立法會 Legislative Council

LC Paper No. CB(2)1879/18-19 (These minutes have been seen by the Administration)

Ref: CB2/PL/MP

Panel on Manpower

Minutes of meeting held on Tuesday, 16 April 2019, at 4:30 pm in Conference Room 3 of the Legislative Council Complex

Members : Dr Hon Fernando CHEUNG Chiu-hung (Chairman)

present Hon HO Kai-ming (Deputy Chairman)

Hon LEUNG Yiu-chung

Hon Starry LEE Wai-king, SBS, JP Hon Frankie YICK Chi-ming, SBS, JP

Hon YIU Si-wing, BBS Dr Hon KWOK Ka-ki

Hon KWOK Wai-keung, JP Hon POON Siu-ping, BBS, MH Dr Hon CHIANG Lai-wan, SBS, JP

Hon CHUNG Kwok-pan Hon Andrew WAN Siu-kin

Hon CHU Hoi-dick

Hon Jimmy NG Wing-ka, JP

Hon SHIU Ka-fai Dr Hon Pierre CHAN Hon LUK Chung-hung, JP

Hon LUK Chung-nung, JP Hon Jeremy TAM Man-ho

Hon AU Nok-hin

Hon Vincent CHENG Wing-shun, MH

Members : Hon WONG Kwok-kin, SBS, JP

absent Hon SHIU Ka-chun

Public Officers attending

: <u>Item IV</u>

Miss Mabel LI Po-yi, JP

Deputy Commissioner for Labour (Labour Administration)

Ms Melody LUK Wai-ling, JP

Assistant Commissioner for Labour (Labour Relations)

Miss CHEUNG Hoi-shan

Assistant Commissioner for Labour (Policy Support)

Dr Ian CHEUNG

Chief Manager (Cluster Performance)

Hospital Authority

Item V

Miss Mabel LI Po-yi, JP

Deputy Commissioner for Labour (Labour Administration)

Ms Melody LUK Wai-ling, JP

Assistant Commissioner for Labour (Labour Relations)

Ms Samantha LAM Yick-wah

Senior Labour Officer (Workplace Consultation Promotion)

Labour Department

Item VI

Miss Mabel LI Po-yi, JP

Deputy Commissioner for Labour (Labour Administration)

Mr Raymond HO Kam-biu

Assistant Commissioner for Labour (Development)

Ms Betty NG Shuk-fong

Chief Labour Officer (Statutory Minimum Wage)

Labour Department

Mr Sam SUM Kai-wah

Senior Labour Officer (Labour Inspection)

Labour Department

Clerk in : Miss Betty MA

attendance Chief Council Secretary (2) 1

Staff in : Ms Rita LAI

attendance Senior Council Secretary (2) 1

Miss Lulu YEUNG Clerical Assistant (2) 1

Action

I. Confirmation of minutes of previous meeting

(LC Paper No. CB(2)1184/18-19)

The minutes of the meeting held on 19 February 2019 were confirmed.

II. Information papers issued since the last meeting

(LC Paper Nos. CB(2)1111/18-19(01), CB(2)1149/18-19(01), CB(2)1150/18-19(01) and CB(2)1217/18-19(01))

- 2. <u>Members</u> noted that the following papers had been issued since the last meeting:
 - (a) Administration's response to Mr Jeremy TAM's letter dated 25 February 2019 regarding occupational safety of non-skilled employees engaged by government service contractors ("GSCs") while performing cleaning service and maintenance for street lamps, and a further letter dated 2 April 2019 from Mr TAM raising follow-up questions on the Administration's response;
 - (b) letter dated 3 April 2019 from Mr LUK Chung-hung suggesting the Panel to discuss his proposed Member's Bill entitled "Arrangements for Suspension of Work During Natural Disasters and Emergency Situation Bill"; and
 - (c) letter dated 1 April 2019 from Dr KWOK Ka-ki suggesting the Panel to discuss issues relating to duration of employment contracts and termination payments arising from the dismissal of a number of contract staff working in the West Kowloon Station.

Members noted that the Administration had been requested to provide a written response to Mr Jeremy TAM's further letter and Dr KWOK Ka-ki's letter. As regards Mr LUK Chung-hung's suggestion to discuss his proposed Member's Bill, members noted that the subject was already included in the Panel's list of outstanding items for discussion and further agreed that the item be discussed at the June meeting.

III. Date of next meeting and items for discussion

(LC Paper Nos. CB(2)1186/18-19(01) and (02))

Regular meeting in May 2019

- 3. <u>Members</u> agreed that the following items proposed by the Administration be discussed at the next regular meeting on 21 May 2019:
 - (a) Major findings of the 2018 Annual Earnings and Hours Survey; and
 - (b) Progress of manpower projection to 2027.
- 4. The Chairman suggested and members agreed that the Panel should also discuss the working arrangements and labour benefits for government outsourced workers performing cleansing duties in public toilets at the next meeting. Members further agreed that the Hong Kong Catholic Commission for Labour Affairs, which had recently released its survey findings on the abominable working conditions of public toilet attendants engaged by GSCs, would be invited to attend the meeting.

IV. Foreign domestic helpers' access to healthcare services (LC Paper Nos. CB(2)1186/18-19(03) and (04))

5. At the invitation of the Chairman, <u>Deputy Commissioner for Labour (Labour Administration)</u> ("DC for L (LA)") and <u>Chief Manager (Cluster Performance)</u> of <u>Hospital Authority</u> ("CM(CP)/HA") briefed members on access to healthcare services by foreign domestic helpers ("FDHs") working in Hong Kong as detailed in the Administration's paper.

- 6. <u>Members</u> noted an information note entitled "Foreign domestic helpers' access to healthcare services" prepared by the Legislative Council ("LegCo") Secretariat.
- 7. The Chairman advised that in the light of recent media reports on the difficulties encountered by an FDH who suffered from a serious illness in receiving healthcare services after her employment contract had been terminated, the meeting was held to discuss the government policies on providing healthcare service for FDHs, especially those who had stayed in Hong Kong for various reasons after termination of their employment contracts.
- 8. Mr AU Nok-hin expressed concern about the employment rights and benefits of FDHs, in particular their access to healthcare services in the event that they were unreasonably and unlawfully dismissed by their employers because of their health conditions and were required to leave Hong Kong within two weeks upon termination of their employment contracts. He considered that the Administration should safeguard the employment protection of those FDHs in face of unreasonable and unlawful dismissal because of their health conditions. Notably, the Administration should consider extending their stay in Hong Kong to enable them to receive appropriate medical treatment and granting medical fee waiver to them. He further called on the Administration to seriously consider reviewing the "two-week rule". Mr POON Siu-ping was concerned about when the resident status of FDHs would be changed after their employment contracts were terminated.
- 9. <u>DC for L (LA)</u> advised that FDHs enjoyed the same protection as local employees under the labour laws. It was stipulated in the Employment Ordinance (Cap. 57) ("EO") that an employer should not dismiss his/her employee(s) under certain circumstances, including the situation when the employee was on sick leave in respect of which sickness allowance was payable under EO. If an FDH suspected that he/she had been unreasonably and unlawfully dismissed, he/she could lodge a claim with the Labour Department ("LD") and would be provided with conciliation service as appropriate. LD would also conduct investigation regarding the FDH's complaint against unlawful dismissal in contravention of EO.
- 10. <u>CM(CP)/HA</u> added that HA would check the eligibility of non-permanent Hong Kong Identity Card holders (including FDHs) for subsidized public healthcare services through an online checking system

which was maintained and updated by the Immigration Department ("ImmD"). It was understood that ImmD would update the resident status of FDHs upon receipt of notification of contract termination from their employers. Non-Eligible Persons ("NEPs") would be provided with services in emergency situations and NEP charges would apply. HA had put in place a medical fee waiver mechanism to provide assistance for needy patients. FDHs who were Eligible Persons ("EPs") could apply for medical fee waiver at public clinics or hospitals if they could not afford the medical expenses.

- 11. Mr AU Nok-hin remained concerned that FDHs would not be eligible for the rates of charges applicable to EPs when receiving public healthcare services once they were categorized as NEPs. Sharing his concern, the Chairman was of the view that the Administration should address the problem given that these FDHs could not afford NEP charges for public healthcare services.
- 12. Mr POON Siu-ping was appreciative of FDHs' contribution in helping to unleash the potential of the local labour force and held the view that the Government should safeguard the FDHs' employment rights and benefits. Mr POON sought information on the number of complaints filed by FDHs with LD in respect of unreasonable and unlawful dismissal due to contracting serious illnesses or non-provision of medical care treatment in the past years. Assistant Commissioner for Labour (Labour Relations) ("AC for L (LR)") responded that the respective numbers of claims received by LD regarding disputes between FDHs and their employers on dismissal during paid sick leave or sickness allowance in 2017 and 2018 were one and five.

Admin

- 13. At Mr POON Siu-ping's request, the Administration agreed to provide after the meeting information on the respective numbers of approved and rejected cases in the past years in respect of FDHs' applications for medical fee waiver at public clinics or hospitals with a breakdown by their resident status, i.e. EPs and NEPs.
- 14. Having regard to the sizable workforce of some 390 000 FDHs in Hong Kong, Mr YIU Si-wing was concerned about how their medical needs, in particular those contracting serious illnesses, could be addressed. To better protect both FDHs and their employers, Mr YIU was of the view that the Administration should consider requiring FDH employers to take out medical insurance policies for meeting their FDHs' necessary medical expenses during the employment period.

- 15. Mr SHIU Ka-fai declared that he was the employer of an FDH and was appreciative of FDHs' assistance in performing domestic duties. Mr SHIU pointed out that some FDH employers might not be able to afford their FDHs' medical expenses if a high level of expenses was incurred. Drawing reference from overseas practice, Mr SHIU considered that it was an opportune time for the Administration to review the need for FDH employers to provide their FDHs with medical protection by taking out medical insurance policies during the employment period.
- 16. The Chairman and Mr LEUNG Yiu-chung shared similar views and expressed support for the suggestion. Mr LEUNG further expressed concern about how the medical needs of FDHs could be addressed if both FDHs and their employers could not afford the medical expenses. He asked about the consequences and penalties if FDH employers failed to provide medical treatment to their FDHs.
- Responding to members' views and concerns, DC for L (LA) said that the Government-prescribed Standard Employment Contract ("SEC") provided additional protection to FDHs, including free medical treatment, among other things. Pursuant to clause 9(a) of SEC, in the event that an FDH was ill or suffered personal injury during the period of employment (except for the period during which the FDH left Hong Kong of his/her own volition and for his/her own personal purposes), irrespective of whether it was attributable to his/her employment, the employer should provide free medical treatment to the FDH, including medical consultation, maintenance in hospital and emergency dental treatment. The FDH should accept medical treatment provided by any registered medical practitioner. The employer might decide whether to provide the FDH with public or private healthcare services, and there was no regulation in SEC in this respect. As for public healthcare services, if the resident status of FDH was confirmed valid through the online checking system which had been developed with the joint collaboration of the Food and Health Bureau, the Department of Health ("DH"), ImmD and HA, EP charges would apply. If an FDH employer was in breach of clause 9(a) of SEC, the FDH concerned could seek assistance from LD to recover the relevant medical expenses. Assistant Commissioner for Labour (Policy Support) added that when considering applications for FDH employment, ImmD might reject the applications if the employers had records of non-compliance with SEC. DC for L (LA) further advised that while it was a legal requirement for all FDH employers to

take out employees' compensation insurance for their FDHs under the Employees' Compensation Ordinance (Cap. 282), they were not mandatorily required to take out medical insurance policies for their FDHs, considering that the circumstances of individual employers (and their families) and the needs of individual FDHs varied. It was also understood that some FDH employers had taken out comprehensive insurance policies for their FDHs which covered medical expenses.

- 18. <u>CM(CP)/HA</u> stressed that FDHs would not be denied public healthcare services in emergency situations. Depending on their resident status, EP or NEP charges would apply as appropriate.
- 19. <u>Mr YIU Si-wing</u> maintained the view that the Administration should study the feasibility of requiring FDH employers to take out medical insurance policies for their FDHs. <u>The Chairman</u> called on the Administration to consider specifying such requirement in SEC.
- 20. <u>Dr Pierre CHAN</u> shared his experience of providing medical treatment in public hospitals to FDHs suffering from different kinds of serious illnesses. To his knowledge, a number of FDHs under such circumstances had been unreasonably and unlawfully dismissed by their employers because of their poor health conditions. <u>Dr CHAN</u> sought information on the channels for medical staff to report such cases to LD for follow-up action. <u>The Chairman</u> added that the Administration should consider putting in place a mechanism to handle such cases.
- 21. <u>DC for L (LA)</u> said that apart from the department's 24-hour service hotline on labour matters, LD would render conciliation service on employment claims and conduct investigation on complaints so received. Under this mechanism, suspected cases of unreasonable and unlawful dismissal should be referred to LD for follow-up as appropriate. At Dr Pierre CHAN's request, the Administration agreed to provide after the meeting information on the number of successful prosecutions taken out against FDH employers for unreasonable and unlawful dismissal of their FDHs in the past years.

Admin

22. <u>Dr KWOK Ka-ki</u> expressed regret at the absence of representatives from DH at this meeting. <u>Dr KWOK</u> considered that the public healthcare system could not properly look after FDHs' medical needs and called on the Administration to strengthen medical protection for FDHs. For instance, the Administration should consider introducing a comprehensive vaccination scheme for FDHs, including measles

vaccination. <u>DC for L (LA)</u> said that DH's Centre for Health Protection had issued letters to employment agencies providing placement services for FDHs on the subject of the prevention of measles for FDHs coming to work in Hong Kong.

23. In concluding the discussion, the Chairman said that members were concerned that those FDHs who were allowed to stay in Hong Kong for various reasons after their employment contract had been terminated would normally not be eligible for the rates of charges applicable to EPs when receiving public healthcare services. Members urged the Administration to review such undesirable arrangements. In addition, members also requested the Administration to consider requiring FDH employers to take out medical insurance policies for meeting their FDHs' medical expenses during the employment period for the sake of protecting the interests of both parties. The Chairman instructed the Clerk to write on behalf of the Panel to the Administration and request a written response on the above matters.

Clerk

V. Promoting good human resource management culture and family-friendly employment practices

(LC Paper Nos. CB(2)1186/18-19(05) and (06))

- 24. With the aid of video presentation, <u>DC for L (LA)</u> briefed members on the progress of work of LD in promoting good human resource management ("GHRM") culture and family-friendly employment practices ("FFEPs"), details of which were set out in the Administration's paper.
- 25. <u>Members</u> noted an updated background brief entitled "Good people management and family-friendly employment practices" prepared by the LegCo Secretariat.

Adoption of family-friendly employment practices by employers

26. <u>Mr LUK Chung-hung</u> queried the effectiveness of encouraging employers to adopt FFEPs, which, in his view, could only be cultivated through legislative means. <u>Mr LUK</u> called on the Administration to consider legislating for family-friendly initiatives, such as standard working hours and alignment of statutory and public holidays. <u>Mr POON Siu-ping</u> shared a similar view.

- 27. While acknowledging the direction of encouraging employers to adopt FFEPs, the Deputy Chairman expressed disappointment at the low participation rate of employer organizations. In his view, the Administration should step up its promotional efforts and formulate specific indicators for assessing the effectiveness of the initiatives.
- 28. Acknowledging the Administration's promotional efforts in encouraging employers to adopt FFEPs, <u>Mr YIU Si-wing</u> appealed to the Administration to continue with its work and make improvement as appropriate bearing in mind the different sizes of the enterprises and their affordability.
- 29. In response to members' views and concerns, <u>DC for L (LA)</u> said that the coverage of GHRM was extensive and diversified. While the operating conditions were diverse among industries and enterprises, the family situations and preferences of individual employees also varied. As such, it would not be appropriate to prescribe GHRM culture and FFEP initiatives through labour legislation. LD would continue to actively promote GHRM culture and practices through various means and encourage employers to adopt progressive and practicable GHRM policy and FFEPs that were suitable for enterprises, having regard to their individual circumstances such as business characteristics and scale of enterprises as well as the needs of their employees.

Good Employer Charter

30. Noting that only some 540 employer organizations had joined the inaugural Good Employer Charter ("the Charter") as signatories, the Deputy Chairman, Mr LUK Chung-hung and Mr YIU Si-wing considered that the participation rate was on the low side. sought information on the proportion of participating employer organizations to the total number of employer organizations in Hong Kong as well as the assessment criteria and requirements for participating organizations to be employer signatories to the Charter. In his view, specific assessment criteria and requirements should be drawn up. encourage employers to adopt FFEPs, the Administration should formulate supporting policies, such as providing employer signatories with financial incentives, say, tax concession or procurement of their Mr POON Siu-ping sought information on a breakdown of the family-friendly workplace practices adopted by the 540 participating organizations employer and whether government any bureaux/departments had participated in the Charter.

- 31. Mr YIU Si-wing considered that the Charter would gain more support from employers in the welfare sector, non-profit making organizations and labour unions. He appealed to the Administration to publicize the Charter to different trades and industries and collect their feedback and improvement suggestions, as well as to promote a wider adoption of the Charter according to the scale and business nature of enterprises.
- 32. AC for L (LR) responded that given the first Charter launched by LD in December 2017, the number of participating organizations was not particularly high. DC for L (LA) added that the signatories would be authorized to use the Charter logo for two years and the Charter was supported by organizations of different types and scale. Among more than 540 signatories, 500 were private establishments, 41 were non-government organizations/social enterprises/educational institutions, five were employers' associations/trade unions/professional bodies and public bodies (excluding government bureaux were departments). In effect, GHRM practices adopted by the signatories were extensive and diversified, having regard to the scale of the organizations, the needs of employees and the actual circumstances of the business operation. For instance, 459 signatories adopted measures to enhance the working environment and facilities, 307 signatories put in place a flexible roster system, some 250 signatories introduced flexible working hours, 109 signatories implemented flexible working locations, 210 signatories provided counselling services and some others granted special leaves on top of statutory requirements for their employees.
- 33. DC for L (LA) further advised that LD would strive to solicit support for the Charter from employers of different trades and scale, including small and medium enterprises. As a matter of fact, many signatories were small enterprises. It was also noted that the Charter could provide employers with a clear framework to shape and characterize their GHRM strategies and practices with regard to their business characteristics and scale of operation. In addition, the Charter could enhance communication, co-operation and mutual trust between employees and employers, which enabled them to reach consensus on different matters in a rational and mutual understanding manner. LD would continue to promote GHRM and the Charter actively.

Family-Friendly Employers Award Scheme

- 34. Noting that 3 264 entrants out of a total of 3 500 participating companies, organizations and government bureaux and departments were commended under the fourth Family-Friendly Employers Award Scheme ("the Award Scheme") held in 2017-2018, Mr LUK Chung-hung raised query as to whether the assessment criteria were too lenient. Mr POON Siu-ping requested the Administration to provide a breakdown of participating companies, which were not commended after assessment, by industries.
- 35. The Deputy Chairman asked about the family-friendly workplace practices adopted by the 37 commended government bureaux and departments and the reasons that these practices were not adopted in other government bureaux and departments. He further asked which government bureaux and departments were awarded the "Outstanding Family-Friendly Employment Practices 2017-2018", which was newly added to the Award Scheme to commend them for implementing innovative and flexible family-friendly practices or being pioneers in the industry.
- 36. <u>DC for L (LA)</u> and <u>AC for L (LR)</u> responded that the awardees had implemented various employee-caring employment practices. LD would liaise with the Family Council, the organizer of the Award Scheme, and provide the requested information after the meeting.

Admin

Admin

- 37. At the Chairman's request, the Administration further agreed to provide after the meeting the respective assessment criteria and requirements for participating organizations to be signatories of the Charter and awardees under the Award Scheme.
- 38. <u>The Chairman</u> said that while he raised no objection to the Administration's promotion of employee-oriented GHRM and adoption of FFEPs by employers, it was more important for the Administration to improve the working conditions in the labour market, in particular the long working hours situation.

VI. Preparatory work for the implementation of the revised statutory minimum wage rate

(LC Paper Nos. CB(2)1186/18-19(07) and (08))

39. At the invitation of the Chairman, <u>DC for L (LA)</u> briefed members on the preparatory work undertaken by LD for the implementation of the

revised Statutory Minimum Wage ("SMW") rate, as detailed in the Administration's paper.

40. <u>Members</u> noted an updated background brief entitled "Preparatory work for the implementation of statutory minimum wage" prepared by the LegCo Secretariat.

Implementation of Statutory Minimum Wage

- 41. In response to the Deputy Chairman's enquiry, <u>DC for L (LA)</u> said that the Minimum Wage Commission ("MWC") had estimated that the number of employees with an hourly wage less than \$37.5 in the first half of 2019 before the implementation of the revised SMW rate would be around 61 500 to 75 500, representing 2.0% to 2.5% of all employees in Hong Kong. The Census and Statistics Department would conduct the next round of Annual Earnings and Hours Survey covering the period of May to June 2019 to collect information on the hourly wage distribution of employees in Hong Kong. <u>The Chairman</u> considered that the coverage of employees under the revised SMW rate of \$37.5 per hour (i.e. approximately 2% of the total workforce) was too small.
- 42. Pointing out that a vast majority of the employees receiving the SMW rate were non-skilled employees engaged by GSCs and that the Government's improvement measures for enhancing the protection of the employment terms and conditions as well as labour benefits of these employees had been implemented from April 2019, the Deputy Chairman expressed concern that the number of employees covered under the revised SMW rate would be less than the estimation. At the Deputy Chairman's request, the Administration agreed to provide after the meeting information on the wage level of non-skilled employees engaged by GSCs following the implementation of the Government's improvement measures from April 2019.

43. Mr YIU Si-wing expressed concern about the knock-on effect on pay hierarchy in different trades and industries following the implementation of SMW from 2011 and the substantial increase in the price level because of inflation in the past few years. Mr YIU asked whether the Administration had conducted a comparison study on the inflation rates before and after the implementation of SMW.

Admin

DC for L (LA) said that based on MWC's impact assessment on inflation in relation to the implementation of the revised SMW rate of \$37.5 per hour, it was estimated that the Composite Consumer Price Index ("CPI") inflation and CPI(A) inflation would both go up by about Assistant Commissioner for Labour percentage point. (Development) ("AC for L (D)") added that shortly upon the implementation of SMW, the underlying Composite CPI rose by 5.3% for 2011 as a whole. During 2012 to 2017, the underlying Composite CPI inflation witnessed a receding trend within the period. For 2017 and 2018, the respective underlying Composite CPI inflation rates were 1.7% and 2.6%. The overall inflationary pressure of Hong Kong had remained relatively moderate in the past years. At Mr YIU Si-wing's request, the Administration agreed to provide information on the inflation rates of the few years before implementation of SMW in 2011.

Admin

45. Mr LUK Chung-hung considered that it was unfair to put the blame on the implementation of SMW for the increase in inflation over the years. Contrarily, the SMW uprating was made in response to the inflationary pressure.

Review of the Statutory Minimum Wage rate

46. Mr POON Siu-ping expressed regret that under the biennial review of the SMW rate, the basic livelihood of those employees with little bargaining power could not be properly safeguarded. He stressed that the labour sector had all along called for the review of the SMW rate on an annual basis. Echoing a similar view, Mr LUK Chung-hung considered the current level of the SMW rate too low. In the view of the labour sector, the SMW rate should be more than \$42.5 per hour.

<u>Publicity and promotion</u>

47. In response to Mr YIU Si-wing's enquiry, <u>DC for L (LA)</u> explained that in view of the employment characteristics and particular mode of operation of nine industries such as catering, hotel, tourism and real estate agency, LD had consulted employer and employee groups in these industries and had since May 2011 drawn up the respective Statutory Minimum Wage: Industry-specific Reference Guidelines ("the Guidelines") for their reference. Some common examples on computation of SMW under different work patterns and employment terms in these industries were also provided in the Guidelines.

Employers and employees in these industries might refer to and apply the Guidelines according to their actual circumstances.

48. Mr LUK Chung-hung called on the Administration to strengthen its publicity and promotional efforts on the benefits of implementation of SMW, such as providing a wage floor to protect grassroots employees excessively low wages and encouraging employment. DC for L (LA) shared Mr LUK's views on the positive experience of implementing SMW. It was noteworthy that the seasonally adjusted unemployment rate was 2.8% in December 2018 to February 2019, which was lower than that in the pre-SMW period (i.e. February to April 2011). Moreover, the total employment went up by more than 320 000 over the same period, with female workers contributing over 70% of the total increase. LD would consider how to further strengthen its publicity and promotional efforts on the implementation of SMW.

Enforcement work

- 49. Referring to the 339 900 inspections conducted to enforce the Minimum Wage Ordinance (Cap. 608) ("MWO") since the implementation of SMW and up to March 2019 and the detection of 209 cases involving suspected violation of MWO, the Chairman expressed disappointment at the relatively small number of suspected offence cases so detected. The Chairman asked about the distribution of the 209 cases over the years. Mr POON Siu-ping sought information on the number of cases detected during workplace inspections and the number of reported cases as well as the status of the investigations of these cases.
- 50. AC for L (D) advised that in respect of the 209 cases involving suspected violation of MWO, 167 cases were detected during workplace inspections and 42 cases were reported by employees. Except for one individual case for which investigation was in progress and a small number of cases in which the employees subsequently withdrew their complaints and some of them were unwilling to act as prosecution witnesses or there was a lack of sufficient evidence, LD had confirmed that the employees concerned had received SMW or recovered the shortfall of wages. AC for L (D) further advised that most of the non-compliant cases of MWO and claims relating to SMW arose in the first few years after the implementation of SMW in 2011 and the number of cases was reducing over the years. DC for L (LA) added that the small number of cases involving suspected violation of MWO reflected the general satisfactory state of law compliance.

- 51. The Chairman and the Deputy Chairman expressed concern about the manpower deployment for enforcing MWO as well as details of the enforcement work. Mr POON Siu-ping sought information on the target number of inspections on MWO to be conducted in 2019. Mr LUK Chung-hung was concerned about the inspection strategy in respect of checking employers' compliance with MWO, in particular those trades engaging vulnerable employees.
- 52. In reply, <u>DC for L (LA)</u> said that there were around 200 labour inspectors in LD's Labour Inspection Division responsible for conducting workplace inspections to safeguard employees' statutory rights and benefits. These labour inspectors would check employers' compliance with relevant labour legislation such as MWO and EO during workplace inspections. <u>DC for L (LA)</u> and <u>Senior Labour Officer (Labour Inspection) of LD</u> further said that similar to the enforcement work in 2018, LD would conduct some 44 000 inspections of various establishments to check employers' compliance with MWO in 2019.
- 53. As regards the enforcement strategy, <u>DC for L (LA)</u> advised that LD would conduct proactive workplace inspections of various establishments and mount targeted enforcement campaigns for low paying sectors to check employers' compliance with the revised SMW rate. Moreover, upon receipt of complaints on suspected breaches of MWO, LD would conduct investigation expeditiously. <u>AC for L (D)</u> supplemented that LD would continue to adopt a risk-based approach targeting specific trades and industries and closely monitor the employers' compliance with MWO.
- 54. In summing up, the Chairman said that members were much concerned about the low level of the SMW rate and the need to review the SMW rate on an annual basis. In the light of the decreasing number of non-compliant cases with MWO over the years, the Chairman called on the Administration to review the inspection and enforcement strategies on MWO as well as the relevant manpower requirement.
- 55. There being no other business, the meeting ended at 6:27 pm.

Council Business Division 2
<u>Legislative Council Secretariat</u>
22 August 2019