

LC Paper No. CB(2)1995/15-16 (These minutes have been seen by the Administration)

Ref : CB2/PL/MP

Panel on Manpower

Minutes of special meeting held on Wednesday, 9 March 2016, at 2:30 pm in Conference Room 1 of the Legislative Council Complex

Members present	:	Hon KWOK Wai-keung (Chairman) Dr Hon CHIANG Lai-wan, JP (Deputy Chairman) Hon LEE Cheuk-yan Hon LEUNG Yiu-chung Hon CHAN Kin-por, BBS, JP Dr Hon LEUNG Ka-lau Hon CHEUNG Kwok-che Hon WONG Kwok-kin, SBS Hon LEUNG Kwok-hung Hon LEUNG Che-cheung, BBS, MH, JP Hon POON Siu-ping, BBS, MH Hon TANG Ka-piu, JP
Members attending	:	Hon WONG Kwok-hing, BBS, MH Hon Frankie YICK Chi-ming, JP
Members absent	:	Hon Tommy CHEUNG Yu-yan, GBS, JP Hon IP Kwok-him, GBS, JP Hon CHAN Yuen-han, SBS, JP Dr Hon KWOK Ka-ki Hon SIN Chung-kai, SBS, JP Hon CHUNG Kwok-pan

Public Officers	: <u>Item I</u>
attending	Mr Dominic CHOW Wing-hang Principal Assistant Secretary (Works) Development Bureau
	Mr Alan TANG Kai-yan Assistant Secretary (Works Policies) Development Bureau
	Mr Byron NG Kwok-keung, JP Deputy Commissioner for Labour (Labour Administration)
	Miss Mabel LI Po-yi, JP Assistant Commissioner for Labour (Development)
	Mr Roy LAW Tak-yan Senior Labour Officer (Supplementary Labour) Labour Department
Attendance by invitation	: <u>Item I</u>
by invitation	Democratic Alliance for the Betterment and Progress of Hong Kong
	Mr NGAN Man-yu Deputy Spokesperson on Manpower
	Gammon Construction Limited
	Ms Rachel LEE Wei Head of Human Resources Services, Hong Kong
	Hong Kong Catering Industry Association
	Mr WOO Lun Representative
	Labour Party
	Mr MAK Tak-ching Executive Committee Member

Hong Kong Tramways, Ltd.

Mr YAU Yuen-chung HR & Admin Manager

Hong Kong Construction Sub-Contractors Association

Mr Lawrence S W NG President

The Federation of Hong Kong & Kowloon Labour Unions

Miss CHAN Chu-yan Officer

Hong Kong Container Tractor Owner Association Ltd.

Mr LAM Hoi-tat Executive Vice Chairman and Secretarial General

Community Care and Nursing Home Workers General Union

Ms CHUNG Wai-ling Chairperson

Construction Industry Council

Mr LEE Chun-fai Senior Manager - Research & Development

Catholic Diocese of Hong Kong Diocesan Pastoral Centre for Workers (Kowloon)

Mr LI Ka-shu Program Officer

Institution of Dining Art

Mr Kelvin YAU Chairman Hong Kong Federation of Restaurants & Related Trades

Mr TAM Hop-sing Chief Executive Officer

職工盟資助機構委員會

Mr CHENG Ching-fat Representative

Golden Way PLB (SCH) Service Co. Ltd.

Mr MA Kiu-sang Director

Bar Bending Industry Workers Solidarily Union

Mr WONG Wai-man General Secretary

Construction Site Workers General Union

Mr CHAN Pat-kan Chairman

China Hong Kong and Macau Boundary Crossing Bus Association

Mr Alan CHAN Secretary General

Public Omnibus Operators Association

Mr James WONG Committee Member

Tsuen Wan District Tourists and Passengers Omnibus Operators Association

Mr C K TANG Chairman Hong Kong District Tourists and Passengers Omnibus Operators Association

Mr CHEUNG Ying-fat Vice Chairman

The Chamber of Hong Kong Logistics Industry

Mr F C CHAN Executive Vice Chairman

Hong Kong Container Drayage Services Association

Mr Clarence WONG Siu-wah Chairman

The Hong Kong Electrical and Mechanical Contractors' Association Ltd.

Mr MA Ka-chun Council Member

The Hong Kong Federation of Electrical and Mechanical Contractors Ltd.

Mr William CHAN Lee-shing Chairman of Government Liaison Committee

Liberal Party

Mr Peter SHIU Vice Party Chair

綠色專線小巴總商會

Mr SO Sai-hung Chairman

Hong Kong Construction Association

Mr Allan CHAN Sau-kit President

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
		Ms Kiwi NG Legislative Assistant (2) 1
		Miss Lulu YEUNG Clerical Assistant (2) 1

Action

I. Importation of labour under the Supplementary Labour Scheme

(LC Paper Nos. CB(2)1021/15-16(01) and (02))

At the invitation of the Chairman, <u>Deputy Commissioner for</u> <u>Labour (Labour Administration)</u> ("DC for L (LA)") briefed members on the latest information about the Supplementary Labour Scheme ("SLS") and <u>Principal Assistant Secretary (Works)</u> ("PAS(W)") updated members on the current construction manpower situation, details of which were set out in the Administration's paper.

2. <u>Members</u> noted the background brief entitled "Importation of labour under the Supplementary Labour Scheme" prepared by the Legislative Council Secretariat.

Presentation of views by deputations

3. At the invitation of the Chairman, a total of 28 deputations presented their views on the importation of labour under SLS. A summary of these deputations' views is in the **Appendix**.

Discussion

Implementation of further enhancement measures under SLS

4. <u>Mr LEE Cheuk-yan</u> and <u>Mr POON Siu-ping</u> enquired about the details of further enhancement measures under SLS as announced by the Chief Executive in his 2015 Policy Address and the implementation status in respect of allowing the imported workers to work across different public works projects.

5. <u>The Chairman</u> asked whether the Commissioner for Labour ("C for L") would approve an SLS application if it was supported by the majority of members at the Labour Advisory Board ("LAB"). <u>Mr LEE Cheuk-yan</u> shared a similar concern and asked about the approving criteria for such applications.

6. PAS(W) drew members' attention to the characteristics of the construction industry which included fine divisions in construction works involving various trades with diverse skills, and the carrying out of work processes in sequential order. Hence, for certain works processes that took less time to complete, skilled workers might not be able to find work that required their skills at the same work sites every day. Having regard the unique characteristics of the construction industry, the to Administration launched the further enhancement measures to allow public sector works contractors to enhance flexibility in deploying imported skilled construction workers to work across more than one specified public sector works contracts under the same contractor. It was expected that the synergy effects to be brought about could lead to more effective utilization of productivity of the imported workers. Noting the concern about expanding the scale of importation of workers, PAS(W) stressed that contractors were required to specify in their applications the public sector works contracts involved.

7. As regards the processing of applications for importation of labour under the further enhancement measures of SLS, <u>DC for L (LA)</u> advised that the Labour Department ("LD") had up to end-2015 received two such applications, which were still under processing. To uphold priority in employment for local workers, the Administration had adopted stringent application procedures. Notably, contractors were required to specify in their applications the public sector works contracts involved. Contractors also had to seek the relevant public sector works departments to review and give support in writing that there was shortage of relevant skilled workers in the local labour market and that these imported workers were essential to the works projects. LD would, in accordance with the prevailing mechanism under SLS, carefully scrutinize these applications.

8. DC for L (LA) stressed that SLS had since 1996 been implemented based on the principle of upholding priority in employment for local workers. LD would assess each SLS application prudently and ensure that the employer concerned had sincerity to recruit and train local workers to fill the vacancies before approving that application. In the course of application processing, LD would also consult relevant labour unions and training bodies in assessing whether the employer concerned had a genuine need for importation of labour having regard to the local labour supply. LD would then make a recommendation and invite LAB members to give views on the application. DC for L (LA) added that LD did not process SLS applications on the basis of LAB members' voting. C for L would thoroughly assess all relevant factors, including, among others, results of the four-week local recruitment exercise, in addition to the views and justifications provided by LAB members before approving or refusing individual applications for importation of labour as appropriate.

9. <u>Mr LEUNG Kwok-hung</u> considered that the labour shortage problem in the construction industry was aggravated by the Administration rolling out several major infrastructure construction projects concurrently.

10. <u>Dr CHIANG Lai-wan</u> said that the Democratic Alliance for the Betterment and Progress of Hong Kong supported the Government's policy to accord priority in employment for local workers. In her view, SLS should be regarded as a short to medium-term measure to address the labour shortage problem in specific industries. The Administration should draw up an overall implementation plan for major infrastructure projects so as to avoid keen competition for construction workers. <u>Dr CHIANG</u> also sought information about the procedures for conducting the four-week open recruitment exercise as required under SLS.

11. <u>DC for L (LA)</u> advised that employers who applied under SLS to import workers were required to launch a four-week local recruitment exercise. During the period, employers had to advertise the vacancies at least once in a week in each of the two local newspapers in the first two weeks. Concurrently, LD would conduct job matching for the vacancies to identify suitable local job-seekers for referral to the employers for interview. <u>Dr CHIANG</u> considered that the Administration should

conduct analysis on those unsuccessful job applications in the local recruitment exercise so as to better understand the specific manpower requirements of individual industries.

12. <u>The Chairman</u> said that labour unions were adamantly opposed to resort to imported workers to alleviate the labour shortage problem of the construction industry. He queried how the priority in employment for local workers could be upheld following the introduction of the further enhancement measures under SLS.

13. <u>PAS(W)</u> said that according to the latest forecast released by the Construction Industry Council ("CIC") in January 2016, the overall construction expenditure of the public and private sectors in the next few years would be in the range of \$210 billion to \$280 billion per annum. In light of the construction boom in the years ahead, the Administration had been closely collaborating with CIC in strengthening training initiatives and attracting new entrants to the construction industry. <u>PAS(W)</u> assured members that the Administration would, on the premise of according priority in employment for local workers, pay heed to the views of the relevant stakeholders when reviewing SLS.

14. In response to Dr CHIANG Lai-wan's enquiry about any difference in the wage levels between imported workers and local workers, <u>DC for L (LA)</u> advised that under SLS, imported workers were to be paid no less than the median monthly wages of local workers in comparable positions. <u>DC for L (LA)</u> further advised that the employment terms of imported workers were stipulated in the Standard Employment Contract prescribed by the Government, and they also enjoyed the same rights and benefits as local workers under the labour legislation of Hong Kong. <u>The Chairman</u> was concerned that as the monthly wage level of imported workers would generally be lower than local construction workers in similar positions, a considerable increase in the number of imported workers would inevitably bring down the median wage level of local construction workers.

15. <u>Mr LEE Cheuk-yan</u> pointed out that some local construction workers were under-employed. In addition, the requirement of proficiency in Putonghua for certain job vacancies, especially those in the Hong Kong-Zhuhai-Macao Bridge project, as advertised in the four-week open recruitment exercise had denied local workers from applying for such posts. <u>PAS(W)</u> advised that according to the Administration's understanding, Putonghua was not a mandatory requirement for the vacancies concerned. Notwithstanding this, the relevant contractors had agreed not to specify the requirement of language proficiency in their job vacancy advertisements. $\underline{PAS(W)}$ added that contractors were encouraged to recruit as far as possible local workers not fully meeting the skill requirements for other suitable positions in their works projects.

Provision of training for construction workers

16. <u>Mr LEE Cheuk-yan</u> advised that according to some ethnic minority ("EM") workers, further assistance from CIC was required to train them to acquire skilled or semi-skilled worker qualifications under the Construction Workers Registration Ordinance (Cap. 583).

17. <u>PAS(W)</u> said that EMs represented a certain proportion of registered construction workers in Hong Kong. In end-2015, CIC rolled out a pilot scheme for training in-service EM general workers to become semi-skilled workers. CIC would evaluate the effectiveness of the scheme and explore its way forward. Besides, more EM training instructors and organizers had also been engaged to facilitate better communication with EM trainees. CIC would continue to promote its training to EMs through suitable media channels and community networks.

18. Mr POON Siu-ping noted with concern that the intake rates of CIC's courses were about 70%, but with over 10% drop-out rates of trainees and about 30% of the graduated trainees left the industry within a year. He asked about the reasons for the high wastage rates. PAS(W) advised that to keep track of the retention situation of graduates of full-time training courses for construction workers, CIC conducted regular telephone surveys on the employment situation of its graduates. According to CIC's survey findings, the main reason for quitting the jobs was the demanding working environment at construction sites. To enhance trainees' early understanding of the actual circumstances of construction sites, CIC had organized site visits and mentorship programme for trainees during their training. To better understand the problem, Mr POON considered that information be obtained from the respondents on their latest occupation if they had left the construction industry. PAS(W) said that Mr POON's view would be conveyed to CIC.

19. Referring to paragraph 17 of the Administration's paper, <u>Mr POON Siu-ping</u> enquired about the concrete progress and plan of CIC in developing training programmes to encourage more females to join the construction industry. <u>PAS(W)</u> advised that at present some females worked at construction sites as general workers. To further promote employment of females in the construction industry, CIC kept in close contact with female organizations to gauge views on suitable construction-related training courses for females.

Manpower shortage in industries other than the construction industry

20. While appreciating the efforts made by the Administration in strengthening the training for local construction workers and attracting new entrants to the industry, <u>the Chairman</u> expressed concern about the support provided by the Administration for the small and medium enterprises in training up local workers. He urged LD to liaise with the Education Bureau and individual trades facing labour shortage to identify the specific training needs for meeting future manpower demand. Pointing out that the transport industry and the food and beverage industry also faced the problem of labour shortage, <u>the Chairman</u> asked about the arrangement for importation of workers in these industries.

21. <u>DC for L (LA)</u> advised that employers, irrespective of their industries, might apply for imported workers at technician level or below under SLS, which had no overall or industry-specific quota ceilings. Having regard to LAB members' views and the need to safeguard the employment interests of local workers, applications would not normally be considered if the vacancies fell within 26 specified job categories or those at low-skilled or unskilled level.

22. <u>Mr YICK Chi-ming</u> pointed out that the transport industry, particularly the green minibus trade, had been facing an acute problem of driver shortage. <u>Mr YICK</u> called on the Administration to expand the scope of SLS, in the short to medium term, to the job category of drivers. <u>Mr LEE Cheuk-yan</u> pointed out that as reflected by some deputations, the long working hours situation in the transport industry made it difficult to attract new entrants. To address the problem at root, he considered that due regard should be given to legislating for standard working hours.

23. <u>DC for L (LA)</u> said that the proposal to import commercial drivers had to be considered most carefully and the livelihood of local drivers should be taken into account. <u>DC for L (LA)</u> assured members that the Government was mindful of the manpower situation of the transport industry. LD would also closely monitor the operation of SLS.

[To allow more time for discussion, the Chairman directed that the meeting be extended by 15 minutes.]

24. <u>Mr YICK Chi-ming</u> took the view that provision of appropriate skills training for EMs could help alleviate labour shortage problem. Citing the experience of the taxi sector in financing EMs to attend tailor-made courses for taxi drivers, <u>Mr YICK</u> pointed out that the major difficulty encountered by the EM trainees was language barrier. He therefore called on the Administration to provide adequate language support for EMs to pursue career training programmes.

25. <u>DC for L (LA)</u> advised that the employment support services provided for EMs would be discussed at the Panel's forthcoming meeting on 15 March 2016. At the request of Mr YICK, <u>DC for L (LA)</u> agreed to convey the concerns raised at the meeting about the driver shortage problem faced by the transport industry to the Transport and Housing Bureau.

Unleashing female workforce

26. <u>Dr CHIANG Lai-wan</u> urged the Administration to encourage employers to provide more part-time employment opportunities so as to allow female homemakers to join the labour market without compromising their family commitments. <u>DC for L (LA)</u> advised that as enshrined in population policy initiatives related to unleashing the potential of the women workforce, LD would continue to encourage employers to adopt family-friendly working environment for women employees, thereby attracting them to remain in or return to the job market. Moreover, LD's Employment Programme for the Middle-aged had been extended to part-time jobs since September 2015, with a view to encouraging employers to provide more suitable part-time employment opportunities and on-the-job training for middle-aged job-seekers.

27. There being no other business, the meeting ended at 5:12 pm.

Council Business Division 2 Legislative Council Secretariat 24 August 2016

Panel on Manpower

Special meeting on Wednesday, 9 March 2016, at 2:30 pm Meeting to receive views on "Importation of labour under the Supplementary Labour Scheme"

Summary of views and concerns expressed by deputations

No.	Name of deputation	Submission / Major views and concerns
1.	Democratic Alliance for the Betterment and Progress of Hong Kong	 Priority should continue to be accorded to the employment of local workers. The Administration should make more efforts to unleash the potential local workforce by implementing family friendly working measures, providing financial incentives to encourage recipients of the Comprehensive Social Security Assistance to rejoin the workforce and providing more support for the employment of mature persons. The Administration should draw up a comprehensive construction plan of key infrastructure projects to avoid competition among these projects for construction workers. The Administration should, having regard to the manpower situation of different sectors, exercise greater flexibility in allocating training resources to better address the manpower shortage and skills mismatch problem in specific industries.
2.	Gammon Construction Limited	 While supporting that priority should be given to the employment and training of local workers, it was considered necessary for the construction industry to import labour due to the tight schedule of a number of works projects and acute shortage of construction workers. The construction industry would import labour in accordance with the application procedures of the Supplementary Labour Scheme ("SLS").
3.	Hong Kong Catering Industry Association	• LC Paper No. CB(2)1036/15-16(01)
4.	Labour Party	• LC Paper No. CB(2)1088/15-16(01)
5.	Hong Kong Tramways, Ltd.	• It was necessary for the tram industry to import workers at technician level or below for certain job types because of lack of such skilled labour in the local market, for example, rail track maintenance.
6.	Hong Kong Construction Sub-Contractors Association	 As it took time to train up a skilled construction worker, importation of skilled workers under SLS could tackle the problem of imminent labour shortage and ageing of skilled workers currently faced by the construction industry. To achieve optimal use of manpower resources, the deputation expressed support for the introduction of further enhancement

No.	Name of deputation	Submission / Major views and concerns
		 measures under SLS which allowed imported skilled construction workers to work across more than one specified public sector works contract. The Administration should consider expanding the scope of SLS to cover more trades with manpower shortage in the construction industry.
7.	The Federation of Hong Kong & Kowloon Labour Unions	• LC Paper No. CB(2)1029/15-16(01)
8.	Hong Kong Container Tractor Owner Association Ltd.	• The cross-boundary container freight industry had all along been facing the problem of driver shortage in recent years. The Administration should put in place measures to meet the keen demand for cross-boundary truck drivers.
9.	Community Care and Nursing Home Workers General Union	• LC Paper No. CB(2)1063/15-16(01)
10.	Construction Industry Council	 While tremendous efforts had been made by the Construction Industry Council ("CIC') to attract more new entrants, particularly young people, to join the construction industry, it was difficult to retain these workers in the industry. According to the manpower projection made by CIC, the shortage of skilled construction workers would continue in the coming years. CIC would continue to dedicate more resources to the training of local workers.
11.	Catholic Diocese of Hong Kong Diocesan Pastoral Centre for Workers (Kowloon)	 As the recruitment interviews and training courses for construction-related jobs were mostly conducted in Chinese, ethnic minorities ("EMs"), who were not well-versed in Chinese writing and reading, encountered great difficulties in accessing training and employment opportunities in the construction industry. The Labour Department ("LD") should enhance its employment support services for EMs, in particular interpretation service as well as job matching service. The deputation suggested that LD should set up a service unit dedicated to providing support for EM job seekers. The Administration should not expand the scale of SLS until the workforce of local EMs had been fully utilized.
12.	Hong Kong Construction Association	• LC Paper No. CB(2)1136/15-16(01)
13.	Institution of Dining Art	• LC Paper No. CB(2)1021/15-16(03)

No.	Name of deputation	Submission / Major views and concerns
14.	Hong Kong Federation of Restaurants & Related Trades	• LC Paper No. CB(2)1021/15-16(04)
15.	職工盟資助機構委員會	 Since 2014, care workers had been imported under SLS to work in private residential care homes for the elderly ("RCHEs") participating in the Social Welfare Department ("SWD")'s Enhanced Bought Place Scheme. However, SWD had not conducted sufficient inspection to these private RCHEs to ensure that imported care workers had not been exploited. To ensure the service quality of private RCHEs, the deputation did not support expansion of importation of care workers under SLS.
16.	Golden Way PLB (SCH) Service Co. Ltd.	• LC Paper No. CB(2)1088/15-16(02)
17.	Bar Bending Industry Workers Solidarily Union	 The deputation considered that delay in a number of public works projects was attributable to poor project planning rather than labour shortage. The construction industry should fully utilize the existing manpower, instead of importing workers.
18.	Construction Site Workers General Union	• Given that the existing manpower of the construction industry had not been put to optimal use, the deputation was opposed to the lifting of restrictions on importation of workers.
19.	China Hong Kong and Macau Boundary Crossing Bus Association	• The non-franchised bus industry was facing ageing problem of drivers. Given the physically demanding nature of the duties performed by non-franchised bus drivers, it was difficult for employers to attract new blood to the industry despite offering competitive wages. It was considered necessary for Hong Kong to import certain non-technical personnel to address the manpower shortage of non-franchised bus drivers.
20.	Public Omnibus Operators Association	• LC Paper No. CB(2)1196/15-16(01)
21.	Tsuen Wan District Tourists and Passengers Omnibus Operators Association	• LC Paper No. CB(2)1088/15-16(03)
22.	Hong Kong Container Drayage Services Association	• The logistics industry was facing ageing problem and chronic shortage of cross-boundary container truck drivers. It was difficult to recruit young container truck drivers in the past decade due to high-risk job nature, long working hours and unattractive remuneration.

No.	Name of deputation	Submission / Major views and concerns
		• With the launch of several infrastructure projects in the coming years, there would be greater demand for container truck drivers to transport large quantity of imported construction materials. As such, the shortage of container truck drivers had to be tackled as soon as possible.
23.	Hong Kong District Tourists and Passengers Omnibus Operators Association	• LC Paper No. CB(2)1196/15-16(02)
24.	The Chamber of Hong Kong Logistics Industry	• LC Paper No. CB(2)1021/15-16(05)
25.	The Hong Kong Electrical and Mechanical Contractors' Association Ltd.	• LC Paper No. CB(2)1088/15-16(04)
26.	The Hong Kong Federation of Electrical and Mechanical Contractors Ltd.	• Notwithstanding that the electrical and mechanical sector had made considerable efforts to enhance productivity and attract new entrants, there was still inadequate manpower to meet the demand of the industry. Importation of workers under SLS could facilitate skill exchange, thereby raising the skill level of local workers in the sector.
27.	Liberal Party	• While sharing the employee representatives' concerns about importation of workers, the deputation pointed out that employers of different sectors were facing severe labour shortages. Hence, SLS could provide flexibility in addressing the labour shortage problem of individual industries, having regard to the market situation.
28.	綠色專線小巴總商會	 In view of the shortage and ageing of green minibus drivers, the Administration should extend the scope of SLS to green minibus trade. According to the existing legislation, applicants for driving licences to drive light buses must hold a valid full driving licence to drive a private car or light goods vehicle for at least three years. To attract new blood to join the green minibus trade, the Administration should, on the premise of not affecting road safety, consider relaxing such requirement.

Council Business Division 2 Legislative Council Secretariat 24 August 2016