



FAIR EMPLOYMENT AGENCY SUBMISSION FOR:

**The Legislative Council of the Hong Kong
Special Administrative Region**

Bills Committee on Employment (Amendment) (No. 2) Bill 2017

Hello, my name is Scott Stiles. I am the Co-Founder and CEO of Fair Employment Agency. We started three years ago because we saw the problems that illegal placement fees had created in Hong Kong. Workers being charged fees doesn't benefit anyone.

So we decided to set up an employment agency that would prove it possible to not charge worker placement fees. And it's working! In three years we have placed over 1700 workers and we are employing over 20 full time staff at our agency in Wan Chai.

As you can imagine we welcome the government's latest efforts to tackle illegal worker placement fees. We are very supportive of the new penalties for unethical employment agencies. We believe the new penalties will act as a real deterrent.

We also support the intention of the Code of Practice. We welcome a framework that guides us on how to operate ethically. In its current form, we do find it to be an administrative burden. There are many signatures and company chops needed. This isn't a big concern for us, as we expect over time the Labour Department will make the process more efficient.

Our main concern with the Code of Practice is the process by which inspections are done. Currently inspectors visit our agency and run through a checklist. They ask us to choose files for them to examine. They are looking for signatures from workers stating that we didn't charge illegal fees. There are two problems with this.

Firstly, workers are in a very vulnerable situation. Their biggest fear is losing their job. So it would be easy to coerce them into signing documents saying they had paid no fees.

In order to get the truth, you need to ask the workers directly.

The second concern is that agencies can self-select files for workers who have not paid fees. This is a flaw in inspections. Violators will obviously select the cases that will make them look good. Rather than inspections that ask agencies to show paperwork confirming that workers haven't paid fees, we propose investigations which would ask workers themselves about agency practices.

In this scenario, agencies would be required to give the Labour Department access to their database. The Labour Department could then choose a handful of workers at random and contact those workers directly and ask about the agencies practices. Doing 200 of these investigations would be far more productive than 2,000 inspections in their current form, particularly if they target agencies with claims against them.

We believe that right now Hong Kong has the opportunity to be Asia's leader in this field. We have been contacted by employment agencies who want to replicate our model in 15 countries. The world is watching! I always tell them that we set up here, because Hong Kong has good laws in place. Most of the problem here is not legislation, it is enforcement. And I believe that if you switch from an inspection to an investigation model, the problems will be solved. Thank you.

END