立法會 Legislative Council

LC Paper No. CB(2)1870/14-15 (These minutes have been seen by the Administration)

Ref : CB2/PL/MP

Panel on Manpower

Minutes of meeting held on Tuesday, 16 June 2015, at 4:30 pm in Conference Room 3 of the Legislative Council Complex

Members present	:	Hon WONG Kwok-kin, SBS (Chairman) Dr Hon CHIANG Lai-wan, JP (Deputy Chairman) Hon LEE Cheuk-yan Hon LEUNG Yiu-chung Hon Tommy CHEUNG Yu-yan, SBS, JP Hon CHAN Kin-por, BBS, JP Hon CHAN Kin-por, BBS, JP Hon CHEUNG Kwok-che Hon IP Kwok-him, GBS, JP Hon LEUNG Kwok-hung Hon CHAN Yuen-han, SBS, JP Dr Hon KWOK Ka-ki Hon KWOK Wai-keung Hon SIN Chung-kai, SBS, JP Hon POON Siu-ping, BBS, MH Hon TANG Ka-piu, JP Hon CHUNG Kwok-pan
Members absent	:	Dr Hon LEUNG Ka-lau Hon LEUNG Che-cheung, BBS, MH, JP
Public Officers attending	:	Item IV Mr Jeff LEUNG Wing-yan Deputy Commissioner for Labour (Occupational Safety and Health)

		Mr LI Chi-leung Assistant Commissioner for Labour (Occupational Safety)
		Mr LEUNG Yuk-keung Chief Occupational Safety Officer (System and Support) Labour Department
		Item V
		Mr Matthew CHEUNG Kin-chung, GBS, JP Secretary for Labour and Welfare
		Mr Donald TONG Chi-keung, JP Commissioner for Labour
		Mr Nicholas CHAN Chun-tak Assistant Commissioner for Labour (Policy Support)
		Ms Queenie WONG Ting-chi Senior Administrative Officer (Policy Support) Labour Department
Clerk in attendance	:	Miss Betty MA Chief Council Secretary (2) 1
Staff in attendance	:	Ms Rita LAI Senior Council Secretary (2) 1
		Ms Mina CHAN Council Secretary (2) 1
		Miss Lulu YEUNG Clerical Assistant (2) 1

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I. Confirmation of minutes of previous meeting (LC Paper No. CB(2)1681/14-15)

The minutes of the meeting held on 19 May 2015 were confirmed.

II. Information paper issued since the last meeting

2. <u>Members</u> 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)1683/14-15(01) and (02))

Regular meeting in July 2015

3. <u>Members</u> agreed to re-schedule the regular meeting in July 2015 from 21 July to 14 July 2015 at 4:30 pm. <u>Members</u> further agreed that the following items proposed by the Administration be discussed at the meeting -

- (a) Report on occupational diseases and occupational health performance in Hong Kong in 2014; and
- (b) Promoting family friendly employment practices.

IV. Hong Kong's occupational safety performance in 2014 (LC Paper Nos. CB(2)1683/14-15(03) to (04) and CB(2)1718/14-15(01))

4. At the invitation of the Chairman, <u>Deputy Commissioner for</u> <u>Labour (Occupational Safety and Health)</u> ("DC for L (OSH)") briefed members on Hong Kong's occupational safety performance in 2014 as detailed in the Administration's paper.

5. <u>Members</u> noted the background brief entitled "Occupational safety performance in Hong Kong" prepared by the Legislative Council ("LegCo") Secretariat.

Occupational injuries statistics

6. <u>Mr TANG Ka-piu</u> was concerned that the statistics on occupational injuries in the Administration's paper did not cover injury cases in trades and industries which were not within the meaning of industrial undertakings as defined under the Factories and Industrial Undertaking Ordinance (Cap. 59). <u>Mr TANG</u> sought information on the number of fatalities reported under the Employees' Compensation Ordinance (Cap. 282) ("ECO") in 2013 and 2014.

7. <u>DC for L (OSH)</u> advised that the numbers of fatalities reported under ECO in 2013 and 2014 were 188 and 210 respectively, which were published on the Labour Department ("LD")'s website. Natural deaths accounted for more than half of such cases in 2014 and some of the cases happened outside Hong Kong. He stressed that the Administration would look into the cause of death and take appropriate follow-up actions in respect of each fatal case that happened at workplace in Hong Kong.

8. <u>Mr TANG Ka-piu</u> pointed out that there was a view in the labour and medical sectors that some natural death cases, including heart attack and heat stroke were related to the working environment. At Mr TANG's request, <u>DC for L (OSH)</u> agreed to provide the statistics on occupational injuries with a breakdown by industry in future.

9. Notwithstanding a drop of 1.3% in the number of occupational injuries in 2014 when compared with the corresponding figure in 2013, the Deputy Chairman and Mr KWOK Wai-keung noted with concern that 37 523 cases were indeed recorded in 2014. The Deputy Chairman expressed particular concern about the dire consequences of the industrial fatalities brought to the families of workers concerned. She called on the Administration to further step up its efforts to safeguard employees' occupational safety. Considering that the Administration's efforts in enhancing the occupational safety performance through publicity and education were not effective, <u>Mr KWOK</u> suggested that a penalty should be imposed on those employers who were liable for the occurrence of industrial accidents in order to achieve greater deterrence.

10. While acknowledging that there was a decreasing trend in the number of fatal cases among the industrial accidents, <u>Mr LEUNG</u> <u>Yiu-chung</u> was of the view that the total number of 25 fatal cases in 2014 remained on the high side. <u>Mr LEE Cheuk-yan</u> echoed a similar view. <u>Mr LEUNG</u> enquired about the preventive measures adopted to further reduce the number of fatalities.

11. <u>DC for L (OSH)</u> shared the view that it was imperative to further enhance the occupational safety performance in Hong Kong. <u>DC for L (OSH)</u> pointed out that it was noteworthy that although the number of construction sites and the size of the workforce had significantly increased in the past few years, which posed challenges to the occupational safety in the construction industry, there was a downward trend in the overall number of industrial accidents in Hong Kong in the last decade. In addition, the accident rate per 1 000 workers also saw a decrease from some 60 to 41.9 in the past ten years. <u>DC for L (OSH)</u> added that despite the decrease, LD would continue to strive to prevent industrial accidents caused by systemic deficiencies through measures including stepping up inspection and enforcement action, tackling systemic risks, launching safety accreditation and sponsorship schemes, and enhancing publicity and promotional activities. <u>DC for L (OSH)</u> further advised that thorough investigation would be conducted for each fatal case to ascertain the relevant cause(s), including whether it involved systemic risks. To tackle systemic safety problems, LD would conduct safety audits on the relevant work processes and analyses of their underlying systemic risks with a view to formulating relevant preventive measures.

Construction Industry

12. <u>Mr CHAN Kin-por and Mr SIN Chung-kai</u> noted with concern that the total number of industrial accidents in the construction industry had increased from 3 232 cases in 2013 to 3 467 cases in 2014. In light of labour shortage in the industry and the absence of a standard working hours ("SWH") policy, <u>Mr SIN</u> raised queries about whether the construction workers concerned had been required to work for long hours so as to meet the project deadlines at the expense of safe work practices. He asked whether the Administration had examined the causes of the industrial accidents and asked whether enforcement actions would be taken in respect of accidents arising from prolonged work of workers.

13. <u>Mr LEUNG Kwok-hung</u> shared a similar concern. As a result of the physically demanding nature of work, the construction workers would become exhausted and would therefore be more prone to industrial accidents. <u>Mr LEUNG</u> urged the Administration to squarely address the situation and seriously consider legislating for SWH.

14. DC for L (OSH) said that LD staff would pay particular attention to unsafe work practices during inspections and would take stringent enforcement actions as appropriate. DC for L (OSH) stressed that under the Occupational Safety and Health Ordinance ("OSHO"), contractors and employers had to, as far as reasonably practicable, ensure the safety and health at work of all the employees. Contractors had to closely monitor the work process, including its progress and deployment of manpower, so as to ensure OSH of the employees. In 2014, LD had taken out 2 177 prosecutions in respect of unsafe work practices on construction sites. DC for L (OSH) added that the Development Bureau ("DevB") had been actively implementing a host of measures to cope with the tight manpower situation of the construction industry, including

enhancing training of local construction workers and attracting more new entrants to join the construction industry.

15. <u>The Deputy Chairman, Dr KWOK Ka-ki and Mr POON Siu-ping</u> were gravely concerned about the 25 industrial fatalities in 2014 and considered the number was on the high side. Noting that the number of non-fatal cases of industrial accidents had increased by 7.4% in 2014, <u>Dr KWOK</u> raised queries about the enforcement actions taken and whether the industrial accidents were attributed to the commencement in sequence of major infrastructure projects in the public works sector, in particular the construction of the Hong Kong-Zhuhai-Macau Bridge project, the Hong Kong Section of Guangzhou-Shenzhen-Hong Kong Express Rail Link and the railway projects.

16. <u>DC for L (OSH)</u> responded that LD had been stepping up enforcement actions to ensure OSH of construction workers. LD would take immediate enforcement actions without prior warning upon discovery of unsafe work practices contravening the safety legislation during inspections to the work sites, including issuing suspension notices ("SNs") / improvement notices ("INs") as well as initiating prosecutions as appropriate. In the last decade, the number of prosecutions for all workplaces had increased from 2 100 to 2 700 whereas the number of SNs issued had also increased from 153 in 2005 to 980 in 2014. In respect of the industrial accidents in 2014 that happened at the public sector sites, the numbers of injuries and fatal cases were 659 and five respectively.

Expressing queries about the deterrent effect of the existing level 17. of penalty for non-compliance with OSHO, Dr KWOK Ka-ki sought information on the maximum penalty imposed on employers concerned upon conviction of non-compliance with the safety requirements resulting in industrial fatal cases in the construction industry in 2014. While not having the requested information on hand, DC for L (OSH) highlighted that LD had been working very closely with the Department of Justice ("DoJ") to impose heavier penalty on those convicted for construction accidents. Subject to the advice of DoJ, LD would submit supplementary information, including the serious consequences of the accident concerned, the upward trend of the type of accident involved, the highest penalty imposed in similar cases and whether the accident involved systemic risks, to the court for considering the appropriate level of penalty to be imposed upon conviction. It was noted that the fines imposed by the court on convicted cases of similar nature had increased from \$20,000 to \$60,000 in 2012 to a range of \$80,000 to \$120,000 in recent years.

18. <u>Dr KWOK Ka-ki</u> asked whether contractors who were found repeatedly involved in industrial fatalities would be penalised when bidding for public works contracts. In response, <u>DC for L (OSH)</u> said that DevB and Housing Authority would take into account the past performance and accident rates of contractors under the current tender assessment system for public works contracts.

19. <u>The Deputy Chairman and Mr CHAN Kin-por</u> expressed similar concerns that the number of fatalities involving "struck by falling object" had increased from two cases in 2013 to five cases in 2014. <u>Mr CHAN</u> asked how the Administration would address the situation and <u>the Deputy Chairman</u> enquired whether the Administration had examined the causes of the accidents. <u>The Deputy Chairman</u> further sought information on whether the workers concerned, including the seven fatalities involving "fall of person from height" in 2014, had been provided with safety devices and equipment while at work.

20. <u>DC for L (OSH)</u> said that he did not have the information requested by the Deputy Chairman on hand, and would provide the information after the meeting.

21. Referring to a significant increase in industrial accidents in the construction industry involving "trapped in or between objects" (70 cases) and "striking against fixed or stationary object" (83 cases) in 2014, <u>Mr POON Siu-ping</u> enquired about the improvement measures taken by the Administration to address the situation.

22. With respect to seven out of eight industrial fatalities in 2015 (as at early-June) occurred at the construction sites, <u>Mr LEE Cheuk-yan</u> expressed concern about the safety performance of the construction industry, in particular those involving persons falling from height and operation of machinery. <u>Mr LEE</u> enquired about the Administration's latest enforcement efforts to address the safety issues in the construction industry.

23. <u>DC for L (OSH)</u> responded that LD would continue to step up inspection and monitoring efforts targeting at high-risk processes, such as machine operation, work-at-height, electrical work, tunnelling works and lifting operation. It would also continue to strengthen its efforts in the areas of education, training and publicity as well as launch safety accreditation and sponsorship schemes.

Safety accreditation scheme and sponsorship scheme

24. Noting that only 30 small-and-medium enterprises ("SMEs") had been accredited under the OSH Star Enterprise Safety Accreditation Scheme for the industry of repair, maintenance, alteration and addition ("RMAA") works ("the Accreditation Scheme") as at end-May 2015, <u>the Deputy Chairman</u> considered the progress unsatisfactory. She sought information on the total number of RMAA contractors.

25. <u>DC for L (OSH)</u> advised that the Accreditation Scheme was launched for the renovation and maintenance industry with focus on the high-risk bamboo scaffolding sector. As there was no registration system for RMAA contractors, the Administration did not maintain the requested statistics. That said, <u>DC for L (OSH)</u> highlighted that the Accreditation Scheme was an on-going one, and the Occupational Safety and Health Council ("OSHC") was still processing other applications for the Accreditation Scheme. The Administration would continue to work in collaboration with OSHC and other organisations to promote the Accreditation Scheme, and to enhance the occupational safety of RMAA works. At the request of the Chairman and the Deputy Chairman, <u>DC for L (OSH)</u> agreed to provide information on the percentage of accredited SMEs among the total number of RMAA contractors which had made applications under the Accreditation Scheme.

26. Referring to a reduction of close to 15% and more than 50% in the respective numbers of industrial accidents and fatal cases in the construction industry involving "fall of person from height" in 2014, <u>Mr CHAN Kin-por</u> considered that the safety accreditation and sponsorship schemes were proven effective in enhancing work-at-height safety. <u>Mr CHAN</u> further enquired whether the Administration would consider conducting a review on the Mobile Platform Sponsorship Scheme ("the Scheme") which had been launched in 2013.

27. <u>DC for L (OSH)</u> responded that in light of the positive response to the Scheme from the industry, the Administration would consider allocating more resources to the Scheme so as to subsidise more SMEs to purchase mobile platforms, and to promote awareness of work-at-height safety amongst workers.

Container handling industry

28. <u>Mr LEE Cheuk-yan</u> expressed grave concern about the safety performance in the container handling industry. In light of the vast area of the container terminals and the time taken for LD staff, after having given a notice of inspection, to reach the exact location of the workplaces for inspection, <u>Mr LEE</u> was concerned that the container terminal operators would therefore have time to cover up unsafe operations prior to LD's inspection. At the request of Mr LEE, <u>DC for L (OSH)</u> agreed to provide information on the procedures for conducting inspections to container terminal yards after the meeting.

- 9 -

29. Pointing out that some crane operators at container terminals had been suffering from repetitive strain injuries of the lower back arising from handling containers and the design of operators' seats, <u>Mr LEE Cheuk-yan</u> expressed concern about the occupational health of crane operators and asked how the Administration could address the issue.

30. <u>Mr KWOK Wai-keung</u> sought information on the details of the improvement measures taken in respect of the arrangements for container handling workers to take meal breaks and toilet breaks as well as the work arrangements during typhoons or under adverse weather conditions upon LD's intervention.

31. <u>DC for L (OSH)</u> said that LD had met with a deputation which expressed concern about OSH of crane operators in container terminals, and would meet with it again around end of June 2015. LD had been looking into the matter and would report to the Panel on the matter under the item on occupational diseases and occupational health performance at the next regular meeting in July 2015.

32. <u>Mr POON Siu-ping</u> expressed concern about the impact of pollutants caused by emissions from vessels on the occupational health of workers at the terminals. Sharing a similar concern, <u>Miss CHAN Yuen-han</u> asked how the Administration would address the issue.

33. <u>DC for L (OSH)</u> responded that the Administration attached great importance to the occupational health of workers at the container terminals. LD conducted regular inspections to monitor the situation and ensure that the terminal operators had taken preventive measures to safeguard their employees' OSH. In light of concern about exhaust

emission in the container terminals, LD had embarked on follow up action and would report to the Panel on the matter under the item on occupational diseases and occupational health performance at the July meeting.

The catering sector

34. Notwithstanding the decrease in the overall number of industrial accidents in the food and beverage services sector in 2014 (i.e. 5 566 cases) when compared with the corresponding figure in 2013 (i.e. 5 740 cases), <u>Mr POON Siu-ping</u> noted with concern that the number of industrial accidents involving "slip, trip or fall on same level" had increased from 1 026 cases in 2013 to 1 072 cases in 2014. In his view, it was the responsibility of employers to ensure a safe working environment for their employees. <u>Mr POON</u> enquired whether LD had conducted inspections to the catering establishments which had repeatedly failed in complying with the relevant safety regulations and whether LD had initiated prosecutions as appropriate.

35. DC for L (OSH) responded that the Administration attached great importance to the occupational safety performance of the catering sector, having regard to the fact that the number of industrial accidents in the food and beverage services sector topped all industries. In 2014, LD had initiated 206 prosecutions and issued over 200 INs against violation of OSH requirements. LD would continue to strengthen the enforcement actions, including conducting inspections targeting at high-risk work processes prone to accidents, such as slip, trip and cut injury. To further improve the work safety of the catering industry practitioners, and encourage the industry to raise tidiness and cleanliness standards at workplaces, DC for L (OSH) said that LD and OSHC had jointly launched the "Outstanding OSH Restaurant - Pilot Scheme on Catering Safety Accreditation" for the catering industry in June 2013. Enterprises that met the audit requirements would be awarded a compliment certificate and receive a subsidy up to \$5,000 for the purchase of slip resistant shoes and cut resistant gloves that were in compliance with the safety standards.

36. Expressing concern about two cases of work injuries involving the use of meat blender machine in the past year, <u>Mr TANG Ka-piu</u> enquired about the counter-measures taken by the Administration to prevent the recurrence of similar accidents. <u>DC for L (OSH)</u> said that following the occurrence of each industrial accident, LD staff would conduct investigation to ascertain the cause of the accident, including whether it

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involved systemic risks, and the related liability. LD would issue SNs/INs or initiate prosecutions as appropriate and remind the industry to take precautionary safety measures so as to prevent occurrence of similar accidents. As regards the above-mentioned two cases, <u>DC for L (OSH)</u> agreed to provide information on the progress after the meeting.

Occupational safety under hot or inclement weather

37. <u>Miss CHAN Yuen-han</u> expressed concern about OSH of employees working outdoor during hot summer and typhoon season, particularly heat stroke cases occurred in outdoor working environments. <u>Miss CHAN</u> enquired about the measures taken by the Administration to address the situations. <u>DC for L (OSH)</u> agreed to provide written responses to Miss CHAN's concern after the meeting.

Claiming compensation under ECO

38. <u>Mr LEUNG Yiu-chung</u> was concerned about an increasing number of cases in which employers did not report the occupational injuries to LD so as to evade the responsibility of making employees' compensation to the injured employees. <u>Mr LEUNG</u> asked how the Administration would address the problems. <u>DC for L (OSH)</u> agreed to provide a written response after the meeting.

39. Sharing a similar concern, <u>Miss CHAN Yuen-han</u> called on the Administration to consider providing designated medical services for work injury cases at the public hospitals with a view to expediting the process for lodging claims for compensation under ECO.

V. Enhanced protection for foreign domestic helpers (LC Paper Nos. CB(2)1683/14-15(05) and (06))

40. At the invitation of the Chairman, <u>Secretary for Labour and</u> <u>Welfare</u> ("SLW") briefed members on the various measures undertaken by the Administration in enhancing the protection for foreign domestic helpers ("FDHs"), details of which were set out in the Administration's paper.

41. <u>Members</u> noted the background brief entitled "Employment of foreign domestic helpers" prepared by the LegCo Secretariat.

Overcharging of intermediary charges and related issues

42. In response to the Deputy Chairman's enquiry about the number of employment agencies ("EAs") placing FDHs, <u>Commissioner for Labour</u> ("C for L") said that there were 2 753 EAs in Hong Kong as at end of April 2015, including 1 320 undertaking job placement business for FDHs. Responding to Mr POON Siu-ping, <u>C for L</u> said that LD received 194, 170 and 66 complaints in 2013, 2014 and 2015 (up to end of April) respectively against EAs that provided placement service for FDHs. Most of the complaints involved overcharging of commissions on FDHs.

43. <u>Miss CHAN Yuen-han</u> expressed concern that a considerable number of FDHs had incurred huge debts to meet the high intermediary fees charged by EAs. Following the Panel's deliberations on policies relating to FDHs and regulation of EAs in February 2014, <u>Miss CHAN</u> sought an update on the Administration's efforts in monitoring and regulating EAs, both accredited by the relevant FDH-sending governments and unaccredited ones which were sub-agencies of the accredited EAs, for placing FDHs to take up employment in Hong Kong. In her view, the Administration should verify the accreditation status of the Indonesian intermediaries so as to facilitate the taking of enforcement actions.

- 44. In response, <u>SLW</u> made the following points -
 - (a) under the existing regulatory regime, all EAs in Hong Kong, including those placing FDHs, were required to apply for a licence from LD before undertaking any job placement business and that a licensee should be considered fit and proper to operate an EA. LD regulated EAs providing FDH placement service through licensing, inspections, complaints investigation and prosecution to ensure that they were operating in compliance with the law. LD would consider refusing to renew or revoking the licence of a law-defying EA;
 - (b) LD took a serious view of overcharging of job seekers, including FDHs, by EAs. According to the law, EAs were allowed to receive from FDHs the prescribed commissions specified in the Second Schedule of the Employment Agency Regulations (Cap. 57A) ("EAR") which was no more than 10% of the latter's first month's salary for successful job placement service; and

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the existing legislation did not require accreditation by other (c) governments as a prerequisite for obtaining an EA licence in Hong Kong. There was also no requirement for FDHs to take up employment in Hong Kong through EAs, although such requirements were imposed by some FDH-sending countries and varied from country to country. For instance, the Philippine Government did not allow direct hiring of first-time FDHs, while the Indonesian Government only allowed hiring FDHs through EAs. It was understood that there were some 300 EAs accredited by the Indonesian Government to import Indonesian domestic helpers ("IDHs") to Hong Kong. However, regardless of whether individual EAs were accredited by other governments, they were all subject to the regulation of the Employment Ordinance (Cap. 57) and EAR.

45. The Deputy Chairman expressed support for the measures adopted by the Administration to enhance protection for FDHs and prevent the recurrence of abuse cases relating to FDHs. Yet, she considered that the crux of problem was that a considerable number of FDHs had incurred huge debts in order to meet the high level of fees and commissions charged by EAs in their home countries prior to working in Hong Kong. As such, these FDHs would refrain from lodging claims of being mistreated or abused because of the possibility of losing their jobs while shouldering a heavy debt burden. Mr LEUNG Yiu-chung echoed a similar view and expressed concern that FDHs were working alone in their employers' residence without appropriate support from EAs. The Deputy Chairman called on the Administration to squarely address the issue and consider tightening the licensing scheme so as to reduce the number of EAs which, in her view, would facilitate the regulatory work of EAs.

46. Sharing a similar concern, <u>Mr POON Siu-ping</u> sought clarification as to whether a FDH, who made declaration of having taken out a loan upon arrival, would be denied entry into Hong Kong.

47. Responding to members' concerns and views, <u>SLW</u> advised that the Administration had all along maintained contact with countries sending FDHs and their consulate-generals ("CGs") in Hong Kong to exchange views on FDH-related matters. Among others, it had been discussing its serious concerns with the Indonesian Government on the huge amount of intermediary and training fees that IDHs were required to pay to the intermediaries in their home countries prior to arriving in Hong Kong, and asked that the problem be tackled at source so as to alleviate the burden of IDHs. It was understood that such fees had been reduced from some \$21,000 to \$15,000. <u>SLW</u> added that a FDH would not be denied entry into Hong Kong for the mere reason of his/her taking out a loan which was a personal matter.

48. Given that FDHs incurred huge debts because of the high level of fees for attending training in their home countries, <u>Mr LEUNG Yiu-chung</u> suggested that arrangement be made to enable FDHs to receive the relevant training in Hong Kong.

49. <u>SLW</u> said that it was the national laws and practices of individual FDH-sending countries that FDHs be required to undergo relevant training in their home countries, bearing in mind that the Hong Kong Special Administrative Region Government did not have any jurisdiction on operations of such intermediaries and training schools overseas. Nonetheless, the Administration would continue to convey the concerns on problems of huge amount of intermediary and training fees charged by such institutes in FDHs' home countries to the relevant FDH-sending governments and urged them to tackle the problem at source.

Regulatory measures for EAs

50. Pointing out that the Administration had advised members in last year that it would step up the regulation of EAs, Mr LEE Cheuk-yan expressed disappointment that there was no progress at all. Mr LEE was gravely concerned that EAs provided no follow-up support to FDHs after they had taken up employment in Hong Kong, not to mention that some of them had involved in arranging FDHs to take loans from financial intermediaries. In his view, the obligations of EAs should be clearly stipulated under the licensing scheme. To address the problem of "bonded labour" at source, Mr LEE enquired whether the Administration had liaised with the FDH-sending governments and their respective CGs in Hong Kong, in particular the Indonesian CG, on issues relating to strengthening the monitoring framework for the operation of intermediaries in FDHs' home countries.

51. <u>SLW</u> advised that monitoring of EAs involved a host of interrelated issues. The Administration had strived to strengthen the regulatory efforts in various aspects, including the following -

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- (a) LD had since last year intensified collaboration with CGs of major FDH-sending countries in Hong Kong by participating in briefings for newly-arrived FDHs and cultural events organised by these CGs from time to time to promote among FDHs the important information on employment rights and ways to seek redress from various channels. In addition, an inter-departmental regular liaison mechanism with both the Indonesian and Philippines CGs respectively had been set up since 2014 for information sharing and coordination of mentioned earlier. FDH-related matters. As the Administration would continue the liaison with the FDH-sending countries and urge them to tackle the issue at source. Notably, SLW might raise the issue again with the Indonesian Government should its Minister of Manpower firm up his visit to Hong Kong around end of August 2015; and
- (b) LD had since 2014-2015 increased manpower and conducted more frequent inspections to EAs by increasing the inspection target per year from 1 300 to 1 800, representing an increase of 38%. In 2014, a total of 1 806 inspections were conducted, amongst which 75% (i.e. 1 352 inspections) were targeting at EAs placing FDHs.

52. Expressing the view that the Administration should strengthen the communication with FDH labour unions in respect of employment rights of FDHs, <u>Mr POON Siu-ping</u> sought information in this regard. <u>SLW</u> responded that the Administration would have meetings with FDH unions from time to time to discuss FDH matters like the Minimum Allowable Wage review as well as to disseminate information on employment rights of FDHs.

Code of Practice for EAs

53. Responding to the enquiries of the Chairman and Mr LEE Cheuk-yan about the progress of strengthening regulation of EAs, <u>SLW</u> advised that the Administration was preparing a Code of Practice ("CoP") for the industry, in which acts that were permissible and those that should be avoided by EAs would be spelt out. LD would suitably consult the relevant stakeholders after the draft was ready in the second half of 2015.

54. In response to the Chairman's enquiry about the binding effect of the CoP on EAs, <u>SLW</u> advised that LD would take into account EA's track record, including whether it had breached the CoP, when considering the renewal of licence for EAs. <u>Mr LEE Cheuk-yan</u> expressed dissatisfaction about the unduly long time taken for drafting the CoP. <u>Mr LEE</u> sought information on the areas of concern to be covered in CoP, in particular whether it would address issues relating to money-lending activities of intermediaries.

55. <u>C for L</u> responded that CoP would define the roles and obligations of an EA during its dealings with job-seekers and employers so that each party would know clearly what to expect from EAs. It would also provide best practices, for example EAs should not be involved in the financial or loan affairs of FDHs, for EAs' reference. For the drafting of CoP, LD would also need to seek advice from DoJ on the legal issues involved. The Administration would consult relevant stakeholders when the drafting was complete.

56. <u>Mr LEE Cheuk-yan</u> remained concerned about the effectiveness of CoP and suggested the Administration to consider legislating for the relevant licensing conditions. <u>The Chairman</u> was of the view that the Panel should be consulted on the draft CoP.

57. <u>Mr LEUNG Kwok-hung</u> took the view that the Administration should step up regulation of EAs by adopting a more stringent licensing scheme, as there would be no legal consequence for non-compliance with the best practices in CoP. <u>Mr LEUNG</u> further called on the Administration to consider importing FDHs from places where FDHs were not required to pay high level of commissions or training fees.

58. Expressing concern about the unscrupulous operation of the unaccredited EAs in arranging IDHs to take up employment in Hong Kong, <u>Miss CHAN Yuen-han</u> considered that the draft CoP should target at such unaccredited EAs. In response, <u>C for L</u> said that the Administration planned to strengthen the regulation of all licensed EAs which provided FDH placement services through the introduction of CoP, irrespective of whether or not they were accredited EAs by the FDH-sending governments.

59. There being no other business, the meeting ended at 6:30 pm.

Council Business Division 2 <u>Legislative Council Secretariat</u> 20 July 2015