

# **立法會**

## ***Legislative Council***

LC Paper No. CB(2)932/19-20

(These minutes have been seen  
by the Administration)

Ref : CB2/PL/MP

### **Panel on Manpower**

**Minutes of meeting  
held on Tuesday, 21 January 2020, at 4:30 pm  
in Conference Room 2 of the Legislative Council Complex**

**Members present** : Hon HO Kai-ming (Chairman)  
Hon CHU Hoi-dick (Deputy Chairman)  
Hon LEUNG Yiu-chung  
Hon YIU Si-wing, BBS  
Dr Hon KWOK Ka-ki  
Hon KWOK Wai-keung, JP  
Hon Christopher CHEUNG Wah-fung, SBS, JP  
Dr Hon Fernando CHEUNG Chiu-hung  
Dr Hon Helena WONG Pik-wan  
Hon POON Siu-ping, BBS, MH  
Dr Hon CHIANG Lai-wan, SBS, JP  
Hon Andrew WAN Siu-kin  
Hon SHIU Ka-fai, JP  
Hon SHIU Ka-chun  
Dr Hon Pierre CHAN  
Hon LUK Chung-hung, JP  
Hon Vincent CHENG Wing-shun, MH, JP

**Member attending** : Hon Charles Peter MOK, JP

**Members absent** : Hon WONG Kwok-kin, SBS, JP  
Hon Claudia MO  
Hon CHUNG Kwok-pan

**Public Officers  
attending** : Item V

Mr Caspar TSUI Ying-wai, JP  
Under Secretary for Labour and Welfare

Ms Alice WONG May-yin  
Principle Executive Officer  
(Working Family Allowance Office)  
Working Family and Student Financial Assistance Agency

Item VI

Mr Caspar TSUI Ying-wai, JP  
Under Secretary for Labour and Welfare

Mr Raymond HO Kam-biu, JP  
Assistant Commissioner for Labour (Development)

Ms Esther LI So-fan  
Senior Systems Manager  
(Information Technology Management)  
Labour Department

Ms Maria WANG Wai-han  
Senior Labour Officer (Development) (Special Duties)  
Labour Department

Ms Rebecca CHAN Ka-pik  
Senior Labour Officer (Labour Relations)  
(Maternity Leave Policy)  
Labour Department

**Clerk in  
attendance** : Miss Betty MA  
Chief Council Secretary (2) 1

**Staff in  
attendance** : Ms Rita LAI  
Senior Council Secretary (2) 1  
  
Miss Lulu YEUNG  
Clerical Assistant (2) 1

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**I. Applications for late membership**

(LC Paper Nos. CB(2)547/19-20(01) and (02))

At the invitation of the Chairman, Dr Helena WONG said that having regard to the passage of the motion moved by the Secretary for Labour and Welfare ("SLW") at the Council meeting of 15 January 2020 to refer the Employment (Amendment) Bill 2019 ("the Bill") to the Panel on Manpower in accordance with Rule 54(4) of the Rules of Procedure, she would like join the Panel in order to actively participate in the forthcoming discussion of issues relating to the Bill. Members accepted the applications for late membership from Ms Claudia MO and Dr Helena WONG in accordance with Rule 23 of the House Rules. Members also agreed that further applications for late membership, if necessary, would be considered and accepted on the same ground.

**II. Confirmation of minutes of previous meeting**

(LC Paper No. CB(2)524/19-20)

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

**III. Information papers issued since the last meeting**

(LC Paper Nos. CB(2)454/19-20(01) and (02), CB(2)455/19-20(01), CB(2)546/19-20(01) and CB(2)554/19-20(01))

3. Members noted that the following papers had been issued since the last meeting:

- (a) two letters dated 30 December 2019 from Mr LUK Chung-hung suggesting the Panel to discuss relief measures for the unemployed people and making contribution on behalf of the low-income employees to the Mandatory Provident Fund ("MPF") Schemes by the Government respectively;
- (b) letter dated 30 December 2019 from Mr LUK Chung-hung regarding rehabilitation services for employees injured at work and the Administration's response to issues raised in the letter; and

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- (c) letter dated 20 January 2020 from Mr LUK Chung-hung suggesting the Panel to discuss issues relating to improving remuneration packages for non-skilled employees engaged by government services contractors ("GSCs").

Members further noted that items (a) and (c) above were among the 10 new initiatives to benefit grassroots and underprivileged people as announced by the Government on 14 January 2020 ("the 10 new initiatives"). The Chairman directed that the above issues would be included in the Panel's list of outstanding items for discussion.

**IV. Date of next meeting and items for discussion**  
(LC Paper Nos. CB(2)526/19-20(01) and (02))

Regular meeting in February 2020

4. Members agreed that the following items proposed by the Administration be discussed at the next regular meeting on 18 February 2020:

- (a) Implementation of Statutory Minimum Wage; and
- (b) Pilot rehabilitation programme for employees injured at work.

The Chairman advised that as agreed at the meeting on 19 November 2019, the Panel would receive public views on item (b) above. To allow sufficient time for discussion, the meeting would be held from 3:00 pm to 6:00 pm.

*(Post-meeting note: In view of the latest situation of novel coronavirus infection in Hong Kong, the Panel Chairman directed that the meeting originally scheduled for 18 February 2020 be rescheduled. Members were informed vide LC Paper No. CB(2)617/19-20 on 12 February 2020.)*

Items for discussion at future meetings

5. Mr POON Siu-ping suggested that the Panel should discuss the outcome of the review of the coverage of existing ex gratia payment items under the Protection of Wages on Insolvency Fund which had been in force since 2013 as soon as practicable.

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Clerk

6. Mr POON Siu-ping and Mr LUK Chung-hung expressed concern about the details of the specific labour-related initiatives, including increasing progressively the number of statutory holidays, making contribution on behalf of the low-income employees to the MPF Schemes by the Government and improving remuneration packages for non-skilled employees engaged by GSCs, among the 10 new initiatives. The Chairman instructed the Clerk to liaise with the Labour and Welfare Bureau ("LWB") in respect of the proposed timing for discussion of these items.

Matter arising from the last meeting

7. The Chairman advised that pursuant to members' concerns raised at the last meeting on 17 December 2019 regarding medical protection for foreign domestic helpers, the Labour Department ("LD") had responded that findings of the thematic household survey conducted by the Census and Statistics Department ("C&SD") in 2019 on "Employees engaged under employment contracts with short duration or working hours and employees engaged under continuous contracts, and employment of domestic helpers" were yet to be made available. Pending the release of the survey findings, members agreed to discuss the matter tentatively in May 2020.

Employment (Amendment) Bill 2019

8. The Chairman said that consequent upon the passage of the motion moved by SLW at the Council meeting of 15 January 2020 to refer the Bill to the Panel in accordance with Rule 54(4) of the Rules of Procedure, a special meeting of the Panel would be arranged shortly to discuss issues relating to the Bill. Members would be informed of the meeting arrangement in due course.

**V. Adjustment of the financial limits of the Individual-based Work Incentive Transport Subsidy Scheme**  
(LC Paper Nos. CB(2)526/19-20(03) and (04))

9. At the invitation of the Chairman, Under Secretary for Labour and Welfare ("USLW") briefed members on the proposal to freeze the income limit for the individual-based Work Incentive Transport Subsidy ("I-WITS") Scheme ("the proposal") and related matters as detailed in the Administration's paper.

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10. Members noted a background brief entitled "Work Incentive Transport Subsidy Scheme" prepared by the Legislative Council ("LegCo") Secretariat.

Income limit of I-WITS

11. Mr YIU Si-wing and Mr POON Siu-ping said that they had no strong view on the proposal, as a one-off special arrangement, to freeze the income limit of I-WITS at \$11,000 in the annual adjustment in 2020. Mr YIU, however, was concerned about the operation of the adjustment mechanism for WITS and sought clarification about the prevailing economic situation as one of the consideration factors for the one-off special arrangement.

12. USLW explained that the policy objective of WITS was to help low-income earners reduce their cost of travelling to and from work and encourage them to secure or stay in employment. If the Government was to follow the existing adjustment mechanism, the eligibility criterion for I-WITS had to be tightened, which would reduce the number of low-income earners to be covered thereunder. For instance, out of the I-WITS applications processed by the Working Family Allowance Office ("WFAO") (involving 23 257 persons with their allowances approved as at end-December 2019), 7.1% (or 1 654 persons) had an average monthly income greater than \$10,000 and not exceeding \$11,000. Should the income limit for I-WITS be adjusted to \$10,000, these applicants would no longer be eligible for I-WITS. In addition, having considered the recent increase in the unemployment rate and in anticipation of its rising trend, the Government therefore proposed, as a one-off special arrangement, to freeze the income limit of I-WITS at \$11,000 in the annual adjustment in 2020.

13. Mr SHIU Ka-chun said that he did not object the proposal. He was, however, concerned that following the implementation of the improvement measures since April 2019, the hourly wage rate of cleaning workers engaged under GSCs had increased to \$47.5 and thus the monthly income of these workers had exceeded \$11,000 and were not eligible for I-WITS. To this end, Mr SHIU called on the Administration to seriously consider raising the income limit of I-WITS to \$12,000 in the annual adjustment in 2020.

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14. The Chairman pointed out that apart from non-skilled employees engaged under GSCs, the monthly salary of security guards engaged under new government service contracts was around \$13,000 and were not eligible for WITS as well. The Chairman called on the Administration to consider relaxing the income limit for I-WITS applications so as to encourage the low-income earners to secure or stay in employment.

15. Mr LEUNG Yiu-chung was concerned about the rise in public transport fares and the price level over the years. Given that the balance of the non-recurrent commitment for the I-WITS Scheme amounted to \$620 million as at end-December 2019, Mr LEUNG considered that the income limit of I-WITS should be set at a higher level on a par with the latest income limit for public rental housing application for one-person household i.e. \$11,830 in the annual adjustment in 2020.

16. Mr LUK Chung-hung expressed concern about the rationale for updating the income limit for WITS applications on the basis of 100% of the median monthly domestic household income ("MMDHI") for one-person household. He pointed out that at times of economic downturn, the income limit of I-WITS would inevitably be reduced if it was updated on the basis of MMDHI, and thus defeating the purpose of assisting low-income earners reduce their cost of travelling to and from work. Mr LUK appealed to the Administration to conduct a review of the adjustment mechanism in the long run.

17. While expressing support for the proposal, Dr Fernando CHEUNG considered it inappropriate to adjust the income limit for WITS applications solely on the basis of MMDHI. Dr CHEUNG noted with grave concern that if strictly adhered to the existing adjustment mechanism, the income limit for I-WITS applications would have to be lowered from \$11,000 to \$10,000 on the basis of MMDHI for one-person household in the third quarter of 2019, and hence the number of low-income earners to be covered thereunder would be reduced by 1 654 persons. This would discourage the low-income earners to secure or stay in employment and was contrary to the policy objective. Dr CHEUNG urged the Administration to review the existing annual adjustment mechanism for the income limit.

18. USLW responded that members' suggestions were noted, and the Administration would closely monitor the situation, including the number of I-WITS applications, employment market, low-income earners'

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income, work-related travelling expenses and the economic situation. He added that the wage trend had also been taken into account under the existing income limit adjustment mechanism for I-WITS applications.

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19. The Chairman requested the Administration to provide response within the 2019-2020 session to members' suggestions of reviewing the annual adjustment mechanism for income limit as one of the eligibility criteria for I-WITS applications, taking into account various factors including inflation, travelling expenses of employees and the economic trend. USLW advised that the Administration would collect relevant data, such as those in relation to the Statutory Minimum Wage and the wage level of the non-skilled employees engaged by GSCs following the implementation of the improvement measures, and provide the response within the 2019-2020 session as far as practicable.

Level of subsidy rate

20. Mr POON Siu-ping was concerned about whether the monthly subsidy of \$600 under the WITS Scheme was adequate in meeting the actual work-related travelling expenses of individual recipients, in particular those working across districts. Mr POON sought information on the latest statistics on work-related travelling expenses compiled by C&SD.

21. Pointing out that the current full-rate subsidy of \$600 per month had remained unchanged since inception of the WITS Scheme in 2011 and that the rise in transport cost had aggravated the inflationary pressure faced by low-income earners, Mr LUK Chung-hung was of the view that the subsidy rate should be adjusted upwards. Mr LUK asked about the timeframe for conducting a review of the subsidy rate of WITS.

22. USLW advised that members' views were noted, and the Administration would closely monitor the situation. He also supplemented that according to the General Household Survey conducted by C&SD in the fourth quarter of 2017, the average monthly expense of WITS target recipients on public transport for travelling to and from work was \$419, and the amount for those working across districts was \$471, meaning that the provisions under full-rate I-WITS (at \$600 per month) would still be adequate even when the 4% increase of the Consumer Price Index (A) in relation to the category of transport cost from 2017 to 2019 was taken into account.



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Administration cost of the WITS Scheme

23. Mr POON Siu-ping asked whether the proposal would incur additional administration cost for implementing the WITS Scheme. USLW responded that the number of WITS applications had remained stable and the administration cost was manageable over the years. Principle Executive Officer (WFAO)/Working Family and Student Financial Assistance Agency added that WFAO, which was responsible for the processing of the Working Family Allowance ("WFA") Scheme, had taken up the processing of I-WITS applications from LD since 1 April 2019. It was noteworthy that some applicants submitted applications for both I-WITS and WFA and these applications would be processed in one go. As such, the administration cost for the I-WITS Scheme could not be separately accounted for.

**VI. Development of a new disbursement information system for implementing the proposed extension of statutory maternity leave**

(LC Paper Nos. CB(2)526/19-20(05) and (06))

24. At the invitation of the Chairman, USLW briefed members on LD's proposal to develop a new Disbursement Information System ("DIS") for implementing the proposed extension of statutory maternity leave ("ML") under the Employment Ordinance (Cap. 57) ("EO") as detailed in the Administration's paper.

25. Members noted an updated background brief entitled "Proposal to increase the provision of statutory maternity leave" prepared by the LegCo Secretariat.

The proposed Disbursement Information System

26. Dr Helena WONG sought information on the operation of the reimbursement mechanism for the proposed additional four weeks' statutory maternity leave pay ("MLP").

27. Mr POON Siu-ping referred to paragraph 5(a) of the Administration's paper and sought elaboration on how the automating case processing procedures would shorten the time for handling each application of MLP under the proposed DIS.

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28. USLW advised that if an employee was entitled to the existing 10 weeks' MLP under EO, the employer, after the passage and commencement of operation of the Bill, would be required to pay the additional four weeks' statutory MLP to the employee on the normal pay day as what the employer did now for payment of the current 10 weeks' MLP. The employer could seek reimbursement from the Government for the additional four weeks' MLP paid to the employee subject to proof of payment to the eligible female employee. LD was formulating a new Reimbursement of Maternity Leave Pay Scheme ("RMLPS") for reimbursing employers the additional four weeks' MLP. To underpin the implementation of RMLPS, LD needed to develop the proposed DIS which would comprise an information technology system for administering RMLPS (Disbursement Administrative System ("DAS")) and a one-stop online portal (Disbursement Portal (D Portal)). DAS would assist the Disbursement Office (to be set up for disbursing MLP under RMLPS) in streamlining the business processes for administration of RMLPS whereas the D Portal would be set up for online submission of applications from employers, checking of application progress by applicants and dissemination of information to the public by the Disbursement Office.

29. The Chairman, Mr Charles MOK, Dr Fernando CHEUNG and Dr Helena WONG noted with concern that the proposed DIS was to be developed for the single purpose of making reimbursement for the additional four weeks' statutory MLP to employers. These members asked whether the Administration would consider developing a versatile DIS which could serve other disbursement purposes in future, such as work-related transport subsidy, Comprehensive Social Security Assistance and other labour benefits if so funded by the Government. To expedite the development of DIS, Dr CHEUNG suggested that the Administration should explore the feasibility of expanding the functions of the existing profits tax return system to disburse MLP. The Chairman called on LWB/LD to relay members' relevant suggestions to the Innovation and Technology Bureau. The Chairman further asked whether the proposed DIS would accept applications via mobile platforms.

30. USLW and Assistant Commissioner for Labour (Development) ("AC for L(D)") advised that the Government had no plan to include the functions of other disbursement schemes in the proposed DIS, which might involve complicated issues such as concerns on transfer of personal data, different groups of beneficiaries involved and the diversified

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parameters of different disbursement schemes. As a matter of fact, LD had studied some existing disbursement systems of other government departments, such as those managed by the Inland Revenue Department and the Social Welfare Department. It was noteworthy that these systems had their unique features according to specific user requirements and would not be able to meet the requirements of the proposed DIS. For instance, it would not be viable to make disbursement of MLP through the profits tax return system given that some of the employers were not required to pay profits tax. The Administration therefore considered it more appropriate to develop a new DIS for reimbursing the additional four weeks' MLP to employers concerned. The proposed DIS would also provide an online platform to facilitate submission of applications via mobile electronic devices. USLW further gave a brief account of the benefits of the proposed DIS, including speedy processing of applications and providing one-stop service for reimbursing MLP to employers.

31. Mr LEUNG Yiu-chung was concerned that Government funding support for the extended four-week statutory ML would be subject to a cap of \$36,822 which was equivalent to four-fifths of the wages of an employee with a monthly wage of \$50,000 in four weeks ("the cap"). Mr LEUNG considered that the proposed arrangement was unreasonable for higher-paid female employees and was concerned whether the imposition of a reimbursement cap would incur additional cost for system development. Mr LEUNG called on the Administration to seriously consider removing the cap.

32. USLW responded that the Administration had looked into the maternity benefits of other economies and found that MLP in most of these economies were subject to a ceiling or some other requirements. Taking into consideration all relevant factors and upholding the principle of prudent use of public money, it was proposed that there would be a cap for the additional four weeks' MLP. It was also noteworthy that employees with a monthly wage of \$50,000 or below accounted for about 95% of female employees in Hong Kong (an estimate based on 2016 data). In the light of this, it was recommended that the additional four weeks' MLP (i.e. MLP for the 11<sup>th</sup> to 14<sup>th</sup> weeks) and the amount of funding support to be reimbursed by the Government for each confinement of an eligible female employee be subject to a cap of \$36,822, the amount of which might be reviewed from time to time in future. As regards the calculation of the reimbursement amount by DIS, USLW said that flexibility would be built in the proposed DIS to cater for

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future adjustment of the cap and the expected additional cost should not be significant if a cap was imposed.

Disbursement Office

33. Mr POON Siu-ping asked whether the estimated annual recurrent staff cost of some \$15,600,000 in 2022-2026 in relation to the implementation of the proposed DIS was mainly for the staff cost of the Disbursement Office.

34. Dr Helena WONG and Dr Fernando CHEUNG expressed concern about the staff establishment of the Disbursement Office. With respect to the estimated annual recurrent expenditure of some \$24,000,000 for maintaining and supporting the proposed DIS in 2022-2023, including some \$15,600,000 recurrent staff cost, Dr CHEUNG considered the administration cost too high, as it was estimated that some 27 000 applications for reimbursement of MLP would be handled in the year only.

35. Mr Charles MOK queried about the need to set up a new office for disbursement of the additional four weeks' statutory MLP.

36. USLW and AC for L(D) advised that the financial implications of the proposed DIS were set out in paragraphs 10 to 27 of the Administration's paper. While the non-recurrent expenditure was mainly earmarked for system development, the recurrent expenditure, including staff cost, was earmarked for maintaining and supporting the proposed DIS which was essential and necessary to ensure the smooth operation and security of DIS. LD planned to set up a Preparatory Office for Reimbursement of Maternity Leave Pay ("PORMLP") in the second quarter of 2020 for undertaking the preparatory work for RMLPS. PORMLP would map out and bid for the necessary manpower and other resources in accordance with the established procedures. USLW added that the Administration would provide more information on the estimated non-recurrent and recurrent expenditure for the proposed DIS as appropriate when seeking funding approval from the Finance Committee ("FC").

Implementation plan

37. Mr POON Siu-ping expressed concern about the impact on the implementation plan of the proposed DIS and the setting up of the

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Disbursement Office, in the event that the Bill was not passed within this session.

38. With respect to the estimation of developing the proposed DIS in around 18 months after project commencement, Mr Charles MOK was concerned about the concrete timeframe for the contractors to carry out the system development and implementation work, in particular system analysis and design, and development. Mr MOK sought more information on the implementation timetable, in particular the lead time for the tendering exercise and system development.

39. Dr KWOK Ka-ki and Dr Fernando CHEUNG shared similar concerns. Dr KWOK expressed grave concern that although the Government had announced the proposal to extend the statutory ML from the current 10 weeks to 14 weeks in the Chief Executive's 2018 Policy Address, the proposed DIS would only be implemented and come into operation until end of 2021. Dr KWOK strongly urged the Administration to expedite the relevant preparatory work and shorten the respective time for the tendering exercise of the proposed DIS and system development. Dr CHEUNG held the view that the time required for developing the proposed DIS could be shortened, in view of the relative simplicity of calculation work involved. In addition, he considered that the four-month time period allowed for system development was relatively short as compared to the 18-month implementation schedule.

40. USLW advised that the Administration was committed to taking forward the proposal of extending the statutory ML and developing the new DIS. The Administration's plan was to secure the passage of the Bill and funding approval for DIS within the 2019-2020 session of LegCo. Subject to members' views and support for the proposal of developing DIS, the Administration planned to seek funding approval from FC in the first quarter of 2020 and kick off the relevant work of the proposed DIS by mid-2020 with the implementation schedule for different activities detailed in paragraph 28 of the Administration's paper. Subject to the funding approval from FC, it was estimated that the proposed DIS would be developed in around 18 months upon project commencement. It was expected that RMLPS could be implemented by end of 2021. He stressed that the implementation plan was already under a tight schedule. The relevant work of kicking off the proposed DIS would be delayed if the Bill could not be passed and funding approval could not be secured within this session. Senior Systems Manager (Information Technology Management)/LD added that with the

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adoption of the Standing Offer Agreement for Quality Professional Services, it was expected that the tendering exercise for the proposed DIS would take four to five months, and the successful tenderer would have 12 months to develop the system and the remaining time to conduct user acceptance test, etc.

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41. Mr Charles MOK and Dr Fernando CHEUNG requested the Administration to provide more information on the implementation schedule for different activities in respect of the proposed DIS when seeking funding approval from FC.

42. In concluding the discussion, the Chairman said that the Panel raised no objection in principle to the Administration's proposal to develop a new DIS for implementing the proposed extension of statutory ML under EO and submission of the proposal to FC for consideration.

43. There being no other business, the meeting ended at 6:28 pm.

Council Business Division 2  
Legislative Council Secretariat  
6 May 2020