

立法會
Legislative Council

LC Paper No. CB(2)1608/20-21
(These minutes have been seen
by the Administration)

Ref : CB2/PL/MP

Panel on Manpower

**Minutes of policy briefing-cum-meeting
held on Tuesday, 19 October 2021, at 4:00 pm
in Conference Room 2 of the Legislative Council Complex**

- Members present** : Hon LUK Chung-hung, JP (Chairman)
Hon CHAN Chun-ying, JP (Deputy Chairman)
Hon YIU Si-wing, SBS
Hon Alice MAK Mei-kuen, BBS, JP
Hon KWOK Wai-keung, JP
Hon POON Siu-ping, BBS, MH
Dr Hon CHIANG Lai-wan, SBS, JP
Hon CHUNG Kwok-pan
Hon SHIU Ka-fai, JP
Hon Wilson OR Chong-shing, MH
Dr Hon Pierre CHAN
Hon Vincent CHENG Wing-shun, MH, JP
- Member attending** : Hon Michael TIEN Puk-sun, BBS, JP
- Member absent** : Hon WONG Kwok-kin, GBS, JP
- Public Officers attending** : Items II and IV
Dr LAW Chi-kwong, GBS, JP
Secretary for Labour and Welfare

Ms Alice LAU Yim, JP
Permanent Secretary for Labour and Welfare

Mr HO Kai-ming, JP
Under Secretary for Labour and Welfare

Mr Chris SUN Yuk-han, JP
Commissioner for Labour

Miss Mabel LI Po-yi, JP
Deputy Commissioner for Labour (Labour Administration)

Mr Jeff LEUNG Wing-yan, JP
Deputy Commissioner for Labour
(Occupational Safety and Health)

Item III

Mr HO Kai-ming, JP
Under Secretary for Labour and Welfare

Mr Charles HUI Pak-kwan, JP
Assistant Commissioner for Labour (Employment Services)

Ms PANG Kit-ling
Assistant Director (Family & Child Welfare)
Social Welfare Department

Mr Patrick PANG
Deputy Executive Director (Training Services)
Employees Retraining Board

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

Staff in attendance : Ms Rita LAI
Senior Council Secretary (2) 1

Miss Karena LUK
Council Secretary (2) 1

Miss Lulu YEUNG
Clerical Assistant (2) 1

Action

I. Information paper issued since the last meeting

Members noted that no information paper had been issued since the last meeting.

II. Update on the proposal to abolish the offsetting arrangement under the Mandatory Provident Fund System

2. The Chairman suggested and members agreed that the Secretary for Labour and Welfare ("SLW") would instead be invited to brief members on the policy initiatives on the labour and manpower portfolio, including the abolition of the "offsetting arrangement" under the Mandatory Provident Fund ("MPF") System as set out in the Chief Executive ("CE")'s 2021 Policy Address under agenda item IV below.

III. Unleashing female labour force

(LC Paper Nos. CB(2)1544/20-21(01) and (02))

3. At the invitation of the Chairman, Under Secretary for Labour and Welfare ("USLW") briefed members on the implementation of various measures related to unleashing the potential of the female labour force, as detailed in the Administration's paper.

4. Members noted an updated background brief entitled "Unleashing female labour force" prepared by the Legislative Council ("LegCo") Secretariat.

Employment situation of females

5. The Deputy Chairman and Mr POON Siu-ping were of the view that the lower labour force participation rate for females aged 35-44 (around 70%) as compared to their male counterparts (above 90%) was due to their needs to take care of their families and the impact of the COVID-19 epidemic. Given that the COVID-19 epidemic had stabilized with an improvement in employment rate, the Deputy Chairman enquired about the trend of the labour force participation rate for females aged 25-49.

Action

6. USLW advised that there was a significant number of women aged 35-39 that had left the job market. It might be their own choices or due to the recent shortage of foreign domestic helpers ("FDHs"). There was currently a shortage of some 40 000 FDHs, which meant a corresponding number of women might be required to stay at home to take care of their families.

Measures to facilitate women to join the workforce

Employment measures for female job seekers

7. Mr POON Siu-ping sought information on the number of female job seekers who had secured employment at the district-based job fairs on part-time jobs staged by the Labour Department ("LD") as well as the effectiveness of the Employment Programme for the Elderly and Middle-aged ("EPEM") and the Work Trial Scheme, which had been extended to cover part-time jobs, in assisting female job seekers in securing employment.

8. Assistant Commissioner for Labour (Employment Services) ("ACL(ES)") said that LD had organized 33 district-based job fairs on part-time jobs from January to September 2021. Among the 2 849 interviews arranged, 1 684 were female job seekers (i.e. 59.1%). A total of 369 placements were achieved through these job fairs, of which 218 were female job seekers (i.e. 59.1%). Regarding EPEM, of the 2 439 placements eligible for joining EPEM recorded from January to September 2021, 400 placements and 1 392 placements involved part-time employment and female job seekers respectively.

9. Mr YIU Si-wing pointed out that the female labour force participation rate reduced as age increased, especially for those aged 55-64. He was of the view that these women were potential workforce to be released but they had either left the workforce for too long or had to take care of their family members. Mr YIU enquired about the effectiveness of the provision of a retention allowance in releasing these potential female labour force and called on the Government to consider launching a scheme similar to EPEM to provide financial incentives to encourage employers to hire female workers. Mr YIU considered that the Government should make reference to the practices adopted by neighbouring countries, such as Singapore, with a view to enhancing its policy initiatives that promoted women employment as appropriate.

Action

10. ACL(ES) said that LD launched a pilot scheme in September 2020 to provide a retention allowance to encourage eligible employees who had participated in EPEM to undergo and complete on-the-job training, thereby stabilizing employment. As the pilot scheme had been implemented for less than a year and the vast majority of cases involved on-the-job training period of three to 12 months, a large number of the eligible employees had yet to submit their allowance applications. Therefore, it was premature to evaluate the effectiveness of the pilot scheme at this stage. In relation to providing financial incentives to employers to hire female employees, LD had raised the ceiling of on-the-job training allowance payable to employers under EPEM, the Youth Employment and Training Programme, and the Work Orientation and Placement Scheme to incentivize employers to hire job seekers, including female job seekers. As the proportion of female job seekers employed under these employment programmes was comparable to that of male job seekers, there was no imminent need to launch another scheme to incentivize employers to hire more female job seekers.

11. USLW supplemented that the female labour force participation rate in Hong Kong was relatively low compared to that of neighbouring countries, as set out in the LegCo Secretariat's research brief on opportunities and challenges facing maternal workforce in Hong Kong issued in July 2019. That said, the Government had formulated and implemented a series of aforementioned measures to encourage more women to join the workforce.

Provision of training to women

12. Pointing out that women with family commitments might not be able to attend the full-time placement-tied courses provided by the Employees Retraining Board ("ERB"), the Deputy Chairman sought information on the popularity of various ERB's full-time courses and suggested that consideration be given to converting such full-time courses to half-day or evening courses to facilitate more women trainees to arrange their schedules flexibly.

13. Deputy Executive Director (Training Services) of ERB advised that many skills upgrading and generic skills courses provided by ERB were being operated half-day or in the evening. Furthermore, the Modular Certificates Accumulation Scheme ("MCAS") allowed trainees on completion of designated half-day or evening courses to apply for a certificate recognized under the Qualifications Framework bearing a qualification equivalent to the corresponding full-time courses. It covered foundation certificates in the training of post-natal care workers, elderly care

Action

workers, infant and child care workers, occupational therapist assistants and physiotherapist assistants, which were popular courses among women. ERB would gradually extend MCAS to cover other in-demand programmes to enable more trainees to make flexible arrangements for further studies.

14. Noting that MCAS and the First-Hire-Then-Train Scheme targeted women with lower academic qualifications who sought manual jobs, Mr Wilson OR advised that the Administration should also provide courses for women with higher academic qualifications to equip them with the ability to re-join the labour market. Deputy Executive Director (Training Services) of ERB said that ERB had been focusing on the provision of training courses for its service targets of people (including women) with an educational attainment at sub-degree level or below. Hence, no courses were offered specifically for those with higher educational attainment.

Proposed measures to further promote women employment

15. The Deputy Chairman pointed out that although there was an increasing equality between the sexes, traditional family concepts like men being breadwinners and women being homemakers were still deep rooted in the society. He called on the Administration to consider stepping up publicity efforts to encourage men to take up more household responsibility so as to enable more female homemakers to join the labour force.

16. USLW responded that LD had all along been promoting family-friendly employment practices. With respect to encouraging men in families to take up more household responsibility, it would be more appropriate for the Family Council and/or other Government bureaux/departments that promoted family culture to step up relevant publicity efforts as appropriate.

17. Mr POON Siu-ping held the view that provision of adequate child care support services was crucial to releasing female homemakers to join the labour market and called on the Administration to conduct a comprehensive review of the provision of child care services, including the manpower and resources allocation. For women who wished to work but had to take care of their families, it would not be desirable if they had to travel a long way to work. If the place of work, say a residential care home for the elderly ("RCHE"), was near their own home, they would find it more convenient to take care of their families at the same time. Mr POON enquired if the

Action

Administration had any plan put in place to reduce the need for these women to work across districts.

18. USLW replied that four out of the top six districts with most private RCHEs were in Kowloon and Eastern district, which were relatively easy to commute to. Moreover, the Public Transport Fare Subsidy Scheme would help relieve the public transport fare burden of commuters.

19. Mr Wilson OR expressed grave concern about the worsening job-hopping problem of FDHs, which left some women no choice but to quit their jobs and stay at home to take care of their families. Mr OR called on the Government to devise short-term and long-term plans to unleash the labour force of these women. USLW advised that the Government had to impose stringent control to guard against the importation of COVID-19 cases. The Immigration Department ("ImmD") had implemented various measures to tackle the job-hopping problem, for instance, ImmD had strengthened the assessment of employment visa applications of FDHs who changed employers frequently. If FDHs were suspected of job-hopping, ImmD would refuse their employment visa applications. Given the current shortage of some 40 000 FDHs, it was estimated that around 40 000 women were affected and might have to stay at home to take care of their families as part-time helpers could not fully meet the needs of these families. Members were assured that the Government would adjust the measures of the admission of FDHs in a timely manner subject to the development of the COVID-19 pandemic.

20. Noting that the extension of statutory maternity leave by four weeks came into operation from 11 December 2020, which was conducive to promoting family-friendly employment practices and women employment, Mr Wilson OR sought information on the relevant implementation statistics. USLW agreed to provide the requested information after the meeting.

Admin

21. Pointing out that the labour force participation rate for married women was lower than that of married men, the Chairman considered that the Government should commission an in-depth study to analyze the decision-making process behind married women's decision to take part in or withdraw from the workforce as well as those factors which would attract them to join or re-join the workforce. The findings would help the Administration formulate measures that further promote women employment. Furthermore, the Chairman suggested that the Government should seize the opportunity arising from the special work from home arrangement during the COVID-19 outbreak to encourage enterprises to

Action

create jobs based at home, say telephone receptionists, to facilitate married women balanced family and work.

22. USLW said that funding had been provided to the Women's Commission to promote women employment and the suggestion of conducting an in-depth study would be considered taking into account the views from the Women's Commission. The Women's Commission noted the view of other female organizations that the work from home arrangement could facilitate married women to strike a balance between family and work. However, it should be mindful that such an arrangement did not apply to all types of jobs. Members were assured that the Government would continue to explore and adopt innovation technology to unleash potential labour force.

IV. Briefing by the Secretary for Labour and Welfare on the Chief Executive's 2021 Policy Address

(LC Paper No. CB(2)1544/20-21(03), The Chief Executive's 2021 Policy Address and The Chief Executive's 2021 Policy Address Supplement)

23. At the invitation of the Chairman, SLW briefed members on the major initiatives pertaining to the labour and manpower portfolio undertaken by the Labour and Welfare Bureau and LD, as set out in the CE's 2021 Policy Address and Policy Address Supplement. With the aid of powerpoint presentation, SLW highlighted to members the refinement of the Government subsidy scheme for the abolition of the "offsetting" arrangement under the MPF System ("the refined subsidy scheme").

(Post-meeting note: The speaking note of SLW and softcopy of the powerpoint presentation materials were issued to members vide LC Paper Nos. CB(2)1562/20-21 and CB(2)1563/20-21(01) respectively on 20 October 2021.)

Refinement of the Government subsidy scheme for the abolition of the "offsetting" arrangement under the Mandatory Provident Fund System

24. Mr POON Siu-ping welcomed the Government's proposal for the refined subsidy scheme as long as the abolition of the "offsetting" arrangement could be expeditiously implemented and that employees' rights would not be undermined. The Chairman said that labour unions shared a similar view. Mr POON then sought explanation for the difference of \$0.3 billion in the Government's financial commitment under the original subsidy scheme and that under the refined subsidy scheme.

Action

25. SLW advised that the Government's financial commitment for the original subsidy scheme was around \$29.3 billion in 2016 prices (based on the set of "offsetting" claims data for 2015 provided by the Mandatory Provident Fund Schemes Authority ("MPFA")) and \$32.9 billion in 2021 prices (based on the set of "offsetting" claims data for 2019 provided by MPFA). Under the refined subsidy scheme, the financial commitment was estimated at \$33.2 billion in 2021 prices, around \$0.3 billion (1%) higher than the updated estimate for the original subsidy scheme in view of the design of employers' share ratio under the refined subsidy scheme.

26. Mr Michael TIEN expressed support for the legislative proposal to abolish the "offsetting" arrangement under the MPF System which on the whole would benefit the employees. Mr TIEN was, however, concerned that employees with long years of service might not be able to benefit from the abolition of the "offsetting" arrangement if their entitlements to severance payment ("SP") / long service payment ("LSP") had already reached the maximum amount of SP or LSP payable to an employee i.e. \$390,000 when the "offsetting" arrangement was to be abolished in 2025, as employers would continue to be allowed to use their MPF contributions made after the effective date of abolition ("the effective date") to offset the pre-effective date SP/LSP.

27. Mr KWOK Wai-keung echoed a similar concern while expressing appreciation of the Government's determination to abolish the "offsetting" arrangement. Mr KWOK asked whether it would be feasible to start afresh the calculation for SP/LSP payable to employees, irrespective of the employees' years of service, after the enactment of legislation for abolition of the "offsetting" arrangement.

28. SLW responded that the Government had all along adopted the principle of "no retrospective effect" in making policy change. At present, there were provisions under relevant ordinances permitting employers to offset their SP/LSP payable against the accrued benefits attributable to their MPF contributions. The enactment of legislation for the abolition of the "offsetting" arrangement should have no retrospective effect or else it would cause much complexities, and might also impose enormous additional financial burden on employers. It was believed that the proposed arrangement would help safeguard employment protection for employees with long years of service. The Government was committed to abolishing the "offsetting" arrangement and was pressing ahead with law drafting and the preparatory work, and would introduce the bills for the abolition of the "offsetting" arrangement into LegCo in the 2022-2023 legislative year. The

Action

Government planned to implement the abolition of the "offsetting" arrangement upon the full implementation of the eMPF Platform in 2025.

29. Mr YIU Si-wing considered the refined subsidy scheme better than the original subsidy scheme as the amount of SP/LSP paid by employers would be capped explicitly during the initial nine years. As such, it would reduce the risks of dismissal of employees upon the abolition of the "offsetting" arrangement. Mr YIU, however, expressed concern about the increase of the capped amount from \$3,000 for Years 1-3 to \$25,000 for Years 4-6 which might exert substantial financial pressure on micro, small and medium-sized enterprises. Mr YIU also called on the Government to closely monitor the labour market to see whether there would be increase in dismissal of employees after the enactment of the legislation for abolition of the "offsetting" arrangement.

30. SLW advised that employers might not necessarily benefit from dismissing employees with long years of service shortly after the abolition and engaging new employees for replacement. He explained that under the enhanced abolition arrangements, employers would continue to be allowed to use their MPF contributions made both before and after the effective date to offset the pre-effective date SP/LSP. As a matter of fact, the post-abolition SP/LSP liabilities for employees with long years of service would be less as compared with those for new employees. As such, there was no justification for employers to dismiss their employees upon implementation of the abolition arrangements.

31. The Chairman called on the Government to consider adjusting upwards the maximum amount of SP/LSP payable to an employee following the enactment of the legislation for abolition of the "offsetting" arrangement.

Greater Bay Area Youth Employment Scheme

32. Mr Michael TIEN expressed support for the Greater Bay Area ("GBA") Youth Employment Scheme ("the Scheme") which encouraged and supported young people to work in the GBA Mainland cities. Having regard to the launch of the Scheme from January 2021 and the fact that there were some 3 494 job vacancies offered by enterprises and over 20 000 job applications, Mr TIEN was gravely concerned that only 1 073 graduates reported duty as at 30 September 2021. Mr TIEN sought explanation in this regard.

Action

33. Mr YIU Si-wing and the Chairman echoed similar concerns. Mr YIU held the view that the Government should collect relevant statistics so as to understand the implementation of the Scheme and whether it met the aspiration of the target participants. Mr YIU further enquired about the way forward of the Scheme. In the light of the quota of 2 000 places under the Scheme, the Chairman was concerned that only around half of the quota had been filled and raised query as to whether it was attributable to the limited target graduates who were awarded their bachelor's degrees or above in 2019 to 2021. Given the unused places, the Chairman enquired whether the Government would consider launching another phase of the Scheme and relaxing the eligibility and expanding the scope of target participants.

34. In response to members' views and concerns, SLW advised that successful recruitment of target graduates under the Scheme was subject to a number of factors, including whether the qualifications of job seekers met the requirements of the job vacancies offered by the participating enterprises. SLW further advised that a review was being conducted on the effectiveness of the Scheme. Depending on the findings, the Government would consider its future direction.

Raising penalties of occupational safety and health legislation

35. Noting that LD was refining the amendment proposals to raise penalties of occupational safety and health ("OSH") legislation, Mr POON Siu-ping was concerned about the legislative timetable and whether the Government would be determined to take forward the amendment proposals should there be opposition views from the business sector.

36. Given the penalties of the Factories and Industrial Undertakings Ordinance (Cap. 59) and Occupational Safety and Health Ordinance (Cap. 509) had not been revised for over 20 years, Mr SHIU Ka-fai said that the business sector subscribed to the view that the penalties needed to be reviewed. Mr SHIU pointed out that the legislative amendment proposal to raise the penalties of the OSH legislation, if enacted, would be applicable to all trades and industries. He called on the Government to be prudent in taking forward the legislative amendment proposal and listen to the views of the industries.

37. SLW responded that following the two consultations completed in 2019 and 2021, LD was refining the amendment proposals in the light of comments from different stakeholders. LD would endeavor to complete

Action

the drafting work as soon as possible, with a view to introducing the Amendment Bill to LegCo within the current term Government.

Talent List

38. With respect to the Government's decision to add two new professions of "professionals in compliance in asset management" and "financial professionals in Environmental, Social and Governance" to the Talent List, Mr POON Siu-ping sought information on the shortfall of relevant manpower requirement and enquired whether it was feasible to nurture such talents locally. SLW responded that he did not have the requisite figures on hand. It was noteworthy that relevant professionals were not readily available in the local employment market, and these talents could not be nurtured by local training in good time. The Government would step up efforts in attracting these targeted high-quality talents to come to Hong Kong through the Quality Migrant Admission Scheme and also training up local talents so as to meet the development needs of the economy.

Employees retraining

39. Referring to the increase in the maximum amount of monthly allowance under the "Love Upgrading Special Scheme" ("the Special Scheme") from \$4,000 to \$5,800 per trainee from May 2020, Mr YIU Si-wing asked whether the Government would consider further increasing the monthly or daily allowance per trainee so as to provide more support for those employees who were affected by the recent economic downturn, in particular those engaged in the travel industry and cross-boundary transport industry.

40. SLW responded that given that the maximum amount of monthly allowance had not been reviewed for a long period of time, the Government considered the increase from \$4,000 to \$5,800 from May 2020 appropriate and had no plan to further increase it. It was stressed that the retraining allowance was not a living subsidy for employees, but aimed to provide additional incentive for employees to undergo retraining.

41. Expressing concern that a considerable number of training/retraining courses offered by ERB were short-term and elementary level courses designed for acquisition of basic skills in different areas, the Chairman asked whether consideration would be given to offering more advanced courses, such as courses on innovation and technology.

Action

42. SLW responded that in reviewing the number of places for various training courses, ERB had all along taken into account the views of industry consultative networks in relation to the skills requirements and training needs of different job types. Corporations or trade associations could also liaise with ERB in arranging "enterprise-based" training for their employees or staff of corporate members under the Special Scheme as appropriate. On the other hand, it was noteworthy that more than 10 000 market-oriented courses designed by various course providers were available under the Continuing Education Fund for manpower upgrading amid the changing socio-economic development needs, including courses on innovation and technology.

Importation of labour

43. Having regard to the effectiveness of the prevention and control measures for the COVID-19 epidemic and the gradual economic recovery as well as the ageing population and the fact that a considerable number of public works projects and infrastructure projects were in the pipeline, Mr SHIU Ka-fai envisaged that various industries would face recruitment difficulties, in particular the catering sector and the construction industry. Mr SHIU asked whether the Administration would consider relaxing importation of labour, such as those for public works projects, so as to alleviate the manpower shortage problem.

44. In reply, SLW said that with the impact of the COVID-19 epidemic and other factors, the local labour force had been declining since 2020. On whether the labour force would increase following the gradual economic recovery, it was yet to be observed. The Government would closely monitor the manpower supply in the labour market and was committed to unleashing labour force as necessary. Notably, a task force chaired by the Financial Secretary had been closely monitoring the necessary manpower requirements in the construction industry for the forthcoming years in the light of the funding approval by LegCo for a considerable number of public works projects and infrastructure projects. On the premise of ensuring employment priority for local workers, employers with genuine difficulties in recruiting suitable staff locally might apply for the importation of workers at technician level or below under the Supplementary Labour Scheme.

Review of the Statutory Minimum Wage rate

45. Mr POON Siu-ping asked whether the Government would consider establishing a mechanism for conducting annual review of the Statutory Minimum Wage ("SMW") rate.

Action

46. SLW advised that the Minimum Wage Commission had commenced the preparatory work for a new round of the review of the SMW rate. That said, the Government noted that there was a call in the community for setting up a mechanism for reviewing the SMW rate, and would explore the feasibility of the suggestion as appropriate.

47. There being no other business, the meeting ended at 5:36 pm.

Council Business Division 2
Legislative Council Secretariat
19 November 2021