立法會 Legislative Council

LC Paper No. CB(2)681/08-09 (These minutes have been seen by the Administration)

Ref: CB2/PL/MP

Panel on Manpower

Minutes of meeting held on Thursday, 20 November 2008, at 2:30 pm in Conference Room A of the Legislative Council Building

Members : Hon LI Fung-ying, BBS, JP (Chairman)

present Hon LEE Cheuk-yan

Hon LEUNG Yiu-chung

Hon Andrew CHENG Kar-foo

Hon Frederick FUNG Kin-kee, SBS, JP

Hon WONG Kwok-hing, MH Hon Alan LEONG Kah-kit, SC

Hon LEUNG Kwok-hung Dr Hon LAM Tai-fai, BBS, JP

Hon CHAN Kin-por, JP Dr Hon LEUNG Ka-lau Hon IP Wai-ming, MH Hon IP Kwok-him, GBS, JP Dr Hon PAN Pey-chyou

Members: Hon WONG Kwok-kin, BBS (Deputy Chairman)

absent Hon WONG Sing-chi

Public Officers: Item III attending

Mr Matthew CHEUNG Kin-chung, GBS, JP

Secretary for Labour and Welfare

Mrs Cherry TSE LING Kit-ching, JP

Commissioner for Labour

Mr FONG Ngai

Assistant Commissioner for Labour (Policy Support and

Strategic Planning)

Item IV

Mr Matthew CHEUNG Kin-chung, GBS, JP Secretary for Labour and Welfare

Mrs Cherry TSE LING Kit-ching, JP Commissioner for Labour

Mr FONG Ngai

Assistant Commissioner for Labour (Policy Support and Strategic Planning)

Mr Ernest IP Yee-cheung Senior Labour Officer (Special Duties) 1 Labour Department

Item V

Mr Matthew CHEUNG Kin-chung, GBS, JP Secretary for Labour and Welfare

Mrs Cherry TSE LING Kit-ching, JP Commissioner for Labour

Mr FONG Ngai

Assistant Commissioner for Labour (Policy Support and Strategic Planning)

Mr Alvin LI Wing-kong, JP Assistant Commissioner for Census and Statistics (General)

Mr CHEUNG Hok-ying Principal Economist (4) Financial Secretary's Office

Ms Reddy NG Wai-lan Senior Economist (4) Financial Secretary's Office

Item VI

Mrs Cherry TSE LING Kit-ching, JP Commissioner for Labour

Mrs Erika HUI LAM Yin-ming, JP
Deputy Commissioner for Labour (Occupational Safety and Health)

Mr Byron NG Kwok-keung, JP Assistant Commissioner for Labour (Labour Relations)

Clerk in : Mr Raymond LAM

attendance Chief Council Secretary (2) 1

Staff in : Ms Clara TAM

attendance Assistant Legal Adviser 9

Miss Josephine SO

Senior Council Secretary (2) 1

Miss Helen DIN

Legislative Assistant (2) 1

Action

I. Confirmation of minutes of previous meeting

(LC Paper No. CB(2)156/08-09)

The minutes of the meeting held on 14 October 2008 were confirmed.

II. Date of next meeting and items for discussion

(LC Paper Nos. CB(2)290/08-09(01) and (02))

- 2. <u>Members</u> agreed that the following items proposed by the Administration would be discussed at the next regular meeting to be held on 18 December 2008 at 2:30 pm -
 - (a) Legislative proposals to enhance the enforcement of Labour Tribunal awards:
 - (b) Latest financial position of the Protection of Wages on Insolvency Fund; and
 - (c) Preliminary findings of the Survey on Cleansing and Guarding Services in Private Residential Buildings.
- 3. Mr LEE Cheuk-yan, Mr WONG Kwok-hing, Mr LEUNG Kwok-hung, Mr IP Wai-ming and Dr PAN Pey-chyou expressed concern that the global financial crisis and the deteriorating economic environment had caused a growing wave of layoffs recently. Mr CHAN Kin-por added that the current economic downturn had brought about widespread impact on the community. Different sectors, including the financial services and insurance sectors, were facing different extent of slowdown, and unemployment rate was beginning to

increase. They considered that there was an urgent need for the Administration to devise measures to address the problem, in particular measures to promote employment opportunities for people at all levels. They suggested that the subject of creation of job opportunities should be discussed by the Panel.

- 4. <u>Mr LEE Cheuk-yan</u> suggested that a joint meeting be held with the Panel on Public Service to discuss the Government's outsourcing policy and its impact on local employment.
- 5. <u>The Chairman</u> said that she would liaise with the Administration and the Chairman of the Panel on Public Service on the appropriate timing for discussing the two items suggested by members.

(*Post-meeting note*: The item "Creation of job opportunities and employment-related support services" was added to the agenda for the next regular meeting on 18 December 2008. At the request of the Administration, discussion of the item referred to in paragraph 2(c) above was deferred to a later meeting.)

III. Creation of a Chief Labour Officer post for the introduction of the statutory minimum wage legislation

(LC Paper No. CB(2)290/08-09(03))

- 6. <u>Commissioner for Labour</u> (C for L) briefed members on the Administration's proposal to create one supernumerary post of Chief Labour Officer (CLO) for a period of three years from 12 January 2009 to lead a dedicated team in the Labour Department (LD) to take forward the legislative exercise on the statutory minimum wage (SMW), as detailed in the Administration's paper.
- 7. Mr WONG Kwok-hing expressed support for the proposed creation of the CLO(SMW) post at D1 level to take forward the legislative exercise on SMW. He anticipated that workload of the incumbent would be very heavy, and asked about the reason why the post was created for three years only.
- 8. <u>C for L</u> responded that the Administration had all along been prudent in the use of public money. The proposal to create the CLO(SMW) post for three years was made on the basis of practical need and anticipated workload. The Administration would review the long term staffing requirement of LD after the enactment of the SMW bill, and decide whether the creation of the CLO(SMW) post should go beyond three years.
- 9. <u>Mr Frederick FUNG</u> expressed concern about the ranking of the proposed CLO(SMW) post. He said that given the complexity of the tasks associated with the legislative exercise on SMW, a more senior officer such as an assistant director was needed to discharge the duties effectively.

- 10. <u>C for L</u> responded that the proposed CLO(SMW) would report to the Assistant Commissioner for Labour (Policy Support and Strategic Planning) (AC/L(PS&SP)) who had been overseeing the implementation of the voluntary Wage Protection Movement for cleaning workers and security guards (WPM), and would oversee the design of the SMW scheme. <u>C for L</u> advised that AC/L(PS&SP) had been involved in the preparatory work for the possible introduction of an SMW for cleaning workers and security guards and would continue to oversee the enactment of legislation and implementation of SMW.
- 11. Responding to Mr Frederick FUNG's question whether AC/L(PS&SP) was required to undertake other duties, apart from taking forward the SMW legislative exercise, Secretary for Labour and Welfare (SLW) and C for L assured members that although AC/L(PS&SP) had other duties in addition to the preparatory work for SMW, the SMW team would be dedicated to duties relating to SMW. In addition, the legislative work would be under the continuous and personal supervision of SLW and C for L.
- 12. <u>Mr LEE Cheuk-yan</u> said that he was in support of the proposal to create the CLO(SMW) post. Noting that the proposed CLO(SMW) post would be supported by a team of 13 non-directorate staff, he asked whether the team was set up by LD's internal redeployment of staff or additional resources.
- 13. <u>C for L</u> replied that among the 13 posts proposed for the team, one third of the staff requirement would be met by internal redeployment within LD, and the remainder by additional resources.
- 14. Mr LEE Cheuk-yan expressed concern about the redeployment of staff from LD to the SMW team, particularly its impact on the workload of LD staff as a result of staff redeployment. He said that in view of the recent economic downturn and the rise in unemployment and labour disputes, the demand for employment, labour relations and other related services was expected to grow. He considered it necessary for the Administration to provide LD with additional resources to take up the enormity of the tasks involved in the SMW preparation without adversely affecting LD in the discharge of its current duties.
- 15. In response, <u>C for L</u> explained that the SMW team was required to deal with a wide range of labour and related issues. Among the various tasks involved in the SMW preparation, the team had to ensure that the provisions and implementation of the future legislation would dovetail with other labour legislation. Hence, the team should comprise existing LD staff who were highly experienced in the area to ensure the availability of necessary expertise. <u>C for L</u> said that LD would regularly review its manpower requirements in the coming years. It would bid for additional resources, if necessary.
- 16. <u>Dr LAM Tai-fai</u> supported the proposal but was concerned about the availability of candidates with the requisite knowledge and practical experience for appointment to the CLO(SMW) post.

- 17. <u>C for L</u> responded that LD had commenced the preparatory work for the possible introduction of SMW for cleaning workers and security guards in end 2007. Since then, appropriate training had been provided to some existing staff in the department. In taking forward the initiative, the responsible staff, including CLO(SMW), would make reference to the experience of overseas jurisdictions in the implementation of SMW.
- 18. In response to Dr PAN Pey-chyou's enquiry, <u>C for L</u> advised that the future arrangement of the proposed CLO(SMW) post after the first three years would be subject to review. She highlighted that the incumbent would be required to work out the implementation details of SMW and support the Provisional Minimum Wage Commission (MWC) through the provision of the Administration's input. If there was a continuous operational need, the Administration would consider extending the post or turning the post permanent.
- 19. Mr IP Wai-ming enquired whether the person appointed to the CLO(SMW) post would also be required to provide secretariat and administrative support for the Provisional or the future MWC. He was of the view that there was a need for the future MWC to become a statutory body and maintain its independence by having in place an independent secretariat, as an independent secretariat would enhance public confidence in the operation of the future statutory MWC.
- 20. <u>C for L</u> responded that although the staffing establishment of the support team to the Provisional MWC was not yet finalised, the incumbent of the CLO(SMW) post would mainly be required to help steer policy direction and undertake coordination work within the Government. <u>C for L</u> said that the Administration shared the view that the future MWC should have an independent secretariat in order to maintain its independence.
- 21. Summing up, the Chairman said that members supported in principle the submission of the funding proposal to the Establishment Subcommittee and the Finance Committee.
- IV. Overall review of the Wage Protection Movement for cleaning workers and security guards, and progress report on preparatory work for introducing a bill on a statutory minimum wage (LC Paper Nos. CB(2)290/08-09(04) and (05))
- 22. <u>SLW</u> briefed members on the Administration's paper detailing the overall review of WPM, as well as the progress on the preparatory work and the way forward for introducing a bill on SMW.
- 23. Mr WONG Kwok-hing welcomed the Administration's decision to introduce the SMW bill into the Legislative Council (LegCo) in the 2008-2009

legislative session. He was concerned whether the Administration would, in the face of the current economic downturn and threats of retrenchment, backtrack on its stance. He asked whether the time required for drafting the relevant bill could be compressed so that the implementation of SMW could be advanced.

- 24. In response, <u>SLW</u> said that the Administration had not changed its stance of introducing legislation on SMW. Given the complexity of issues involved in the legislative work, the Administration needed time to resolve all relevant issues before introducing the bill. In setting and reviewing the SMW level, a basket of indicators would be adopted to take account of all pertinent social, economic and employment factors so as to protect the rights of the concerned workers from exploitation and reflect the holistic needs of the local economy. The Administration was working in full gear for the introduction of the bill into LegCo by July 2009.
- 25. Mr LEE Cheuk-yan recalled that the Administration had pledged in the last session to introduce an SMW bill in March 2009. He said that issues relating to the enactment of legislation to implement an SMW, including the mechanism for setting and reviewing the level of an SMW and special measures for vulnerable groups including the persons with disabilities (PWDs), had been discussed at great length. He hoped that the Administration would adhere to its original timetable for introducing a bill on SMW no later than March 2009 so that an across-the-board SMW could come into force on 1 January 2010 upon LegCo's completion of scrutiny of the bill. Regarding the SMW level, Mr LEE held the view that it should not be set at too low a level as this might discourage people from self-reliance and turn them to live on the Comprehensive Social Security Assistance (CSSA) allowance. In setting the SMW level, the Administration should ensure a safety net was provided for the low-income groups to enable them to sustain a living.
- 26. <u>SLW</u> responded that the Administration was fully aware of the aspirations of the labour sector. The primary tasks of the Administration at present were threefold. The study on the SMW level and related issues would be referred to the Provisional MWC which would be set up in early 2009, comprising members from the labour sector, the business community, the academia and relevant government departments, to advise the Government on the appropriate level of the initial minimum wage. The Provisional MWC would become a statutory body upon the enactment of the SMW legislation. The Administration was now preparing for the establishment of the Provisional MWC which was expected to adopt an evidence-based approach in data research and analysis, taking into account a basket of social, employment and economic indicators. As the necessary data had yet to be collected, it was premature to discuss the precise level of the minimum wage at this moment. Regarding the timetable for introducing the SMW bill into LegCo, SLW said that with the introduction of an across-the-board SMW for all trades and occupations, a lot more issues would need to be addressed in the preparation of

the draft bill. Nevertheless, the Administration would strive to complete the work by July 2009.

- 27. Mr LEUNG Yiu-chung was concerned about the role and functions of MWC. Citing the Labour Advisory Board (LAB) as an example, he expressed reservations about the independence and impartiality of MWC. He asked about the criteria for appointment to MWC and its membership structure, and if consensus could not be reached on the SMW level, the course of actions to be taken by the Administration.
- 28. Mr Alan LEONG shared the concern of Mr LEUNG Yiu-chung over the selection criteria and mechanism for the appointment of members to MWC. He asked whether the criteria and mechanism would be made public.
- 29. In response, <u>SLW</u> stressed that one of the roles of the Provisional MWC was to listen to the views of the community and to consult the relevant stakeholders on the initial level of minimum wage. The membership structure of the new MWC had not been finalised. The Administration took note of members' concern about openness, impartiality and credibility. The new MWC would comprise members from the labour sector, the business community, the academia and relevant government departments to ensure a balanced representation of all interests in the community. All members of MWC would be appointed on an ad personam basis.
- 30. <u>Dr PAN Pey-chyou</u> held the view that in preparing the SMW legislation, the impact of an SMW on the employment opportunities of PWDs had to be thoroughly assessed. To his knowledge, there were two groups of views among the affected. Whilst one side supported that SMW should cover the entire workforce with the Administration adopting one single minimum wage rate, some rehabilitation groups considered that different minimum wage rates should be set for the less-competitive disabled employees and those whose ability was below the market requirement. <u>Dr PAN</u> enquired about the Administration's position in this regard.

31. <u>SLW</u> and <u>C for L</u> responded that -

- (a) the Administration had, through meetings with rehabilitation groups, collected the views of PWDs on various minimum wage related issues. LD had met with some 30 rehabilitation groups in mid November 2008, and would continue to meet more in the rehabilitation sector in the next month or so. All views and suggestions received would be referred to LAB for consideration; and
- (b) on the issue of how PWDs should be treated under the legislation, initial feedback from the rehabilitation groups indicated that some flexible arrangements should be allowed for PWDs. These

rehabilitation groups opined that PWDs whose disabilities did not affect their productivity should be remunerated at least the minimum wage. Those whose productive capabilities were impaired by their disabilities should be allowed to receive a reduced minimum wage. If the productive capabilities of PWDs were very low, PWDs and their employers should be allowed to negotiate their own wages. This approach would require the introduction of some form of productivity assessment which was not available in Hong Kong. As the issue was a complex one, the Administration would need time to work out further details with the concerned parties.

- 32. Mr LEE Cheuk-yan held the view that the Administration should proceed with the design work of a reliable and objective productivity-based wage assessment system for PWDs. He sought information on the implementation plan and timetable for such a scheme. Mr LEUNG Kwokhung added that the Administration should seriously consider providing the disabled employees with wage subsidy.
- 33. <u>C for L</u> responded that the Administration had commenced detailed study on issues related to the introduction of a productivity assessment for PWDs. If possible, the scheme would be implemented upon the commencement of the SMW legislation.
- 34. Mr LEUNG Kwok-hung expressed strong disappointment that the Administration had been slow over the issue of legislating for a minimum wage, although this had been a frequently visited issue in the past 10 years. He said that the Panel had expressed reservations about the effectiveness of WPM ever since the introduction of WPM. Noting that it was an established practice for the Government to consult LAB on important labour issues, Mr LEUNG enquired about the role of LAB in setting and reviewing the SMW level, and the possible course of action to be taken by the Administration in case a consensus could not be reached between the employer and employee representatives on LAB. He considered that the Administration should stand firm on its position to legislate for a minimum wage and ensure that the rates were set at a reasonable level, so as to enable the low income groups to maintain a basic living standard.
- 35. <u>SLW</u> responded that LAB had already given its support for the introduction of an SMW for all trades. Regarding the mechanism for setting and reviewing the SMW level, the Administration would defer to MWC to recommend an appropriate SMW level which could provide wage protection to the low-paid workers on the one hand whilst not having significant adverse effect on the employment opportunities of the less competitive workers and the economic growth and competitiveness of Hong Kong on the other. In recommending and reviewing the level, MWC was expected to take account of a basket of indicators on all pertinent social, economic and employment factors

that could reflect the situation of the concerned workers and the holistic needs of the local economy.

- 36. <u>Dr LAM Tai-fai</u> considered that in formulating SMW, the Administration should take into account the dynamic developments in the Hong Kong economy. In his view, the review mechanism should allow means for upward and downward adjustment of the SMW level, having regard to the prevailing economic conditions. As the Government planned to go for an across-the-board SMW, it should extensively consider the views and suggestions of different trades and industries. It was also necessary to strike a balance between the interests of employers and employees to foster harmonious employer-employee relationship. Regarding the composition of MWC, the Administration should include representatives from chambers of commerce, professional bodies, academia and trade unions to ensure a balanced representation in membership.
- 37. <u>SLW</u> responded that the Administration intended to make SMW mutually beneficial for both employers and employees. He reiterated that the mechanism for setting the SMW level would be a major task of the Provisional MWC, which would become a statutory body upon the enactment of the SMW legislation. As MWC would have an equal number of members from the labour sector, the business community, the academia and relevant government departments, it was believed that MWC could maintain objectivity and impartiality at all times in discharging its duties.
- 38. Mr CHAN Kin-por was concerned whether the introduction of an across-the-board SMW would adversely affect the employment opportunities of the less competitive workers. He asked whether special measures would be put in place under the future minimum wage regime to protect the vulnerable groups, particularly the older and less educated workers and young people with less or even no working experience, from the risk of displacement.
- 39. In response, <u>SLW</u> made the following points -
 - (a) the purpose of an SMW was to forestall the payment of excessively low wages, thereby protecting the vulnerable groups from exploitation;
 - (b) the Administration considered it more effective and important to provide training and retraining programmes for low-skilled workers so as to enhance their employability;
 - (c) CSSA would continue to provide a safety net as the last resort for those who had difficulties in finding employment and meeting their basic needs; and
 - (d) the Administration was open on the issue of whether a reduced

minimum wage rate should be set for young workers. It would draw on overseas experience before taking a decision. In some places such as UK, reduced minimum wage rates were set for youths.

- 40. Mr IP Wai-ming said that as a member of LAB, he would object to any proposal which allowed workers to accept a reduced minimum wage rate. He further said that the Hong Kong Federation of Trade Unions had been upholding the line that the wage level of SMW should not be lower than the monthly allowance payable under CSSA. Referring to the 2008-2009 Policy Address, in which Chief Executive (CE) had stated his views on the minimum wage issue, Mr IP said that he could not subscribe to the view that "as family needs vary, the minimum wage may not be sufficient to cover family expenses of all employees". He opined that CE's remarks had put a message across to the public that any decisions taken by MWC on the level of minimum wage were largely pre-empted. He sought clarification as to whether such view represented the stance of the Administration.
- 41. Echoing Mr IP Wai-ming's concern as to whether the Administration had any baselines and what the baselines were in determining the SMW level, Mr Alan LEONG said that the governments in some places with SMW had adopted a family-based approach in determining their minimum wage rates. He enquired whether the Administration would consider using the same approach. As regards the preparatory work for introducing a bill on SMW as set out in paragraphs 5 to 12 of the Administration's paper, he asked about the Administration's timeline for making a progress report to the Panel.

42. In response, <u>SLW</u> advised that -

- (a) CE had no intention to prescribe a framework for MWC. He was merely trying to clarify the objective of an SMW in view of potential misunderstandings by members of the public;
- (b) the purpose of implementing an SMW was to forestall the payment of excessively low wages, thereby protecting the vulnerable groups from exploitation. The SMW level had no necessary connection to family size. As family needs varied, the minimum wage might not be sufficient to cover family expenses of all employees;
- (c) employees in need could obtain assistance under the current social security system. At the moment, about 160 000 families were receiving assistance under the CSSA Scheme and the Social Security Allowance Scheme; and
- (d) notwithstanding the cases quoted by Mr LEONG, there were overseas examples, such as UK and USA, adopting a basket of

social, employment and economic indicators in setting and reviewing the SMW level. The Administration would leave the matter to MWC to consider.

- 43. Mr Frederick FUNG shared Mr IP Wai-ming's view that it was inappropriate for CE to give his views on the level of minimum wage in the Policy Address, as it might undermine MWC's role and pre-empt the outcome of its study on the level of SMW. Mr FUNG considered that SMW should be set at a level that could support the living of two persons. In determining the SMW level, scientific, systematic and impartial methodology should be employed, with reference to the size of working population, the average annual Gross Domestic Product of Hong Kong and the monthly allowance payable under CSSA.
- 44. In response, <u>SLW</u> and <u>C for L</u> reiterated that -
 - (a) neither CE nor the Administration had intention to prescribe a framework for MWC. CE only clarified in his policy address the general misunderstanding about the objective of SMW; and
 - (b) the Administration had an open mind on the subject. In determining the level of minimum wages, MWC might take into account any factors including, but not limited to, the following -
 - (i) cost of living and other economic conditions;
 - (ii) needs of workers and their families;
 - (iii) general level of wages in the territory;
 - (iv) wage distribution of employees; and
 - (v) labour productivity.
- V. Enhancement of current surveys and introduction of new surveys for the purpose of implementing a statutory minimum wage (LC Paper No. CB(2)290/08-09(06))
- 45. With the aid of PowerPoint, <u>Principal Economist</u> (4), <u>Financial Secretary's Office</u> and <u>Assistant Commissioner for Census and Statistics</u> (<u>General</u>) (AC/C&S(G)) briefed members on the Administration's proposal to introduce a new survey and enhance a current survey for the purpose of implementing an SMW, details of which were set out in the Administration's paper.

- 46. Mr LEE Cheuk-yan expressed support for the adoption of an evidence-based approach to set and review the SMW rate. He asked whether the new and enhanced surveys would collect data on hourly wage rate, and how the surveys could achieve the purpose of implementing SMW in striking a sensible balance between safeguarding employment and avoiding payment of excessively low wages. Noting that it would take the Census and Statistics Department (C&SD) a much longer time to complete the data analyses on the employment and demographic profiles of affected employees and the impact of SMW on business costs under different SMW levels, Mr LEE queried the need for conducting surveys on small and medium-sized enterprises (SMEs) on a yearly basis. In his view, this would slow down the legislative process for the introduction of SMW.
- 47. <u>AC/C&S(G)</u> responded that the Administration would collect data on hourly wage rate from establishments which could provide such data. In addition, data in respect of individual employees, including details about their wages, hours of work, employment and demographic characteristics, etc. would be collected. In the event that data on hourly wage rate were not available, the monthly/weekly/daily wages of the employees concerned would be converted, using the number of hours worked per month/week/day, into an hourly rate for analysis purpose. Regarding the timeline of the Programme of Annual Economic Surveys (PAES), <u>AC/C&S(G)</u> explained that sufficiently detailed and comprehensive business and operating costs data on SMEs in all key industries and specific low-paying industries for impact analyses related to SMW were required and there would be a time lag in collecting such statistics as they would only be available after the close of the accounting period.
- 48. Mr WONG Kwok-hing asked why the new and enhanced surveys put special focus on sectors with a high concentration of SMEs. He expressed concern whether this arrangement would affect the credibility and impartiality of the surveys. He echoed Mr LEE Cheuk-yan's view that the Administration should make efforts to expedite the process and complete the survey and data analyses as early as possible. He considered that the level of SMW should not be lower than the monthly allowance under the CSSA Scheme and should enable the low income groups to maintain a basic living standard.

49. In response, <u>C for L</u> advised that -

- (a) enterprises employing less than 10 or 20 persons (depending on the nature of business) were excluded from the current Labour Earnings Survey. To enable a comprehensive and longitudinal impact assessment of SMW on the economy, collection of relevant information from SMEs, which normally employ fewer workers, was crucial;
- (b) with the introduction of the new survey, it was expected that a full range of wage distribution of employees, by percentiles by

- key industry sector and of a few distinct low-paying industries, could be captured;
- (c) there was another survey that collected data for the compilation of the Consumer Price Index. The new survey and the enhanced PAES would be tailor-designed to support the implementation of SMW; and
- (d) as wage data collected in the second and third quarters of a year was less susceptible to seasonal wage adjustment, the earliest possible reference time of the new survey, tentatively known as Annual Earnings and Hours Survey (AEHS), would be the second quarter of 2009 with the survey results to be released at end-2009/early-2010. The Administration would consider supplementing the overall picture with special surveys on certain low-paying sectors or low-paid employees that might be more affected by SMW.
- 50. Responding to Mr Frederick FUNG's question about sample size and composition, <u>AC/C&S(G)</u> said that AEHS would enumerate around 10 000 establishments across all employment sizes and all industries covered by the Central Register of Establishments. These 10 000 establishments would be randomly selected to reflect a representative sample. He added that even though the composition of the sample might put relatively more/less focus on certain groups, such as the low-paying sectors, the survey results obtained would be unbiased by suitably applying weighting. <u>C for L</u> emphasised that the design of the new and enhanced surveys could fill the existing data gap for SMW analyses and data requirements to support the setting and reviewing of the SMW level.

VI. An overview of the promotional efforts of the Labour Department on labour-related matters

(LC Paper Nos. CB(2)290/08-09(07) and (08))

- 51. <u>C for L</u> briefed members on the promotional efforts of LD on labour-related matters, including employment services, labour relations, labour rights and responsibilities, as well as occupational safety and health as detailed in the Administration's paper.
- 52. Mr Frederick FUNG suggested that LD should enlist the support of strategic partners at the local community level, such as District Councils and community organisations, in launching various publicity and promotional programmes. He considered that this would be more efficient to achieve the desired effect.

- 53. <u>C for L</u> noted the suggestion and advised that LD would keep up its promotional efforts on all fronts. For example, in respect of repair, maintenance, alteration and addition works, LD was enlisting strategic partners at the local community level, in addition to support from the building management sector, for its promotional activities.
- 54. Noting that nine Tripartite Committees (TCs) had been set up for the catering, construction, theatre, logistics, property management, printing, hotel and tourism, cement and concrete as well as retail industries, Mr IP Wai-ming asked whether these TCs would discuss issues associated with the promotion of employment, when Hong Kong was experiencing an economic downturn.
- 55. <u>C for L</u> and <u>Assistant Commissioner for Labour (Labour Relations)</u> (AC/L(LR)) responded that -
 - (a) TCs provided an effective forum for members to discuss labour issues of mutual concern in a frank and cordial atmosphere. Measures to foster harmonious labour relations, overall employment situation, wage trend of local workers and economic performance of Hong Kong were topics frequently visited by TCs; and
 - (b) in the face of the current financial tsunami, LD staff would tap into various markets to look for new employment opportunities. For bankruptcy/winding-up cases affecting a large number of employees, LD would set up special counters at its Job Centres to provide priority referral and job matching services. Moreover, it would appeal to prospective employers to solicit suitable vacancies. It would inform the affected workers of the employers interested in hiring them to facilitate their job search.
- 56. The Chairman held the view that the Administration should step up its effort to enhance public understanding of the Employment Ordinance (EO) and, in particular, employees' rights and benefits under EO and employers' statutory obligations to pay wages due on time. Publicity programmes should be launched and targeted at workers in different industries, whom should be reminded to take prompt action in case of wage defaults.
- 57. In response, <u>C for L</u> and <u>AC/L(LR)</u> made the following points -
 - (a) to enhance employees' understanding of their statutory rights, LD had been working closely with trade unions. For example, to combat wage offences in the construction industry, LD had set up an early warning system in collaboration with trade unions to gather intelligence on non-payment of wages. Trade unions would inform LD whenever they were aware of any labour disputes so that it could promptly provide conciliation service and

follow up on the wage offences concerned. On the publicity front, LD had also stepped up its efforts to alert the construction workers about their rights and the need to report wage defaults at an early stage; and

- (b) LD had a well-established network of 18 Human Resources Managers' Clubs formed in various trades and industries. It had reached out and would continue to reach out to enterprises in specific trades through regular activities such as experience sharing sessions, workshops and seminars for members. Through interaction and exchanges in such activities, LD introduced and commended good people management practices adopted by different enterprises.
- 58. There being no other business, the meeting ended at 4:50 pm.

Council Business Division 2 <u>Legislative Council Secretariat</u> 16 January 2009