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Panel on Manpower

**Subcommittee to Study the Setting Up of
an Unemployment Assistance System in Hong Kong**

**Minutes of meeting
held on Friday, 25 June 2021, at 10:45 am
in Conference Room 2A of the Legislative Council Complex**

- Members present** : Hon LUK Chung-hung, JP (Chairman)
Hon Vincent CHENG Wing-shun, MH, JP (Deputy Chairman)
Hon KWOK Wai-keung, JP
Hon POON Siu-ping, BBS, MH
Hon SHIU Ka-fai, JP
Hon Wilson OR Chong-shing, MH
- Member attending** : Hon Holden CHOW Ho-ding
- Member absent** : Hon CHUNG Kwok-pan
- Public Officers attending** : Item I
Mr HO Kai-ming, JP
Under Secretary for Labour and Welfare

Mr Eric LEE Yiu-kwong
Principal Economist (4)
Office of the Government Economist

Ms Agnes LO Kit-mui
Assistant Commissioner (Labour)
Census and Statistics Department

Mr Charles HUI Pak-kwan, JP
Assistant Commissioner (Employment Services)
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 Karena LUK
Council Secretary (2) 1

Ms Kiwi NG
Legislative Assistant (2) 1

I. Latest employment situation in Hong Kong and specific assistance measures targeted at employees from industries that suffered from the epidemic

The Subcommittee deliberated (index of proceedings attached at **Annex**).

Follow-up actions required of the Administration

2. The Subcommittee requested the Administration to:
- (a) provide information on the average processing time for applications under the time-limited 100% Personal Loan Guarantee Scheme for disbursement of personal loan, and the number of applications rejected together with the reasons for rejecting the applications;
 - (b) provide information on the number of applications under the Comprehensive Social Security Assistance Scheme and the Working Family Allowance Scheme and the average processing time for applications under these Schemes following the implementation of the time-limited relaxation measures; and

- (c) liaise with the Employees Retraining Board to provide information in respect of the percentage of trainees of the Love Upgrading Special Scheme ("the Special Scheme") who were tourism practitioners, together with the types of training courses attended by these trainees, and maintaining and collecting information on the industries in which the trainees worked before attending courses under the Special Scheme.

II. Any other business

3. The Chairman advised that the Subcommittee would conclude its work, and a report on its deliberations would be prepared and circulated to members for consideration before its submission to the Panel on Manpower. Members agreed.

4. There being no other business, the meeting ended at 12:01 pm.

Council Business Division 2
Legislative Council Secretariat
20 August 2021

**Proceedings of meeting of the
Subcommittee to Study the Setting Up of
an Unemployment Assistance System in Hong Kong
held on Friday, 25 June 2021, at 10:45 am
in Conference Room 2A of the Legislative Council Complex**

Time marker	Speaker	Subject(s) / Discussion	Action Required
<i>Agenda item I - Latest employment situation in Hong Kong and specific assistance measures targeted at employees from industries that suffered from the epidemic</i>			
000447 - 000644	Chairman	Opening remarks	
000645 - 001028	Chairman Admin	Briefing by the Administration on the Hong Kong's latest employment situation and specific measures targeted at employees from industries that suffered from the epidemic.	
001029 - 002356	Chairman Mr POON Siu-ping Admin	<p>Mr POON Siu-ping expressed regrets over the lack of comprehensive policies, such as setting up of an unemployment assistance system, in providing support for the unemployed people.</p> <p>Mr POON's enquiries regarding the following:</p> <p>(a) number of practitioners currently engaged in the tourism-related industries, such as tourist guides and tour escorts;</p> <p>(b) support measures for sectors with relatively higher unemployment rates, such as arts, entertainment and recreation (12.2%) and construction (10.3%);</p> <p>(c) average processing time for applications under the time-limited 100% Personal Loan Guarantee Scheme ("PLGS") for disbursement of personal loan, and the number of applications rejected together with the reasons for rejecting the applications; and whether the Scheme would be extended upon expiry of the six-month application period from 28 April 2021 and be converted into a recurrent measure; and</p> <p>(d) progress of filling the time-limited jobs created under the two rounds of the Job Creation Scheme ("JCS").</p> <p>The Administration responded that:</p> <p>(a) according to the figures released by the Census and Statistics Department ("C&SD"), the travel</p>	

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		<p>agency, reservation services and related activities sector engaged around 16 000 persons as at March 2021, representing a decrease of 10.6% or around 2 000 persons compared with a year earlier;</p> <p>(b) it was envisaged that employment in some sectors with relatively higher unemployment rates might not be able to return to their respective pre-recession levels within a short period of time. The Government had therefore allocated resources to provide wage subsidies to eligible employers in these sectors so as to retain employees. Moreover, relevant policy bureaux and government departments had been exploring measures to provide support for employers and employees concerned and would keep in view the policies in the light of economic change and labour market conditions;</p> <p>(c) PLGS was a short-term measure. The relevant policy bureau would duly consider its future direction. It would provide requisite information on PLGS after the meeting; and</p> <p>(d) the Civil Service Bureau ("CSB") was responsible for coordinating with various policy bureaux and government departments in respect of the implementation of JCS. Some of the time-limited job vacancies were also posted up on the website of the Labour Department ("LD");</p> <p>In response to Mr POON's concern about the number of practitioners engaging in the travel agency, reservation services and related activities sector, the Administration elaborated on C&SD's survey methodology.</p>	Admin
002357 - 003852	Chairman Admin	<p>The Chairman expressed concern about the employment situation in the tourism and aviation sectors with relatively higher unemployment rates. He was concerned about the specific assistance measures targeted at employees in these sectors.</p> <p>The Administration responded that:</p> <p>(a) according to the latest labour force statistics (i.e. provisional figures for March - May 2021) released by C&SD, the unemployment rate for the transportation sector was 6.8%; and</p>	

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		<p>(b) various support measures for individual sectors had been launched by relevant policy bureaux under the Anti-epidemic Fund ("AEF") to provide specific support for employees in different trades and industries. Under the premise of implementing the prevention and control measures for the COVID-19 epidemic and new norm of the industries, some employees might inevitably have to switch their jobs. Notably, LD and the Employees Retraining Board ("ERB") provided respective job vacancy information and training and retraining services in this regard.</p> <p>The Administration's response to the Chairman's further enquiries about the employment statistics compiled by C&SD in respect of the travel agency, reservation services and related activities sector.</p> <p>The Chairman's concern that some employees in industries affected by the epidemic were asked to take no-pay leave. His view that an employee could be regarded as being laid off if the total number of days on which no work was provided and no wages were paid exceeded the stipulated number of days under the Employment Ordinance (Cap. 57) ("EO"). Under such circumstances, it could amount to constructive dismissal and the employer would be required to pay the statutory termination compensation. He called on the Administration to step up its publicity efforts on employees' rights and benefits in this regard.</p> <p>The Administration advised that employers should not vary the employment terms and conditions of their employees unilaterally. Employees who suspected their employment rights being infringed could seek assistance from LD.</p>	
003853 - 004347	Chairman Mr POON Siu-ping Admin	<p>Mr POON Siu-ping's concern and enquiries as follows:</p> <p>(a) the reduction in the total employment for March to May 2021 as compared with those of 2019 and 2020; and</p> <p>(b) whether consideration would be given to implementing another round of the Employment Support Scheme ("ESS") to provide wage subsidies if the epidemic continued to severely affect the economy.</p>	

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		<p>The Administration advised that for March to May 2021, the labour force was 3 863 700 persons, including 3 630 400 employed persons and some 230 000 unemployed persons. The total employment was still below the pre-epidemic level, and labour demand was yet to see a visible rebound.</p> <p>The Administration appealed to members of the public to receive vaccination so as to help control the spread of the epidemic, which was considered critical to economic recovery.</p>	
004348 - 004736	Chairman Admin	<p>The Chairman sought information on the 24 000 time-limited jobs created under JCS which had been filled, including the work types, duration of the jobs and whether they would be extended upon expiry of the specified duration.</p> <p>The Administration advised that most of the time-limited jobs under JCS would last for one year. CSB was following up on the implementation of the scheme.</p> <p>The Administration further advised that LD provided comprehensive and free employment services for job seekers (including employees from industries affected by the epidemic) through its job centres, three industry-based recruitment centres set up respectively for the catering, retail and construction industries, on-line platforms, etc. LD strived to help job seekers secure employment by strengthening its liaison with employers with recruitment needs, stepping up its efforts in canvassing vacancies for job seekers, and organizing various kinds of job fairs to expedite the dissemination of employment information.</p>	
004737 - 005151	Chairman Mr Wilson OR Admin	<p>Mr Wilson OR sought information on the number of applications under the Comprehensive Social Security Assistance ("CSSA") Scheme and the Working Family Allowance ("WFA") Scheme and the average processing time for applications under these Schemes following the implementation of the time-limited relaxation measures. The Administration agreed to provide the requisite information after the meeting.</p> <p>Mr OR strongly called on the Administration to extend the duration of the time-limited special measures under the CSSA Scheme and the WFA Scheme upon their expiry in September 2021 and May 2022 respectively.</p>	Admin

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005152 - 005612	Chairman Admin	<p>The Chairman's view that it was undesirable to maintain the WFA working hour requirements for Higher Allowance at 192 hours per month. He suggested relaxing the working hour requirements to 160 hours per month (i.e. 40 hours per week) so as to address the underemployment situation and the working poor problem.</p> <p>The Administration noted the member's suggestion, and remarked that the objective of the WFA Scheme was to provide different levels of allowance according to the principle of rewarding hard work. Along this vein, it was necessary to maintain the working hour requirements of 192 hours per month for Higher Allowance so as to provide support to lower-income working households with longer working hours.</p>	
005613 - 010303	Chairman Mr Holden CHOW Admin	<p>Mr Holden CHOW's suggestion that the Administration should collate information and analyze the latest employment situation of graduates of ERB's Love Upgrading Special Scheme ("the Special Scheme"), in particular whether those who worked in industries that had been hard-hit by the epidemic had switched to other job types upon completion of the training courses.</p> <p>The Administration responded as follows:</p> <p>(a) all eligible trainees, irrespective of their education attainment, could enrol courses under the Special Scheme to upgrade their skills and receive special allowance for the training concerned;</p> <p>(b) as trainees enrolling courses under the Special Scheme were not required to provide information on their occupations, the Administration was unable to provide information as to whether the graduates had secured employment in other trades. That said, trainees who had completed placement-tied training courses would receive follow-up placement services. The Administration would liaise with ERB in respect of information on the employment situation of those who had completed placement-tied training courses; and</p> <p>(c) LD had been collaborating with various organizations and industries in organizing special employment projects in view of their manpower needs. Notably, Cyberport, LD and ERB had</p>	

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		<p>jointly launched a digital talent cultivation programme "Digital Tech Recruits" in May 2021, which provided tech-related trial opportunities to ERB trainees. During the work trial, participating companies would provide participants with on-the-job training, and assign an experienced staff member to act as their mentor.</p>	
010304 - 011121	Chairman Mr Wilson OR Admin	<p>Mr Wilson OR's grave concern about the lack of sector-specific assistance measures for cross-boundary drivers, having regard to the fact that cross-border transportation trade had been hard hit by the epidemic.</p> <p>The Administration advised that under the third round of AEF, the Commerce and Economic Development Bureau had implemented a one-off subsidy scheme and provided \$6,700 for each tour service coach driver. It was announced in the Chief Executive's 2020 Policy Address that another one-off subsidy of \$6,700 would be provided for each tour service coach driver mainly serving tourists. Given that the cross-border transportation/travel might not be able to resume to normal within a short period of time, industry practitioners might in the meantime consider taking up employment in other trades.</p> <p>Mr OR sought information on the percentage of trainees of the Special Scheme who were travel trade practitioners, together with the types of training courses attended by these trainees. Mr OR and the Chairman were of the view that such information would facilitate drawing up sector-specific assistance measures for employees from industries hard hit by the epidemic.</p> <p>The Administration advised that as explained earlier, it would liaise with ERB in respect of members' request for maintaining and collecting information on the industries in which the trainees worked before attending courses under the Special Scheme.</p> <p>The Chairman called on the Administration to consider relaxing the restriction on the time limit under which graduates of courses under the Special Scheme could enroll for another training course.</p>	Admin
011122 - 011637	Chairman Mr SHIU Ka-fai Admin	<p>Mr SHIU Ka-fai asked whether the number of CSSA unemployment cases had increased in the past year and whether there was a significant proportion of applicants from specific trades and industries.</p>	

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		<p>The Administration advised that while the number of CSSA applications under the unemployment category registered a significant increase as compared with the previous year, there was no obvious quarter-on-quarter increase in the number of CSSA applications. The Administration did not maintain statistics on the industries in which the applicants were previously engaged.</p> <p>Mr SHIU's view that consideration be given to providing temporary emergency unemployment assistance to employees engaged in specific industries amid the epidemic.</p> <p>The Administration's reservation about adopting the suggestion of setting up an emergency or temporary unemployment assistance fund.</p>	
<i>Agenda item II - Any other business</i>			
011638 - 012027	Chairman Mr Wilson OR	<p>Mr Wilson OR's reiteration of his earlier request for the Administration's provision of statistics concerning the Special Scheme.</p> <p>Conclusion of the Subcommittee's work.</p>	