

立法會
Legislative Council

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LC Paper No. CB(2)1087/05-06
(These minutes have been seen by
the Administration)

Panel on Manpower

Minutes of meeting
held on Thursday, 19 January 2006 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 LI Fung-ying, BBS, JP
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

Public Officers attending : Item III

Mr Matthew CHEUNG Kin-chung, JP
Permanent Secretary for Economic Development and
Labour (Labour)

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

Miss Florence IP
Senior Labour Officer
Labour Department

Mr Byron LAM
Principal Assistant Secretary for Education and Manpower

Mr Alan LI
Executive Director
Clothing Industry Training Authority

Item IV

Dr WONG Fook-yee
Assistant Director of Agriculture
Fisheries and Conservation (Country and Marine Parks)

Mr Donald TONG Chi-keung
Deputy Director of Food and
Environmental Hygiene (Administration & Development)

Mr TSE Man-shing
Assistant Director of Home Affairs (Administration)

Ms Ernestina WONG
Principal Assistant Secretary for Health, Welfare and Food
(Health)²

Miss Annie KONG
Assistant Secretary for Health, Welfare and Food (Family)²

Mr Alex LEUNG
Co-ordinator (Human Resources)
Hospital Authority

Ms Olivia CHAN
Assistant Director of Leisure and Cultural Services (Leisure
Services)²

Mr CHEUNG Hing-wah
Assistant Director of Social Welfare (Youth and Corrections)

Ms Kinnie WONG
Assistant Commissioner for Tourism

Mr Matthew CHEUNG Kin-chung, JP
Permanent Secretary for Economic Development and Labour
(Labour)

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

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

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

Ms Sandy HAU
Clerical Assistant (2)1

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I. Confirmation of minutes of previous meeting
(LC Paper No. CB(2)866/05-06)

The minutes of the meeting held on 15 December 2005 were confirmed.

II. Date of next meeting and items for discussion
(LC Paper Nos. CB(2)865/05-06(01) and (02))

Meeting in February 2006

2. Members agreed that the following items proposed by the Administration would be discussed at the next meeting to be held on 16 February 2006 at 2:30 pm -

- (a) Measures to protect the statutory entitlements of employees under the Employment Ordinance (EO); and
- (b) Labour Department's overall performance in labour administration in 2005.

3. Mr LEE Cheuk-yan asked about the scope of the item referred to in paragraph 2(a) above. Permanent Secretary for Economic Development and Labour (Labour) (PSL) responded that the item would be focused mainly on measures to protect the statutory entitlements of employees, including efforts to tackle the problem of arrears of wages and issues relating to the enforcement of Labour Tribunal awards.

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Meeting in March 2006

4. Members agreed that the meeting on 16 March 2006 would be rescheduled for 21 March 2006 at 4:30 pm to avoid a clash with a special meeting of the Finance Committee.

5. Mr WONG Kwok-hing said that the Administration had undertaken at the Council meeting on 11 January 2006 that it would conduct a full review on EO. He suggested that the issue of review of EO should be discussed by the Panel. PSL responded that the review would take some time to complete, as the issue would have to be referred to the Labour Advisory Board (LAB) for study. Members agreed that the issue be scheduled for discussion at the meeting in March 2006.

III. Manpower development plan for the textiles and clothing industry

(LC Paper No. CB(2)860/05-06(01) and LegCo Brief Ref. : L/M(1) to LC CR 27/667)

6. PSL briefed members on the Administration's proposal to put in place the manpower development plan for the textiles and clothing industry. He stressed that the successful conclusion of the plan was due to the support, understanding and willingness to cooperate on the part of both employer groups and labour unions. He said that the labour sector had particularly been understanding and accommodating in the process, for which he was most appreciative.

7. Mr WONG Kwok-hing said that the plan could not have been drawn up without mutual understanding and empathetic accommodation of employers, employees and the Administration. He hoped that employers and the Administration would adopt the same attitude towards the issues of minimum wage and standard working hours. Mr Andrew LEUNG said that the issues of minimum wage and standard working hours could be discussed with the same mutual understanding and empathetic accommodation and having regard to the impact on the survival of small and medium enterprises.

8. PSL responded that LAB was studying the issues of minimum wage and standard working hours. He hoped that a conclusion could be reached over the next few months.

9. Referring to paragraph 18 of the Administration's paper, Mr WONG Kwok-hing asked about the meaning of "legitimate reasons". He expressed concern that while the Labour Department (LD) would commence accepting employers' applications for importation of labour under the plan in late February 2006, the retraining courses were still to be launched by the Clothing Industry Training Authority (CLITA).

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10. PSL responded that a “legitimate reason” included the recruitment of local workers through other channels. He added that LD would take eight weeks to process such an application and the Immigration Department would take another four weeks to process an application for an entry permit. Thus, the first batch of imported labour would not report for duty until late May or early June at the earliest. He informed members that the recruitment-cum-training centre to be set up under CLITA would accept workers’ applications for trade tests from 25 January 2006 onwards. It was anticipated that trade tests and retraining courses would be launched after the Lunar New Year.

11. Referring to paragraph 21 of the Administration’s paper, Mr Andrew CHENG expressed doubt whether a 26-week guaranteed remuneration of \$24,000, which represented a guaranteed monthly wage of about \$4,000, would be attractive to local workers. He asked whether the guaranteed remuneration could be increased.

12. PSL responded that the amount of \$24,000 was the guaranteed remuneration for 26 weeks, regardless of whether the worker concerned was assigned any work. The basic daily wage of a worker was \$200, which was an amount agreed among the parties concerned. Wages beyond the basic daily wage would be calculated on a piece-rate basis.

13. Mr Andrew CHENG said that there were complaints that some employers in the textiles and clothing industry had begun to lay off workers in preparation for importation of labour under the plan. He expressed concern that the plan might be open to abuse.

14. PSL responded that LD would examine the employment record of employers for the preceding six months when vetting applications. The plan would be monitored by the Committee on Manpower Development for the Textiles and Clothing Industry. A comprehensive review would be conducted when the number of imported workers approved reached 5 000.

15. Mr Andrew LEUNG said that the plan had been drawn up after nine years’ discussion and could not have been successful without the mutual understanding and empathetic accommodation of employers and employees and the effort of the Administration. He stressed that the plan was not established for the benefits of employers only, but also for the overall interests of Hong Kong and for the creation of more jobs for local workers. A number of measures had been incorporated to prevent abuse.

16. Mr LEUNG Yiu-chung said that the labour sector was concerned whether the importation of labour would threaten the employment of local workers and lead to a reduction in their wages. He recalled that the income of local workers was reduced when some employers used administrative means to reduce the income of imported workers in the 1990s. He hoped that LD would pay attention to the implementation

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details and prevent possible abuse by employers. He expressed concern whether local workers would be paid a higher wage, say \$7,000 per month in the first two months and a very low wage in the ensuing months or forced to resign after being employed for some months. He hoped that the Administration would step up its monitoring work.

17. PSL responded that the Administration was very concerned about any possible abuse of the proposed flexibility measures for importation of labour under the plan. He said that additional safeguards for local workers would be introduced. A number of monitoring measures, such as the provision of a complaint hotline and the deployment of another team of labour inspectors to assist in enforcing labour legislation, would be implemented. He added that a bill to amend the Employment Ordinance had been approved by the Legislative Council recently whereby the maximum penalty for wage offences would be raised from a fine of \$200,000 and one year's imprisonment to a fine of \$350,000 and three years' imprisonment. This should act as a deterrent.

18. Ms LI Fung-ying said that labour unions hoped that the plan would create more job opportunities for local workers while not affecting their wages. She considered that the Administration should closely monitor the scheme and protect the rights of local workers. Referring to Annex B to the Administration's paper, she asked how employers would be required to make his best endeavour to recruit local workers to fill vacancies. She added that effective measures should be introduced to prevent abuse of the plan.

19. PSL responded that employers would be required to fill job vacancies with local workers/trainees through the recruitment-cum-training centre within a reasonable period of time. For employers who breached the scheme conditions after joining the scheme, the Administration would withdraw its approval for importation of workers. The employer concerned would also be debarred from importation of workers for two years.

20. The Chairman said that the labour sector was very concerned whether the proposed scheme would affect the employment opportunities and wages of local workers. He considered that employers should be required to fill vacancies of local workers within a fixed period of time with local workers. The Administration should set out the actions to be taken against employers who failed to do so.

21. PSL responded that the Committee on Manpower Development for the Textiles and Clothing Industry would discuss, among others, the implementation details of the plan at its forthcoming meeting.

22. Referring to paragraph 20 of the Administration's paper, Mr Frederick FUNG expressed concern that local workers might be required to work 20 days a month so that they would only receive \$4,000 per month, whilst still meeting the guaranteed remuneration requirement. He considered that employers should be required, as in the mandatory requirement on wage rates for non-skilled workers engaged in services

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contracted out by the Government, to offer wages no less than the level of the average monthly wages for the relevant industry in the Quarterly Report of Wage and Payroll Statistics published by the Census & Statistics Department. He asked whether inspections would be conducted on the manufacturers.

23. PSL responded that the 26-week guaranteed remuneration of \$24,000 had been agreed among the parties concerned. As manufacturers who relocated their operations to Hong Kong should have already received sufficient orders to warrant such a move, he was confident that local workers would not be provided with work for only 20 days per month on a regular basis. He added that Labour Inspectors would carry out inspections on manufacturers, especially when an imported worker's visa/entry permit was due for renewal.

24. Referring to Annex A to the Administration's paper, Mr Frederick FUNG asked whether an employer could recruit more imported workers at the initial stage when local workers were still undergoing the relevant retraining.

25. PSL responded that such a situation should not arise, as the processing of an application for importation of labour would normally take 12 weeks. There would be sufficient lead time to conduct retraining.

26. Mr Frederick FUNG asked about the additional local employment opportunities to be generated under the plan.

27. PSL responded that if some 5 000 workers were imported, about 3 000 to 5 000 local employment opportunities, including those involved in purchasing, transportation and maintenance of hostels, should be created.

28. Mr LEE Cheuk-yan said that the plan originated from the quantitative restrictions imposed by the United States (US) and the European Union (EU) on textiles and clothing exports from the Mainland. As the situation was unique to the textiles and clothing industry, the proposed measures should not be extended to other industries. The wages of local workers should be monitored through comparison with their wages in the preceding six months. He considered that the plan would be successful only if –

- (a) it resulted in the creation of a few thousand job opportunities for local workers; and
- (b) the wages of local workers were not affected by the plan.

29. Referring to paragraph 23 of the Administration's paper, PSL responded that the Administration would impose a condition requiring employers to treat local workers and imported workers equally in work assignment.

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30. Mr LEUNG Kwok-hung asked whether a minimum wage would be set for imported workers. He also asked whether imported workers would, as in the case of foreign domestic helpers, be provided accommodation and return air passage. He recalled that substantial deductions had been made by some employers from the wages of imported workers for the provision of accommodation and meals in the construction of the Chek Lap Kok Airport.

31. PSL responded that imported workers would receive monthly wages calculated on the same basis as local workers. The basic monthly wage for a sewing machine operator would be \$4,000, while that for a knitting machine or linking machine operator would be \$4,500. The workers would also be paid a basic daily wage plus piece-rate income beyond the basic daily wage. Suitable accommodation with an area of at least 3.4 square metres per person should be provided to imported workers. The employer could only deduct up to 10% of the monthly basic wage for the accommodation so provided. The standard employment contract for workers employed under the Supplementary Labour Scheme had to be adopted.

32. Miss CHAN Yuen-han said that labour unions of the textiles and clothing industry were worried about possible abuse of the proposed importation of labour scheme, which had been drawn up after lengthy discussions. She considered that the Administration should closely monitor the scheme to protect the rights of local and imported workers. The Administration should also pay attention to the implementation details, such as whether the retraining of workers could tie in with the recruitment of local workers.

33. PSL responded that the Administration was aware of the concerns of the labour sector and would closely monitor the scheme. He stressed that the Administration would exercise flexibility in the provision of retraining.

34. Mr WONG Kwok-hing asked how the Administration would encourage manufacturers to continue their operation in Hong Kong after the quantitative restrictions imposed by US and EU ended in 2007 and 2008 respectively.

35. PSL said that there should be room for high value-added fashion manufacturers to develop their operation in Hong Kong after 2008.

36. Mr Andrew LEUNG said that the plan and the Mainland and Hong Kong Closer Economic Partnership Arrangement should attract high-end fashion manufacturers to establish their production base in Hong Kong. He said that while employers would treat local workers and imported workers equally when assigning work, a more productive worker would earn a higher piece-rate income, regardless of whether he was a local worker or imported worker. He expressed support for taking firm actions against employers who abused the scheme.

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37. Mr LEE Cheuk-yan suggested that the provision of an on-the-job training allowance of \$1,500 per month for a period of up to three months to employers for subsidising the wages of retrainees aged 40 or above should be extended to retrainees aged below 40.

38. PSL responded that the suggestion would be referred to the Committee on Manpower Development for the Textiles and Clothing Industry for consideration. He added that all graduates from CLITA's retraining programmes, regardless of their age, would be eligible for a one-off subsidy of \$4,500 from LD and payment of \$500 from the participating manufacturers in the one-month work trial period.

39. The Chairman said that he was concerned whether the proposed scheme would lead to an increase in job opportunities for local workers and an increase in their wages. He also expressed concern whether manufacturers would relocate to Hong Kong on a long-term basis. He considered that the Administration should, besides protecting the rights of local workers, protect the rights of imported workers.

IV. Extension of temporary jobs in the public sector

(LC Paper Nos. CB(2)865/05-06(03) and CB(2)910/05-06(01))

40. PSL briefed members on the Administration's proposal to retain the existing 11 600 temporary jobs in the public sector.

41. Mr WONG Kwok-hing said that the Hospital Authority (HA) had a practice of extending the employment period of temporary jobs. He considered that the Administration should study such a practice and consider extending the existing 11 600 temporary jobs in the public sector on a longer-term basis.

42. PSL responded that the Administration had proposed to retain the existing temporary jobs in the public sector for a year. The Administration would study the "good" practice of HA in examining whether the temporary jobs could be further extended, having regard to operational needs. He said that some of the temporary jobs were created after the outbreak of the Severe Acute Respiratory Syndrome (SARS), when the unemployment rate of young persons aged 15 to 19 hit an all-time high 37.6%, as opposed to the current level of 18.9%.

43. Mr WONG Kwok-hing queried why the temporary jobs to be extended by the Food and Environmental Hygiene Department (FEHD) were provided mainly through private contractors. Ms LI Fung-ying added that FEHD should not provide its temporary jobs through contractors.

44. Deputy Director of Food and Environmental Hygiene (Administration & Development) responded that the temporary jobs to be extended by FEHD had been

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created on top of FEHD's regular service in response to the Administration's policy to create jobs.

45. Mr WONG Kwok-hing strongly opposed FEHD's provision of temporary jobs through contractors. He warned that FEHD should not delete temporary jobs and contract out the services originally provided through such jobs.

46. Mr LEE Cheuk-yan said that the Chief Executive (CE) had stated publicly that temporary jobs in the public sector should be normalised. He asked about the meaning of "normalise" and whether CE's statement meant that the temporary job holders would be employed on a permanent basis.

47. PSL responded that the extension of temporary jobs was based on operational needs and there was no specific definition for "normalise". The Administration would examine the extension of temporary jobs, having regard to operational needs and other relevant factors.

Clerk

48. The Chairman suggested that a letter should be sent to CE seeking his clarification on the meaning of normalising temporary jobs. Members agreed. Mr LEE Cheuk-yan said that it should be spelt out in the letter that temporary posts which were needed on a long-term basis should be made permanent.

49. Mr LEE Cheuk-yan said that as subvented social service organisations were not required to maintain any staff establishment under the Lump Sum Grant Scheme, the Administration should examine how the temporary jobs created in social service organisations for assisting young people to acquire working experience could be made permanent.

50. Assistant Director of Social Welfare (Youth and Corrections) responded that, owing to staff turnover, the 3 836 temporary posts created by SWD through subvented non-government organisations (NGOs) in the main had so far been filled by 5 699 persons. The actual strength of such temporary employees as at 31 December 2005 was 3 095. It could be noted that the temporary posts had been well utilised by subvented NGOs. He added that the temporary jobs created by SWD were intended for assisting young people to acquire working experience in preparation for future employment in the open labour market.

51. Ms LI Fung-ying expressed regret that the extension of temporary jobs had to be discussed every year. She hoped that the Administration would examine whether temporary jobs which were needed permanently could be made permanent. Mr LEUNG Yiu-chung said that some of the temporary jobs had been created before the outbreak of SARS. He considered that temporary job holders should be employed on a permanent basis, if their jobs were needed on a long-term basis. He requested the Administration to provide information on the number of temporary jobs created in the public sector before the outbreak of SARS.

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Adm

52. Miss CHAN Yuen-han said that the Secretary for the Civil Service had undertaken at a meeting of the Panel on Public Service that the Administration would consider whether non-civil service contract posts and temporary posts could be changed into permanent posts. In view of the fact that the recruitment freeze for the civil service would expire in 2008, she considered that the Administration should conduct its review on temporary jobs at an earlier stage and report to the Panel in mid-2006.

53. In response, PSL stressed that the retention of all temporary jobs in the public sector for a year was already a big step forward. He said that he fully understood Members' concern on the long-term future of these posts. He added that the Administration would commence the next review on the temporary jobs, having regard to operational needs, at an earlier stage and report to the Panel before the end of 2006.

54. Mr LEUNG Kwok-hung said that if the temporary jobs were not needed from an operational point of view, they should already have been deleted. He considered that the temporary posts had been created to meet operational needs under a general recruitment freeze in the civil service. In view of this, the temporary posts should be changed to non-civil service contract posts or permanent posts. He added that the Administration should report on its review of the future of the temporary jobs within the current legislative session.

55. Mr WONG Kwok-hing requested the Administration to provide information on when the 11 608 temporary jobs were first created and whether there would be any wage increase or decrease for the temporary jobs to be extended. He added that the Administration should study HA's practice of extending the employment period of temporary jobs. He expressed strong dissatisfaction that FEHD was reducing the rights and benefits of workers through outsourcing of services.

Adm

56. PSL agreed to provide the requested information. He said that the Administration would study HA's practice of extending the employment period of temporary jobs.

57. Ms LI Fung-ying hoped that the Administration would not, after its review, conclude that all the temporary jobs were no longer needed and would be deleted. She added that the Administration should consider improving the wages and benefits for the temporary job holders when the job market improved.

58. Mr LEUNG Kwok-hung moved the following motion –

“茲請求政府各有關部門於6月底前向本會提交臨時職位的評估，明示該等職位有否必須，應否增刪職位。”

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(Translation)

“That the various government departments concerned are requested to submit to this Panel, by the end of June, their evaluation of temporary posts and indicate clearly whether those posts are required and whether such posts should be created or deleted.”

59. Mr WONG Kwok-hing said that as the motion sought to extend the temporary jobs, he considered that the word “刪” in the motion should be deleted.

60. PSL said that requiring the Administration to submit a reply by June might reduce the chance of extending the temporary jobs, as the operational needs for extending some jobs might not be established until some months later. He undertook to report the results of the review to the Panel in November 2006. In view of this, Mr LEUNG Kwok-hung withdrew his motion.

Adm

61. The meeting ended at 4:30 pm.

Council Business Division 2
Legislative Council Secretariat
15 February 2006