

LC Paper No. CB(2)1021/15-16(02)

Ref : CB2/PL/MP

## **Panel on Manpower**

## Background brief prepared by the Legislative Council Secretariat for the special meeting on 9 March 2016

## **Importation of labour under the Supplementary Labour Scheme**

#### Purpose

This paper provides background information on importation of labour under the Supplementary Labour Scheme ("SLS") and highlights the major views expressed by members of the Panel on Manpower ("the Panel") on the subject in the Fifth Legislative Council ("LegCo").

#### Background

2. According to the Administration, it operates different schemes whereby employers may apply for importation of workers on account of their actual operational circumstances so as to supplement skills not readily available in the local labour market and to sustain the competitiveness and development needs of Hong Kong. Depending on the skill level and/or education requirement of the jobs concerned, employers may apply to the Immigration Department for admission of professionals or to the Labour Department ("LD") for importation of technician workers under SLS.

3. At present, employers facing genuine difficulties in local recruitment can apply for importation of skilled workers on a limited scale under SLS, thereby enabling addressing the manpower needs of individual industries with labour shortage.

4. As regards the construction industry, the Administration rolled out enhancement measures in April 2014 to help expedite the preparatory work of public sector works contractors in SLS applications involving 26 trades with manpower shortage. The Administration launched in May 2015 further enhancement measures under SLS to allow public sector works contractors to enhance flexibility in the deployment of imported workers.

# **Deliberations of the Panel**

#### Processing of SLS applications

5. Some members were of the view that importation of labour would undermine the bargaining power of local workers and they expressed concern about the approving mechanism for importation of low-skilled workers under SLS. Some other members, however, considered that employers who were unable to recruit local workers to fill their job vacancies should be allowed to import workers after having conducted an open recruitment in the local labour market for a certain period of time.

6. According to the Administration, it had always been the Government's policy to accord priority to local workers in terms of employment, and to safeguard their salaries and benefits. To this end, for each application under SLS, the employer had to first launch a four-week open recruitment exercise, for which the employer must offer wages at not less than the median monthly wages of local workers in comparable positions as published by the Census and During the open recruitment exercise, LD would Statistics Department. conduct job matching for the vacancies. LD would also disseminate such vacancy information to training bodies and labour unions, inviting them to refer suitable local job-seekers for interview. Only if employers were genuinely unable to recruit the required workers locally would their SLS applications be Each application under SLS had to be considered by the Labour considered. Advisory Board ("LAB") before the Administration made a decision. Should LAB members have any concern or objection, they should provide justifications so that Commissioner for Labour could take them fully into account in deliberating on individual SLS applications.

7. Members were also advised that as agreed by LAB, all employers applying for importation of worker under SLS had to maintain a manpower ratio of two full-time local workers to one imported worker.

## Enhancement measures under SLS

8. Some members expressed concern whether the enhancement measures under SLS would be extended to other industries in addition to the construction industry, thereby expanding the importation of labour under SLS. These members also expressed grave concern as to whether the further enhancement measures to SLS would circumvent LAB in vetting importation of labour applications and asked how the Administration would ensure priority being given to the employment of local workforce.

9. Some other members, however, pointed out that as the enhancement measures under SLS were only aimed at expediting the labour importation process and were applicable to 26 trades, the manpower shortage in the construction industry remained serious. They urged the Administration to review expeditiously SLS and relax the various restrictions on labour importation, in order to meet the demand for construction workers when the infrastructure construction was in full swing.

10. According to the Administration, approval for importation of labour for the construction industry would be considered in accordance with the existing The Administration explained that it had rolled out the mechanism. enhancement measures to SLS since April 2014 to expedite the preparatory work, largely within the Administration, for SLS applications involving 26 trades identified by the Construction Industry Council ("CIC") with manpower shortage, as submitted by contractors for public sector works Having regard to the unique operational characteristics of the projects. construction industry and the latter's uncertainties in applying for labour importation under SLS not encountered by other industries, allowing imported skilled workers to work across more than one public sector works project under the same contractor as proposed under the further enhancement measures could enhance the flexibility of deployment of workers, maximise their productivity and control costs more effectively. The Administration stressed that the enhancement measures aimed to expedite the processing of SLS applications in the construction industry involving public sector works contracts. The Administration and CIC had all along closely monitored the manpower situation of the construction industry.

11. Some members pointed out that the number of registered construction workers for specific work types had already been increased by 20% to 30% as a result of the training efforts of CIC in recent years. They considered that the Administration should address labour shortage in the construction industry by improving the working conditions and environment therein.

12. The Administration advised that in the light of the tight manpower situation, it had since 2010 sought funding approval of a total of \$420 million to support CIC in strengthening the training for local construction personnel and attracting more new entrants, particularly young people, to join the construction industry. Between 2009 and 2015, CIC had trained more than

18 000 semi-skilled workers. Notwithstanding the above, the shortage problem of skilled workers had yet to be fully resolved. According to CIC's latest forecast in end-2015, the shortage of skilled workers in the construction industry would continue in the coming few years. The Administration pointed out that there was still a genuine need to import workers to cater for the development needs, on the premise of according priority to local workers in employment and safeguarding their wage levels.

# **Relevant papers**

13. A list of relevant papers on the LegCo website is in the Appendix.

Council Business Division 2 Legislative Council Secretariat 4 March 2016

# Appendix

# Relevant papers on importation of labour under the Supplementary Labour Scheme

Committee	Date of meeting	Paper
Panel on Manpower	27 January 2014 (Item IV)	Agenda Minutes
Panel on Manpower	20 January 2015 (Item IV)	Agenda Minutes

Council Business Division 2 Legislative Council Secretariat 4 March 2016