

立法會
Legislative Council

LC Paper No. CB(2)1978/11-12
(These minutes have been seen
by the Administration)

Ref : CB2/PL/MP

Panel on Manpower

Minutes of meeting
held on Thursday, 15 March 2012, at 2:30 pm
in Conference Room 3 of the Legislative Council Complex

Members present : Hon LEE Cheuk-yan (Chairman)
Hon LI Fung-ying, SBS, JP (Deputy Chairman)
Hon CHEUNG Man-kwong
Hon LEUNG Yiu-chung
Hon Andrew CHENG Kar-foo
Hon Tommy CHEUNG Yu-yan, SBS, JP
Hon Frederick FUNG Kin-kee, SBS, JP
Hon WONG Kwok-hing, MH
Hon Andrew LEUNG Kwan-yuen, GBS, JP
Hon CHAN Kin-por, JP
Hon CHEUNG Kwok-che
Hon WONG Sing-chi
Hon WONG Kwok-kin, BBS
Hon IP Wai-ming, MH
Hon IP Kwok-him, GBS, JP
Dr Hon PAN Pey-chyou
Hon Alan LEONG Kah-kit, SC
Hon LEUNG Kwok-hung

Public Officers attending : Item IV

Mr CHEUK Wing-hing, JP
Commissioner for Labour

Mr Byron NG Kwok-keung, JP
Deputy Commissioner for Labour
(Labour Administration)

Ms Melody LUK Wai-ling
Chief Labour Officer (Labour Relations)
Labour Department

Miss Christine BUT Wing-tung
Senior Labour Officer (Labour Relations)
Labour Department

Item V

Mr CHEUK Wing-hing, JP
Commissioner for Labour

Mrs Tonia LEUNG SO Suk-ching, JP
Assistant Commissioner for Labour
(Employment Services)

Miss Grace CHAN Wing-han
Senior Labour Officer (Employment Services)
Labour Department

Clerk in attendance : Ms Alice LEUNG
Chief Council Secretary (2) 1

Staff in attendance : Miss Josephine SO
Senior Council Secretary (2) 7

Ms Kiwi NG
Legislative Assistant (2) 1

Action

I. Confirmation of minutes of previous meeting
(LC Paper No. CB(2)1326/11-12)

The minutes of the meeting held on 20 January 2012 were confirmed.

Action

II. Information paper(s) issued since the last meeting

2. Members noted that no information paper had been issued since the last meeting.

III. Date of next meeting and items for discussion
(LC Paper Nos. CB(2)1328/11-12(01) and (02))

Regular meeting in April 2012

3. Members agreed to discuss the following two items proposed by the Administration at the next meeting scheduled for 19 April 2012 -

(a) A review of occupational diseases in Hong Kong in 2011;
and

(b) Major findings of the 2011 Annual Earnings and Hours Survey.

4. The Deputy Chairman said that statistics in the 2011 Report on Annual Earnings and Hours Survey ("the Report") were essential inputs for analyses related to the implementation of the statutory minimum wage ("SMW"). She suggested and members agreed that the April meeting be advanced to an earlier date, once the Report was released.

5. As Commissioner for Labour ("C for L") advised upon the enquiry of the Chairman that the Report would be available by the end of March 2012, the Chairman asked the Clerk to fix the date of the April meeting in accordance with members' suggestion after the meeting.

(Post-meeting note: With the concurrence of the Chairman, the next regular meeting of the Panel was advanced to be held on Thursday, 12 April 2012, at 4:30 pm. Notice of meeting was issued to members vide LC Paper No. CB(2)1445/11-12 on 20 March 2012.)

Item to be discussed at the meeting in May 2012

6. The Deputy Chairman said that The Federation of Hong Kong & Kowloon Labour Unions had received complaints from time to time about the Government's outsourcing policy for having adversely affected employees' prospect of accruing employment benefits. There were concerns that the use of outsourcing in the delivery of government

Action

services had resulted in labour exploitation. She suggested that the Panel should discuss at one of its meetings the Government's policy relating to the conditions of outsourcing contracts and the monitoring of outsourced service contracts of the Government and public service agencies.

7. Mr WONG Kwok-hing said that he also received complaints about exploitation of and unfair treatment to workers engaged under service contracts outsourced by the Housing Department ("HD").

8. Referring to a joint submission on the same subject matter from The Federation of Hong Kong & Kowloon Labour Unions and H.K. Hospitals Employees Association, which had been circulated to members vide LC Paper No. CB(2)1385/11-12 on 14 March 2012, the Chairman said that the issues raised therein warranted discussion by the Panel. He suggested that the subject "Government policy relating to the outsourcing of service contracts" be included in the list of outstanding items for discussion by the Panel and discussed at the regular meeting in May 2012. As the issue straddled the portfolios of the Labour and Welfare Bureau ("LWB") and the Financial Services and the Treasury Bureau ("FSTB"), the Chairman said that representatives from LWB, FSTB, and major procuring departments including HD, the Food and Environmental Hygiene Department ("FEHD") and the Leisure and Cultural Services Department should attend the meeting. Members noted and agreed with the above arrangement.

9. Mr IP Wai-ming suggested that the review of Standard Employment Contract for non-skilled workers for use by contractors of government outsourced service contracts should also be discussed under the above agenda item at the meeting scheduled for May 2012. Members agreed.

Regular meeting in July 2012

10. The Chairman said that the regular meeting originally scheduled for 19 July 2012 at 2:30 pm had to be re-scheduled, as the Chief Executive had appointed 18 July 2012 as the date from which the fourth term of the Legislative Council should stand prorogued. Members agreed to re-schedule the meeting to Monday, 9 July 2012, at 4:30 pm.

(Post-meeting note: Members were informed of the re-scheduling of the July meeting vide LC Paper No. CB(2)1413/11-12 on 16 March 2012.)

Action

IV. Implementation of the Employment (Amendment) Ordinance 2010

(LC Paper Nos. CB(2)1328/11-12(03) and (04))

11. C for L briefed members on the implementation progress of the Employment (Amendment) Ordinance 2010 ("Amendment Ordinance") as detailed in the Administration's paper.

Effectiveness of the Amendment Ordinance and deterrent effect on employers

12. Mr WONG Kwok-hing considered the Amendment Ordinance effective in deterring irresponsible employers from defaulting awards made by the Labour Tribunal ("LT") or the Minor Employment Claims Adjudication Board ("MECAB"). Referring to paragraph 13 of the Administration's paper, he enquired about the details of penalty and sanction imposed in those 19 cases where employers were convicted of offences under the Amendment Ordinance.

13. C for L responded that -

- (a) among the 19 convicted cases, one employer was sentenced to a community service order of 200 hours for defaulting the awarded sum;
- (b) in another case, a company director who was convicted for consent, connivance or neglect leading to the company's default of the awarded sum was sentenced to community service of 100 hours;
- (c) up to the end of January 2012, the average fine imposed on convicted employers, directors or responsible persons of limited companies for defaulting the sum awarded by LT or MECAB was about \$11,000, while the highest amounted to \$37,000; and
- (d) in late February 2012, a limited company and its director were sentenced to a fine totalling \$300,000 for offences under the Amendment Ordinance upon the company being convicted for late payment of the awarded sum and its director for consent, connivance or neglect that caused the

Action

default. This was the highest fine for the offences recorded so far.

14. In response to the Chairman's enquiry, Chief Labour Officer (Labour Relations) ("CLO(LR)/LD") advised that in the case referred to in paragraph 13(d) above, the limited company and its director were convicted under the Employment Ordinance (Cap. 57) ("EO") for both wage offences and offences involving default payment of an LT award.

15. Mr IP Kwok-him was concerned about the number of prosecutions instituted and convictions secured against employers for defaulting the sum awarded by LT or MECAB. Noting that of the 835 default cases handled in the 15-month period from November 2010 to January 2012, the Labour Department ("LD") had taken out prosecution only in 46 cases, he enquired about the reasons for the relatively low prosecution rate. As regards the 19 cases in which convictions were secured, he expressed concern as to whether the penalties imposed had adequate deterrent effect against defaulting acts and asked whether any of the conviction had resulted in imprisonment sentences.

16. In response, C for L made the following points -

- (a) among the 835 default cases handled during the 15-month period after the implementation of the Amendment Ordinance, LD had instituted prosecution for 46 cases. It was noteworthy that investigation was underway in 88 cases, and consideration was being given to whether prosecution should be instituted in another 32 cases;
- (b) in the remaining 669 cases where LD had not instituted prosecution, non-prosecution was attributable to a number of factors. They included -
 - (i) the employees did not consent to stand as prosecution witness or withdrew such initial consent subsequently for various reasons including having successfully recovered the defaulted sums in some 300 cases;
 - (ii) the employers or directors could not be located in some 200 cases which mainly involved cessation of business;

Action

- (iii) the employers in about 50 cases were unable to pay the awarded sums due to winding-up or bankruptcy; and
- (iv) appeal was pending or no offences could be substantiated in a small portion of the cases;
- (c) based on the notable decrease by 42% in the number of cases of defaulted LT or MECAB awards recorded in the reporting period, the Administration considered that the new offence could achieve deterrence against defaulting awards made by LT or MECAB; and
- (d) although no imprisonment sentence was recorded, the imposition of heavy fines and community service orders on convicted cases of wilful default of awards made by LT or MECAB could achieve punitive and deterrent effects.

Admin

17. The Chairman requested the Administration to provide in writing the number of cases where LD had not instituted prosecution with breakdown of the reasons for not initiating prosecution.

18. Mr IP Wai-ming queried whether the low prosecution rate was due to the inclusion of the elements of "wilfulness" and "without reasonable excuse" in section 43P of EO, and whether the Administration should review the need to retain these elements in the new offence.

19. C for L responded that among the 46 cases in which prosecution was instituted, convictions had been secured in 19 cases involving 38 summonses. Only two cases did not secure a conviction, and court action was still in progress for the remaining 25 cases. Generally speaking, the success rate of prosecution was not low. Regarding Mr IP's concern about the elements of "wilfulness" and "without reasonable excuse", C for L said that these elements were not novel and were equally adopted in other wage offence clauses under EO.

20. Regarding the two cases which did not result in conviction, the Chairman enquired about the facts and circumstances surrounding the cases which led to such rulings of the court.

21. CLO(LR)/LD explained that prosecution could not be further proceeded in the two cases because the employee in one case withdrew

Action

his initial consent to stand as prosecution witness, whereas the employer in the other case had gone bankrupt upon taking out of prosecution action.

22. In respect of those 78 cases referred to in paragraph 16(a) above where prosecution action had been initiated or was being contemplated, Dr PAN Pey-chyou sought information on the number of employees involved in each of those cases, whether there were cases of repeated offences by employers, and whether there were cases involving claims of false self-employment.

23. C for L replied that the number of employees involved in each of the cases was not substantial, commonly involving one to two employees. Among the 19 cases in which conviction was secured as at end January 2012, there was no case involving repeated offences by employers under the Amendment Ordinance or claims of false self-employment.

24. For cases mentioned in paragraph 16(b)(ii) above where the employers or directors could not be located, Mr CHAN Kin-por asked whether and what measures would be taken by the Administration to prevent unscrupulous employers/directors from deliberately evading their statutory responsibilities to pay the sums awarded by LT or MECAB.

25. C for L replied that upon receipt of a default award complaint, LD officers would explore every possible means to locate those employers or directors. Apart from checking the company particulars filed with the Business Registration Office, LD officers would, where appropriate, approach the Immigration Department, the Transport Department, HD or if known, the bank(s) with which the companies concerned had business accounts, to see if any updated address of the employers/directors concerned could be obtained.

26. Responding to the Chairman and Mr IP Wai-ming, C for L said that the Government would try to exhaust every possible means to locate the employers or directors. There were some 200 cases in which the employers or directors could not be located, mostly due to cessation of business.

27. The Chairman, Mr IP Wai-ming and Mr WONG Kwok-hing expressed deep concern about the high proportion of cases (over 20%) where employers could not be located and absconded from prosecution for non-payment of awards made by LT or MECAB. The Chairman considered that the Administration should find out the reasons attributed

Action

to the phenomenon. Mr WONG requested the Administration to study the issue and examine whether there was any loophole in the Amendment Ordinance and revert to the Panel in writing.

28. Responding to the Chairman's enquiry, C for L advised that in the course of investigation, some employees withdrew their initial consent to testify for the prosecution for various reasons including having successfully recovered the defaulted sums or unwillingness to testify in court.

29. Mr LEUNG Yiu-chung asked whether the Administration had analyzed the causes leading to the substantial decrease in the number of default cases during the 15-month period after the implementation of the Amendment Ordinance. He said that such information would be useful to the Administration for monitoring the enforcement of LT/MECAB awards as well as planning of educational and publicity activities.

30. C for L responded that the new offence had achieved deterrent effect as demonstrated by the notable drop in the number of default cases after the implementation of the Amendment Ordinance. The 835 cases of defaulted LT or MECAB awards handled in the 15-month period from November 2010 to January 2012 only constituted 13% of the total number of cases awarded by LT and MECAB; whereas the 1 448 default cases handled during the preceding 15-month period from August 2009 to October 2010 accounted for 18% of all the cases awarded in the period. The 42% drop in the number of default cases handled in the 15 months after the implementation of the Amendment Ordinance was more significant than the 20% drop in the total number of claims and disputes handled by LD for the same period.

31. In response to Mr LEUNG Yiu-chung's further enquiry, C for L advised that among those 19 cases in which convictions had been secured, the court had ordered the employers to clear the outstanding wages and other statutory entitlements owed to their employees in the majority of the cases with outstanding awards at the time of prosecution.

32. Mr Tommy CHEUNG considered that the decrease in the number of default cases was due to the thriving economy in the past two to three years. He hoped that in reviewing whether the new offence had achieved the desired deterrent effect, the Administration would thoroughly assess the prevailing situations, including the impact on business environment, before mapping out the way forward.

Action

Time required for investigation and prosecution

33. Mr WONG Kwok-hing expressed concern about the efficiency of the Administration in taking enforcement actions against law-defying employers. He sought information on the shortest, longest and average length of time that LD required for completing the investigation and prosecution of suspected offence cases.

34. C for L responded that LD had all along been striving to complete investigation and prosecution of suspected offence cases expeditiously. While the length of time varied depending on complexity and nature of each case, upon employees' provision of witness statements, LD normally needed one to two months' time to complete the investigation and another four to six weeks afterwards to assess the evidence before C for L gave consent to prosecution. For relatively straightforward cases, the time required for completing investigation and prosecution was about two to three months. For cases involving a larger number of employees/defendants or more complicated facts, a longer time of about five months might be needed.

Admin

35. The Deputy Chairman, Mr WONG Kwok-hing and Mr IP Wai-ming requested the Administration to provide more detailed statistics on the number of cases involved and time taken (including the shortest, longest and average time) for completing investigation of suspected offence cases and initiating prosecution against law-defying employers.

36. The Deputy Chairman expressed concern that unscrupulous employers might conveniently circumvent the law to evade paying LT or MECAB awards, by applying for a winding-up or bankruptcy petition. In her view, to better protect the interests of employees, LD should expedite its investigation and decision-making on whether to prosecute. It should also closely monitor the investigation progress of suspected offence cases once they came to light. Her view was echoed by Mr LEUNG Yiu-chung and Mr LEUNG Kwok-hung.

37. C for L responded that the possibility of some employers seeking to evade their obligation to honour payment of LT or MECAB awards could not be entirely precluded. Nevertheless, the Government could hold directors of companies personally liable for non-payment of LT or MECAB awards. If there was sufficient evidence to support a charge, prosecution could be instituted against the directors of the company concerned even after the company had been wound up.

Action

38. Responding to members' concern over the time required for completing the relevant procedures under section 43S(2) of the Amendment Ordinance, C for L pointed out that the need to give the suspect an opportunity of being heard before C for L giving consent to commence prosecution had been thoroughly deliberated by the relevant Bills Committee. Like similar offences under EO, this requirement gave the suspect an early opportunity to inform the authority of his explanation and any special circumstances that would likely mitigate or remove his culpability. C for L said that the Administration noted the concern of members about the need to expedite the investigation/enforcement process. It would duly monitor the implementation progress in the course of enforcing the new offence.

Educational and publicity work

39. Mr LEUNG Yiu-chung considered the educational and publicity activities launched by the Government thus far not effective to arouse public awareness of the new offence. He asked whether LD would step up its promotional efforts to enhance the awareness of employers, in particular those of small and medium enterprises, of the legal consequences of defying LT or MECAB awards.

40. C for L responded that the educational and publicity activities were launched with an aim to alert employers that defaulting payment of an LT or MECAB award had become a criminal offence. To this end, LD had embarked on a wide range of educational and publicity activities since October 2010. These activities included distributing and displaying promotional publications, delivering talks and staging roving exhibitions, issuing press releases, and publicizing the subject through LD's homepage, etc. LD had also organized two large-scale briefings on the subject for employers, representatives of employers' associations and trade unions, human resources practitioners, management executives and members of the public. Relevant stakeholders had been briefed on the Amendment Ordinance through over 10 various talks on EO. Before its implementation, copies of a concise guide had been widely distributed via branch offices of LD, LT, MECAB and the Public Enquiry Service Centres of the Home Affairs Department. The concise guide had also been sent to over 1 100 employers' associations and trade unions, including associations of small-and-medium-sized enterprises to ensure that employers and employees of different trades and industries would be aware of the newly introduced offence. In future, LD would continue to strengthen public understanding of the Amendment Ordinance through different promotional channels.

Action

41. Mr Tommy CHEUNG was concerned that some employers in the catering industry, in particular those who had just started their business, might not have sufficient knowledge about the statutory requirements. He suggested that publicity and educational programmes should also target these new employers in the catering industry, with a view to enhancing their understanding of the serious legal consequences of wilful defaults of LT or MECAB awards. He further suggested that copies of the relevant promotional publications be distributed when FEHD issued a provisional or full licence for operating food business to an applicant.

42. C for L responded that the Administration would actively consider the suggestion put forward by Mr Tommy CHEUNG.

Other issues

43. In response to Mr IP Kwok-him's enquiry, C for L advised that the new offence was applicable to an LT or MECAB award comprising wages or entitlements underpinned by criminal sanctions under EO. An employer who wilfully and without reasonable excuse failed to pay any sum payable under such an LT or MECAB award within 14 days from the date on which the sum was due committed an offence.

44. Responding to Mr CHAN Kin-por's enquiry, C for L and Deputy Commissioner for Labour (Labour Administration) advised that for the purpose of calculating an employee's statutory entitlements under EO, all components of "wages", however designated or calculated, capable of being expressed in terms of money, payable to an employee in respect of work done or to be done under his/her contract of employment, were to be reckoned.

45. Mr LEUNG Kwok-hung expressed concern about the adequacy of manpower in LD for conducting investigation and prosecution after the implementation of the Amendment Ordinance.

46. C for L responded that LD did not have any particular resource problem in this area of work.

V. Implementation of the Pilot Employment Navigator Programme

(LC Paper Nos. CB(2)1328/11-12(05) and (06))

47. C for L briefed members on the progress of the Administration's implementation of the Pilot Employment Navigator Programme ("Pilot

Action

ENP") and its plan to adjust the salary ceiling for granting cash incentive under the Pilot ENP, as detailed in the Administration's paper.

48. Mr CHAN Kin-por supported the upward adjustment of the salary ceiling for granting cash incentive under the Pilot ENP from \$6,500 to \$7,300, since more job seekers could benefit from the programme. Noting that only 4 991 job seekers had so far participated in the Pilot ENP with 2 901 of them confirmed to have secured employment, which was far below the original estimate of 22 000 participants over the two-year pilot period, he enquired about the reasons why the number of participants was substantially smaller than expected and the measures to be adopted by the Administration to encourage job seekers to join the programme and to secure and stay in employment.

49. Sharing a similar concern, the Chairman said that the payout of the Pilot ENP was far below the original estimate. He was concerned about the effectiveness of the Pilot ENP in achieving its objective of helping the unemployed to secure employment.

50. In response, C for L and Assistant Commissioner for Labour (Employment Services) ("AC for L (ES)") made the following points -

- (a) ENP was mainly targetted at unskilled job seekers who did not have any previous relevant working experience. In arriving at the estimate that altogether 22 000 job seekers would benefit from the Pilot ENP, the Administration had taken into account the number of full-time job vacancies listed under LD's employment service at that time which offered a salary of \$6,500 or less per month;
- (b) up to the end of February 2012, a total of 4 991 job seekers had joined the Pilot ENP. Among them, 2 901 participants were confirmed to have secured employment and 513 of them had applied for cash incentive;
- (c) as regards the retention of ENP participants in employment, according to a follow-up survey conducted by LD in August/September 2011 which analyzed the employment situation of 1 434 ENP participants, among the 1 147 ENP participants who had secured employment after receiving LD's intensive employment consultation, around 48% of them (i.e. 550) had stayed in employment for a continuous period of three months or more. At the time of survey, there were also some

Action

240 participants who had just started work and were still in their first three months' employment. As some of these participants would continue to work in their present position, the proportion of participants staying in employment for three months or more should be even higher;

- (d) since the launch of the Pilot ENP in December 2010, the local economy had improved and many job openings were available in the employment market. Job seekers could find work more easily, and hence the number of the Pilot ENP participants turned out to be lower than originally estimated;
- (e) LD would continue to actively promote the Pilot ENP to needy job seekers through various channels. Staff of LD would also proactively introduce the Pilot ENP to job seekers who visited the job centres for employment services; and
- (f) during the implementation of the Pilot ENP, LD regularly collected feedback from the participants on whether the Pilot ENP could help the participants to secure employment. Among the 1 259 participants who had provided feedback, over 80% considered the Pilot ENP useful in enhancing their knowledge of the labour market as well as their job search and interviewing skills.

51. The Deputy Chairman noted that as at the end of February 2012, LD had received a total of 1 095 applications for cash incentive from 513 participants and approved 1 045 applications involving a total payout of \$1.41 million. She sought information about the number of participants granted with cash incentives at each of the three stages of payment.

52. C for L advised that the 1 045 approved applications involved a total of 488 ENP participants. While all these 488 participants were eligible to receive \$500 for successful employment and reporting duty, 338 of them were granted financial incentive of \$1,500 after staying in the job for one month, while 219 had stayed in employment for three months or more and obtained all three stages of cash incentive totalling \$5,000.

53. The Chairman, the Deputy Chairman and Mr IP Wai-ming expressed grave concern about the small number of participants granted with cash incentives under the Pilot ENP. They requested the

Action

Administration to provide after the meeting a detailed breakdown of the reason for not applying for cash incentive. In Mr IP's view, the information would be useful in the subsequent assessment of the effectiveness of ENP.

54. Mr IP Wai-ming noted that about 1 100 ENP participants either failed to secure employment or had withdrawn from the programme. He enquired about the latest position of this group of participants.

55. C for L advised that up to the end of February 2012, a total of 4 991 job seekers had joined the Pilot ENP. Among them, 990 participants were still receiving employment consultation and 2 901 were confirmed to have secured employment. Of the remaining 1 100 ENP participants, around 700 participants had refused to provide information on their employment situation or could not be contacted and some 80 participants had indicated that they would not look for employment for the moment on personal grounds. As for the remaining 300 or so participants, LD had invited them to re-join the programme with a view to providing them with further employment assistance.

56. Referring to Appendix 1 to the Administration's paper, the Deputy Chairman noted with concern that among the 4 991 job seekers enrolled in the Pilot ENP, 1 015 (20.3%) of them had attained post-secondary qualification and 1 668 (33.4%) aged between 15 and 29. She asked whether the Administration envisaged any problem with the high proportion of youth and persons with post-secondary qualification being unemployed and participating in the Pilot ENP which aimed primarily at assisting elementary workers with low skills and low education attainment.

57. In response, C for L and AC for L (ES) advised that -

- (a) regarding the 1 015 ENP participants who had attained post-secondary qualification, 543 and 472 of them were sub-degree and degree holders respectively. Some of them were fresh graduates from local or overseas universities or institutions of higher education, and had little working experience and knowledge of the latest local employment market situation or had not decided on their career choices, whereas some others sought to re-enter the labour market after having left the labour market for some time. These job seekers were attracted to the Pilot ENP with a view to

Action

obtaining updated information about the local employment market or advice on job search and interviewing skills; and

- (b) among the 505 participants who had attained post-secondary qualification and secured employment after receiving services under the Pilot ENP, around 40% of them worked as clerical support workers, 24% as associate professionals, 5% as professionals, managers and administrators, and 7% as service workers.

58. Mr WONG Sing-chi expressed concern about the basis for calculation of adjustment of the salary ceiling for application for cash incentive under the Pilot ENP. He said that under the Work Incentive Transport Subsidy ("WITS") Scheme, "income" did not include employee's mandatory contribution to a Mandatory Provident Fund Scheme and the effective income limit for a one-person household for applying WITS had been raised to more than \$7,665. In his view, the salary ceiling under the Pilot ENP should be set on par with the threshold under the WITS Scheme.

59. In response, C for L explained that the policy objective of the Pilot ENP was distinct from that of the WITS Scheme. The Pilot ENP targeted at motivating those unemployed persons with low skills and no relevant working experience, through the offering of cash incentive, to secure and stay in employment. In adjusting the salary ceiling under the Pilot ENP, the Administration had made reference to the increase of the median monthly salary offer of major job titles with no experience requirement received by LD and the nominal wage index in the employment market since the first quarter of 2010 when the Pilot ENP was formulated.

60. In response to Mr WONG Sing-chi's enquiry about the manpower provision for the Pilot ENP, AC for L (ES) advised that a total of 19 civil service posts had been created for two years to administer the programme, including one post at Labour Officer rank, seven each at Assistant Labour Officer I and II ranks, and four in the clerical grade. There were also 11 non-civil service contract staff, including 10 programme officers and one contract clerk to assist in the provision of services under the Pilot ENP.

61. Mr IP Wai-ming expressed dissatisfaction that the information contained in the paper provided by the Administration was not detailed enough. In his opinion, to facilitate members' discussion, the

Action

Administration should have provided in its paper those figures and information sought by members at the meeting. The Chairman requested the Administration to make improvement in the light of comments made by Mr IP.

62. Mr LEUNG Kwok-hung considered the Pilot ENP not effective in helping the low-income group or the unemployed. In his view, the Administration should channel its efforts and resources towards other initiatives, such as introducing a higher SMW rate or providing wage subsidies to low-income employees.

63. The Chairman asked whether the Administration had any plan to review the effectiveness of the financial incentive in motivating the participants to stay on the jobs. In response, C for L said that the Pilot ENP was launched in December 2010 and would operate for two years. The Administration would conduct a review on the programme towards the end of 2012.

64. There being no other business, the meeting ended at 4:28 pm.

Council Business Division 2
Legislative Council Secretariat
15 May 2012