Administration should examine how working experience would be recognised and how the problem of a lack of time on the part of employees for taking training courses could be addressed.

32. Mr LEE Cheuk-yan expressed concern that although the Administration had stated in paragraph 2 of its paper that qualifications under QF were not licences for employment, employers might tend to require employees to possess certain qualifications under QF. He considered that relevant working experience should be recognised and time should be allowed for employees to take training courses.

33. SEM responded that an applicant's qualification was only one of the many factors considered by an employer in the selection of job applicants.

Continuing Education Fund

34. Mr LEE Cheuk-yan expressed concern that there might be more degree holders than workers with low education attainment among the applicants under CEF. He asked whether the eligibility criteria would be reviewed and whether the coverage of CEF would be expanded to cover more sectors. He also asked about the financial position of CEF.

35. SEM responded that CEF was in a financially sound position. The coverage of CEF was confined to a few designated sectors which were important to the enhancement of Hong Kong's competitiveness. Nevertheless, the coverage might be reviewed having regard to the prevailing circumstances and the economic development of Hong Kong.



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Training for ethnic minorities

36. Mr LEUNG Yiu-chung expressed concern that the ethnic minorities in Hong Kong had a high unemployment rate and the Employees Retraining Board (ERB) was not offering any courses tailored for ethnic minorities. He asked whether the Administration would consider making it mandatory for ERB, which operated many training centres in different parts of Hong Kong and assisted its graduates in finding a job, to offer courses tailored for ethnic minorities. He said that although the Administration had stated that sufficient funds would be allocated for manpower training, ERB was facing a shortage of funds and would discontinue some of its computer training courses.

37. SEM responded that training courses tailored for the ethnic minorities were offered by the Vocational Training Council (VTC). He said that there was no reduction in the funds allocated to ERB. However, some of its funds had been set aside pending the result of a judicial review regarding the levy on employers of foreign domestic helpers. He added that 70% of the graduates from ERB training programmes had managed to find a job within one month after graduation.

Yi Jin/Secondary Schools Collaboration Project

38. Miss CHAN Yuen-han said that there was overlap between the Yi Jin/Secondary Schools Collaboration Project (YJ/SSCP) and the senior secondary education programmes offered by VTC, resulting in a waste of resources. She considered that there should be better coordination between different training programmes to avoid overlap and wastage of resources.

39. SEM responded that there was no overlap between YJ/SSCP and the senior secondary education programmes offered by VTC. As there were no vocational courses in the syllabuses of secondary schools, YJ/SSCP was introduced as a pilot scheme to provide an additional pathway for Secondary 5 students who did not wish to sit for HKCEE. He informed members that the future of YJ/SSCP would be reviewed in conjunction with the reform of the academic structure for senior secondary education and higher education, which would be implemented in September 2009. He assured members that the Administration would avoid overlap between different training schemes.

**III. Any other business**

40. Mr LEE Cheuk-yan suggested that the item “Implications of the World Trade Organization Agreement on Government Procurement on local employment” be discussed at the meeting to be held on 17 November 2005. Members agreed.

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41. The meeting ended at 4:30 pm.

Council Business Division 2  
Legislative Council Secretariat  
15 November 2005