

# 立法會 *Legislative Council*

LC Paper No. CB(1)1678/2024

Ref : CB1/PL/MP

## **Report of the Panel on Manpower for submission to the Legislative Council**

### **Purpose**

This report gives an account of the work of the Panel on Manpower (“the Panel”) during the 2024 session of the Legislative Council (“LegCo”). It will be tabled at the Council meeting of 18 December 2024 in accordance with Rule 77(14) of the Rules of Procedure.

### **The Panel**

2. The Panel was formed by a resolution passed by LegCo on 8 July 1998, as amended on 20 December 2000, 9 October 2002, 11 July 2007, 2 July 2008 and 26 October 2022, for the purpose of monitoring and examining Government policies and issues of public concern relating to labour, manpower planning, vocational training and education, and qualifications framework. The terms of reference of the Panel are in [Appendix 1](#).

3. The Panel comprises 17 members, with Hon LAM Chun-sing and Dr Hon NGAN Man-yu elected as Chairman and Deputy Chairman of the Panel respectively. The membership list of the Panel is in [Appendix 2](#).

### **Major work**

#### Safeguarding employees’ rights and benefits

##### *Review of the “continuous contract” requirement under the Employment Ordinance*

4. The Chief Executive (“CE”) had included the review of the “continuous contract” requirement<sup>1</sup> as one of the labour support initiatives in the 2023 Policy Address. At the meeting held in March 2024, the Administration briefed the

---

<sup>1</sup> Currently, under the Employment Ordinance, employees employed continuously by the same employer for four weeks or more and having worked for 18 hours or more per week (commonly referred to as the “4-18” requirement) are regarded as being engaged under a “continuous contract”.

Panel on the outcome of the discussion of the Labour Advisory Board (“LAB”) on the review of the “continuous contract” requirement under the Employment Ordinance (Cap. 57) (“EO”). Members largely supported the Administration’s legislative proposal that the “continuous contract” requirement be revised by using the aggregate working hours of four weeks as a counting unit and setting the working hour threshold at 68 hours (“4-68”), so as to enable more employees with shorter working hours to enjoy the full range of employment benefits under EO. Members also noted the Administration’s plan to introduce a bill to revise the “continuous contract” requirement into LegCo for scrutiny in the first half of 2025.

5. There was a suggestion that consideration should be given to requiring employers to provide, on a pro-rata basis, benefits enjoyed by employees engaged under a “continuous contract” to employees who worked less than 68 hours in a four-week period, so as to enhance the labour protection for these employees. According to the Administration, one of the principles adopted by LAB in considering the proposed revision to the “continuous contract” requirement was that the revised requirement should be easy to understand and operate for both employers and employees. As the pro-rata provision of benefits enjoyed by employees engaged under a “continuous contract” to employees who did not meet the “4-68” threshold on the basis of the number of hours worked would entail a substantial change to EO, and such a direction might give rise to some unintended effects, LAB found this option undesirable after consideration.

6. Some members expressed concern that as the pace of recovery of the local economy was slower than expected, the implementation of the proposed “4-68” requirement would further increase the operating pressure on employers, in particular those of micro, small and medium-sized enterprises (“MSMEs”), and the rise in operating costs would in turn affect Hong Kong’s competitiveness. There was a view that the Administration should introduce measures to help enterprises adapt to the proposed policy change. Some other members, however, considered that the actual impact of the implementation of the proposed “4-68” requirement on employers would be minimal. According to the Administration, the proposed revision was the consensus reached by LAB after thorough and in-depth deliberations, during which both the employer members and employee members endeavoured to strike a balance between the interests of employers and employees. It was roughly estimated that if the “4-18” requirement was relaxed to “4-68”, the number of employees to be benefited would approximately be 11 400 with an estimated potential additional annual cost on businesses of around \$0.15 billion, which would be a limited impact on enterprises. Meanwhile, this initiative would help attract some individuals to re-enter the labour market, unleashing the labour force and alleviating the pressure of manpower shortages faced by employers.

*Applications to and ex gratia payments under the Protection of Wages on Insolvency Fund*

7. The Administration briefed the Panel on the processing of applications to the Protection of Wages on Insolvency Fund (“PWIF”). Members were pleased to note that the provision of free legal service to applicants by the PWIF Board had been smooth since its implementation, and was effective in expediting the processing of PWIF applications. Members hoped that the Administration could streamline the workflow of vetting and approving PWIF applications, so that ex gratia payments could be released to eligible applicants as soon as possible (e.g. releasing ex gratia payments on arrears of wages within one month for simple and straightforward applications first). They suggested that the Administration should consider engaging the services of more private law firms to further expedite the processing of applications.

8. The Administration advised that with effect from the fourth quarter of 2022, the Labour Department (“LD”) had set two key performance indicators (“KPIs”) for processing PWIF applications, namely: (a) for simple and straightforward applications, the PWIF Application Office would release ex gratia payments within three months upon receipt of the applications; and (b) for non-disputed and substantiated applications, the PWIF Application Office would release ex gratia payments for 90% of the applications within six months upon receipt of them. As at September 2023, both KPIs could be met.

9. Members expressed concern that the abolition of the arrangement of using the accrued benefits of employers’ mandatory contributions under the Mandatory Provident Fund (“MPF”) System to offset severance payments (“SP”) and long service payments might lead to business closures. To enhance the protection of the rights and interests of affected employees, members urged the Administration to expedite its review of the coverage of ex gratia payment of SP under PWIF, and further increase the ex gratia payment ceiling for SP as soon as possible. The Administration advised that it planned to report the review results and recommendations to LAB and the Panel in the fourth quarter of 2024,<sup>2</sup> with the aim of implementing the adjusted ex gratia payment ceiling for SP (if any) around May 2025.

Enhancing the review mechanism of the Statutory Minimum Wage

10. CE in Council had accepted the recommendations made by the Minimum Wage Commission (“MWC”) for enhancing the review mechanism of the Statutory Minimum Wage (“SMW”). At the meeting held in May 2024, the Administration briefed the Panel on the recommendations, including (a) reviewing the SMW rate once a year (“Annual Review”); and (b) adopting a

---

<sup>2</sup> The Panel has scheduled a meeting for 16 December 2024 to discuss the review results and recommendations.

formula<sup>3</sup> for implementing Annual Review. Members noted that the first SMW rate derived under the above recommendations (collectively referred to as “the New Mechanism”) would take effect on 1 May 2026. Members generally recognized the efforts made by MWC and the Administration in enhancing the review mechanism of SMW.

*Formula for adjusting the Statutory Minimum Wage rate*

11. Some members expressed concern that the calculation of the economic growth factor in the formula<sup>4</sup> would make it difficult for grass-roots employees to share the fruits of economic development, because even in years with very good economic performance, the degree of upward adjustment to the minimum wage level arising from the economic growth factor would still be very limited. Some other members were gravely concerned that this mechanism of “allowing increase but not reduction” would prevent the SMW rate from being suitably adjusted downwards in response to unfavourable factors such as an economic downturn or poor business environment, and hence exert certain pressure on the operation of enterprises and even affect Hong Kong’s competitiveness in the long run. There was a suggestion that the Administration should consider introducing measures to ease the operating pressure that enterprises might face under the New Mechanism.

12. The Administration advised that the SMW regime provided a wage floor to protect grass-roots employees, without unduly jeopardizing Hong Kong’s labour market flexibility, economic growth and competitiveness, while minimizing the loss of low-paid jobs. In making the recommendations for enhancing the review mechanism of SMW, MWC had given due regard to the relevant policy objectives and endeavoured to strike a proper balance between the interests of the labour and business sectors. Both the Consumer Price Index (A) inflation and the economic growth factor in the formula were subject to a lower bound of zero, so that employees earning SMW would not have to face any pay cut. The economic growth factor would enable employees to benefit as well when the economic performance of Hong Kong was favourable. The Administration would closely monitor the implementation of the New Mechanism, which was to be reviewed 5 to 10 years after its implementation. As far as Hong Kong’s current business environment was concerned, various measures had been introduced to help local enterprises cope with the manpower shortage problem.

---

<sup>3</sup> The formula consisted of two indicators, namely the headline Consumer Price Index (A) inflation and the economic growth factor.

<sup>4</sup> The formula for the economic growth factor is: [(the growth rate of the real Gross Domestic Product (“GDP”) in the latest year) – (the trend growth rate of the real GDP in the latest decade)] x 20%, subject to an upper bound of one percentage point.

## Measures to trawl for talents and alleviate manpower shortages

### *Work of Hong Kong Talent Engage*

13. According to the Administration, Hong Kong Talent Engage (“HKTE”) would obtain data from major employment and recruitment platforms (e.g. LinkedIn and Liepin, which was widely used in the Mainland); by analysing these data, HKTE was able to have a more accurate picture of where talents in different fields and at different levels congregated, and could thus carry out publicity and promotion activities in a more targeted manner to attract target talents to Hong Kong for development. Members were generally of the view that the key to attracting talents to Hong Kong lay in whether Hong Kong could provide quality job opportunities and long-term development potential. To further enhance talent attraction, members made a number of suggestions, including: ensuring the flow of information so that non-local talents could keep abreast of the latest policies and opportunities in Hong Kong; and introducing more facilitation measures for new migrant talents (e.g. with reference to the practices of some provinces and municipalities in the Mainland, compiling simple and easy-to-understand reference guides and offering time-limited public transport concessions). There was a view that consideration could be given to designating a “Talent Day” in Hong Kong to commend non-local talents for their contributions to Hong Kong. The Administration took note of members’ suggestions.

### *Implementation and effectiveness of various talent admission schemes*

14. Members were concerned about the attractiveness of various talent admission schemes to people from other places. The Administration advised that around 25% of the talents who had come to Hong Kong via different talent admission schemes were foreign passport holders, reflecting the attractiveness of these schemes to both Mainland and overseas professionals. In addition, many of the Mainland talents admitted to Hong Kong had overseas experience. For instance, around 70% of the applicants under Category C of the Top Talent Pass Scheme (“TTPS”) were graduates of overseas universities. A questionnaire survey conducted by the Administration via email in November 2023 among all talents who had arrived in Hong Kong for more than six months under TTPS showed that 54% of the admitted talents had successfully secured employment in Hong Kong. Based on the survey results, it was projected that such admitted talents would contribute directly to Hong Kong’s economy by an amount of some \$34 billion per annum.

15. Members were concerned about the reasons why some of the talents admitted to Hong Kong had not been successful in securing employment, and whether the ancillary measures provided by the Administration in respect of housing and education were effective in retaining talents. The Administration advised that a number of existing talent admission schemes were “employment-

based”, meaning that applicants must have been offered employment before they were eligible to apply to come to Hong Kong. As regards the retention of talents, HKTE would provide incoming talents with information on various fronts to help them integrate into the new environment and settle down in Hong Kong. The Administration believed that the talents were already aware of the relatively high cost of living in Hong Kong before they decided to come, and it was because of their desire for the opportunities in Hong Kong that they still chose to come for development. Pursuing a talent policy similar to those adopted by international metropolises such as New York and London, the Administration would not offer housing or cash allowances to incoming talents, and would not importunately insist on keeping every talent in Hong Kong for development.

16. Some members were concerned about the potential impact of various talent admission schemes on the employment of local people and the upward mobility of young people on the career ladder. They suggested that the Administration should review the Talent List regularly (say every two or three years) to accurately reflect the latest manpower requirements of various professions, so as to ensure that the talents admitted were those really in short supply. The Administration advised that in the current review of the Talent List, it would not only include trades conducive to the development of the “eight centres”,<sup>5</sup> but would also review the existing 51 trades on the list with a view to adding or deleting relevant trades where necessary, so as to effectively meet the manpower needs of Hong Kong. The Administration would endeavour to strike a proper balance between attracting non-local talents and safeguarding the employment of local people.

*New channel to attract technical professionals in specific skilled trades to come to Hong Kong*

17. Some members expressed concern about the Administration’s plan to introduce a new channel under the General Employment Policy and the Admission Scheme for Mainland Talents and Professionals to allow experienced non-degree talents with relevant professional and technical skills to apply for entry into Hong Kong. According to the Administration, the findings of the latest Manpower Projection (“MP”) indicated that there would be an estimated manpower shortage of about 180 000 across all sectors by 2028, with the shortage of technical workers being the greatest, projected to be about 60 000. In view of this, the Administration had decided to introduce a new channel to attract relevant technical professionals to Hong Kong. The Administration’s preliminary idea was to set a quota of around 10 000 in total for the next three years, and the remaining 50 000 vacancies would still have to be filled by the local workforce.

---

<sup>5</sup> The “eight centres” are the East-meets-West centre for international cultural exchange, international aviation hub, international financial centre, international innovation and technology centre, international trade centre, international transportation centre, regional centre for international legal and dispute resolution services, and regional intellectual property trading centre.

The Administration hoped that the young technical professionals admitted to Hong Kong through the new channel could obtain the relevant licences and stay in Hong Kong for long-term development, thereby complementing local technical professionals to inject impetus into Hong Kong's economy.

### *Implementation of labour importation schemes*

18. Some members were concerned that notwithstanding the Administration's requirement that the monthly salaries of workers imported to Hong Kong under the Enhanced Supplementary Labour Scheme ("ESLS") and sector-specific labour importation schemes must be no less than the prevailing median monthly wages of comparable positions in the market, the employment opportunities of some local workers would still be affected. Moreover, pointing out that the unemployment rates in the retail sector and the food and beverage services sector had shown a slight upward trend recently, some members opined that the problem of manpower shortages in individual sectors should be tackled at its root, such as by enhancing vocational training for local workers and encouraging employers to improve the remuneration packages of their employees.

19. Some other members took the view that the aforesaid wage requirement specifically designed for imported workers, coupled with the necessary expenses on the provision of accommodation, medical treatment, etc., would increase the operating costs of enterprises and affect their competitiveness. These members also pointed out that under the Employees Retraining Levy regime, employers had to pay the levy in full in a lump sum (i.e. \$400 per month for the number of months specified in the employment contract) in respect of each imported employee, and the levy paid was not refundable under any circumstances. They suggested that the Administration should allow employers to pay the levy by instalments, so as to ease the financial burden on employers and reduce any possible losses arising from early departure of imported workers.

20. According to the Administration, applicant employers must comply with the various requirements aimed at safeguarding the employment priority for local workers, including the requirements of local recruitment and the ratio of the number of imported workers to the number of local workers. The Administration had no plan to change the relevant payment arrangements under the Employees Retraining Ordinance (Cap. 423). The Employees Retraining Levy would be transferred to the Employees Retraining Fund ("ERF") for providing training and retraining to local workers, with a view to enhancing their employability.

### Manpower Projection

21. The Administration had been conducting periodic MP exercises at the macro level since the 1980s to assess Hong Kong's future manpower supply and requirement trends to provide reference for medium-term manpower planning. In November 2024, the Administration reported to the Panel on the key findings

of the 2023 Manpower Projection (“2023 MP”). Members noted that Hong Kong’s manpower shortage would widen from 50 000 in 2023 (the base year) to 180 000 in 2028, with the projection indicating a particularly severe shortage of “skilled technical workers”, which would account for around one-third of the total shortage in 2028. Concern was raised as to whether the projection findings had reflected the impact of the application of artificial intelligence (“AI”) on future manpower demand. According to the Administration, the manpower supply and demand projections had taken into account the application of AI and automation technologies. It was expected that the application of AI would have a greater impact on mid-to-high-end jobs, whereas automation technologies would have a certain impact on manual labourers.

22. There was a view that the Administration should raise the overall labour force participation rate in Hong Kong and strengthen local training to cope with future labour shortages. Members also suggested that the Administration should review the various talent admission schemes in the light of the projection results to avoid mismatches of manpower resources. The Administration advised that the measures trawling for talents in the past two years had successfully reversed the downward trend in the workforce. According to the findings of 2023 MP, the increase in the labour force of the 35-44 age group and the slowing down of population ageing as a result of the inflow of talents reflected that admitted talents and imported workers had been playing a crucial role in alleviating manpower shortages across various sectors. The Administration would continue to roll out measures to enhance the labour force, and encourage different groups of people to enter the employment market to unleash the potential labour force.

### Employees retraining

23. Members noted the outcome of the comprehensive review of the Employees Retraining Board (“ERB”) and supported the recommendations in the review report. While welcoming ERB’s introduction of a number of short-term measures to enhance its services, including expanding its service target to the entire local workforce aged 15 or above and setting up a new integrated training service and learning centre, members were concerned about whether ERB would have sufficient financial resources to implement such measures in the long run.

24. ERB responded that it was now financially sound and the Administration had undertaken to review the financial position of ERB as and when necessary. The Administration advised that even though ERB would expand its service target to the entire local workforce aged 15 or above in the near future, entailing an increase of 10% in the total number of annual training places provided by ERB, the relevant cost would be within the affordability of ERB. Given that ERF had a balance of over \$13 billion, coupled with the income from the Employees Retraining Levy, the Administration believed that the financial resources of ERB would be sufficient to cover the additional services and the setting up of the new training service and learning centre.



25. Some members urged ERB to preserve its mission, and to take into account the training needs of grass-roots workers in formulating the service contents. ERB advised that in the face of the low local unemployment rate at present and the ever-changing skills requirements of the labour market, it needed to adjust its strategy to provide “skill-based” training courses. Apart from increasing the number of courses suitable for people with higher educational attainments, ERB would continue to provide suitable courses for the unemployed and communities with special needs, including ethnic minorities and new arrivals.

### Employment support services

#### *Re-employment Allowance Pilot Scheme*

26. CE announced in the 2023 Policy Address the implementation of the three-year Re-employment Allowance Pilot Scheme (“the Pilot Scheme”) targeting persons aged 40 or above who had not been in paid employment for three consecutive months or more, with a view to encouraging them to rejoin the workforce. After being briefed on the Pilot Scheme, some members suggested that the Administration should consider expanding the coverage of the Pilot Scheme by lowering the minimum eligible age to 35, so as to further unleash the potential labour force. There was also a suggestion that the Pilot Scheme should be specifically targeted at industries facing labour shortages. In addition, expressing concern that non-permanent residents (including people admitted to Hong Kong under various talent admission schemes) could also participate in the Pilot Scheme if they met the relevant criteria, members were worried that this would affect local workers’ priority in re-entering the employment market. Members also urged the Administration to provide corresponding ancillary services to ensure that the Pilot Scheme could achieve the objective of motivating the elderly and middle-aged to rejoin the workforce.

27. According to the Administration, the Pilot Scheme sought to encourage elderly and middle-aged persons who were legally employable in Hong Kong (irrespective of whether they were permanent residents) to rejoin the workforce, with no restrictions on industries. Different incentives would also be provided to encourage more married women to return to employment. Besides, apart from full-time jobs, the Pilot Scheme also covered part-time jobs and qualified “casual work” to promote the re-employment of target groups. There had been different measures in place to provide after-school care services, day care services, etc. for people in need, so that working carers could achieve a balance between their work and taking care of their families. The Administration would closely monitor the implementation of the Pilot Scheme in order to make appropriate arrangements.

### *Greater Bay Area Youth Employment Scheme*

28. Members enquired whether the Administration would, after relaxing the eligibility requirements of the Greater Bay Area Youth Employment Scheme (“GBA YES”) to allow young people with sub-degree or higher qualifications to join the scheme, liaise with different companies to provide jobs for young people with sub-degree qualifications and those with degree qualifications separately. The Administration advised that it would, in line with the established practice, extensively attract more enterprises to participate in the scheme and encourage enterprises to provide jobs with different academic requirements, so as to support Hong Kong young people to work in the Mainland cities of the Greater Bay Area. Moreover, the Administration advised that it was working out and studying the details of the reciprocal arrangements of GBA YES. As far as the southbound arrangement was concerned, the preliminary idea was to require the Mainland young people participating in the scheme to have a degree or higher qualification, with reference to the northbound arrangement implemented from the early stage of the scheme.

### Occupational safety and health

#### *Hong Kong’s overall occupational safety and health performance*

29. Occupational safety and health (“OSH”) had all along been an issue of concern to the Panel. Members were concerned that despite the commencement of the Occupational Safety and Occupational Health Legislation (Miscellaneous Amendments) Ordinance 2023 (which sought to increase the overall maximum penalties for OSH offences) on 28 April 2023, there was no marked improvement in Hong Kong’s OSH performance. Members urged the Administration to step up publicity and education on OSH, and crack down on duty holders who failed to comply with OSH requirements, be they employers or employees.

30. The Administration advised that since the aforesaid Amendment Ordinance came into force in April 2023, it had stepped up publicity and promotion of the new penalties and continuously disseminated important information on OSH risks to employers and employees. The Administration would continue to pay close attention to the court’s judgments and sentences on relevant cases, so as to assess the actual effectiveness of the new penalties in improving OSH.

#### *Occupational safety in the construction industry*

31. Members urged the Administration to be more proactive in fostering an OSH culture in the construction industry, and step up efforts in motivating the industry to uplift site safety by making good use of innovative technologies and to adopt Design for Safety (“DfS”). To improve site safety, some members suggested that consideration be given to (a) mandating the use of the Smart Site Safety System (“4S”) by contractors and (b) setting up a centralized platform to

unify the management of such systems in one network to enhance supervision. In addition, to facilitate the adoption of 4S across the industry, the Administration could provide suggested options of different combinations of technological devices for the industry's reference. There was a view that the Mainland's approaches to enhancing OSH in the construction industry (e.g. the application of the LCB (i.e. Leadership-Culture-Behaviour) theory developed by Tsinghua University) were worthy of reference by the Administration.

32. Recognizing the utmost importance of building an OSH culture, the Administration would continue to step up the publicity and educational work. LD had been working closely with the Development Bureau ("DEVB") to uplift site safety by promoting the application of innovative technologies. DEVB required all public works projects with a contract sum of over \$30 million to adopt 4S on the one hand, and subsidized the application of 4S in private works projects through the Construction Innovation and Technology Fund on the other hand. Moreover, DEVB and the Construction Industry Council ("CIC") launched the 4S Labelling Scheme in May 2024 as a further step to drive a wider adoption of 4S in the construction industry. To tie in with DEVB's work, LD would, during site inspections, pay attention to whether 4S was being implemented in earnest at the construction sites with labels, and would pass the inspection information to DEVB for appropriate follow-up actions if necessary. DEVB had made it a requirement that public works projects costing over \$500 million must implement DfS. CIC had also rolled out a pilot scheme on DfS in 2024 with the aim of providing advice and assistance to developers of private works projects on implementing DfS. The Administration would continue to uplift site safety by promoting the application of innovative technologies in construction works, and would draw reference from the Mainland's experience in this respect.

33. Members were concerned about the adequacy of the existing OSH training courses provided for practitioners in the construction industry, and urged the Administration to regularly review the course contents, examination methods and quality of trainers. Some members suggested including tests in the courses to enhance workers' safety awareness, as well as strengthening the training of works supervisors. The Administration advised that it would continue to enhance the content of the mandatory basic safety training course for the construction industry (commonly known as "the Green Card course"). As regards quality control, LD conducted monitoring inspections in different modes (including surprise inspections and covert inspections which involved inspecting officers in the guise of course participants), and had recently strengthened the manpower of covert inspections to ensure that the courses were delivered in accordance with the course contents. In case of serious breaches, LD would withdraw the approval for the course provider to run the related training course. In addition, the revised Code of Practice for Bamboo Scaffolding Safety required that all trained workers who performed truss-out bamboo scaffolding work should hold a valid certificate of "Advanced Level Truss-out Scaffolder Safety Training" or "Intermediate Level Truss-out Scaffolder Safety Training" issued by CIC. Apart from assessing the

skills of the workers, the courses would also test their knowledge of occupational safety.

### *Pilot Rehabilitation Programme for Employees Injured at Work*

34. Members noted that the Administration had implemented the three-year Pilot Rehabilitation Programme for Employees Injured at Work (“the Pilot Programme”) since September 2022 to provide timely and coordinated private outpatient rehabilitation treatment services for injured construction employees, and expanded the Pilot Programme to cover the “catering and hotel industry” and the “transportation and logistics industry” from 9 May 2024 onwards. As at the end of May 2024, 868 injured employees had enrolled in the Pilot Programme, and 611 (i.e. around 70%) of them had recovered after treatment. Members were concerned about the progress of treatment of those who had yet to be regarded as recovered under the Pilot Programme, and whether the Pilot Programme would be further expanded to cover other industries.

35. According to the Administration, the Pilot Programme adopted a case management approach to provide rehabilitation treatment services for participating injured employees to facilitate their early recovery and return to work. As the injured employees had enrolled in the Pilot Programme at different times, their recovery progress would vary. The Administration would continue to provide follow-up treatment for those who had yet to recover, and monitor their progress. The Administration would also keep close tabs on the implementation of the Pilot Programme (including the number of participants, service demand and its efficacy) in considering the way forward for the Pilot Programme.

### Regulation of employment agencies

#### *Overall compliance of employment agencies*

36. In this session, the Panel continued to follow up the subject of regulating employment agencies (“EAs”). Regarding members’ concern about LD’s inspection strategy and EA’s irregularities, the Administration advised that LD had been following the risk-based principle in formulating its inspection strategy, and would decide on the follow-up actions to be taken (e.g. the issuance of verbal warnings and written warnings, or even prosecution) according to the seriousness of the irregularities involved. Generally speaking, for irregularities of a less serious nature, LD would issue verbal warnings to the EAs concerned, which would normally be able to make rectifications within a short period of time. The Administration stressed that the overall compliance of EAs had improved in recent years, with the number of prosecutions remaining at a relatively low level. The Administration would keep a close watch on the situation and continue to vigorously combat irregularities of EAs.

*Regulation of employment agencies for placement of foreign domestic helpers*

37. According to the Administration, as at April 2024, there were 3 700-odd licensed EAs in Hong Kong, and nearly half of them were EAs providing foreign domestic helper (“FDH”) placement services (“FDH EAs”). Expressing concern that some FDH EAs had failed to give prospective employers an accurate account of the skills possessed by FDH job seekers, resulting in gaps between the actual work performance of FDHs who had reported for duty and the expectations of employers, members enquired about the Administration’s measures to ensure the accuracy of the relevant information provided by FDH EAs to prospective employers on FDH job seekers’ work experience, skills, etc. to help prospective employers make informed employment decisions. There was a suggestion that the Administration could, for example, put in place a standardized skills test to provide more objective information for prospective employers’ reference.

38. The Administration advised that as stipulated in the Code of Practice for Employment Agencies (“CoP”), EAs should ensure that any information made available to employers (e.g. language and skills assessment reports of FDHs) was consistent with the facts made known to EAs, and should seek clarification and further information from job seekers if there were reasonable grounds to suspect that the information submitted was inaccurate or incomplete. Should there be any irregularities, LD would take follow-up actions. Currently, there were no uniform standards on FDHs’ job skills in Hong Kong or common source countries of FDHs.

39. Members were of the view that the Administration should require FDH EAs to enhance the transparency of their fees, including requiring FDH EAs to set out in service agreements the detailed fees charged for various services and specify which services were essential items. Members also expressed concern about the protection afforded to FDH employers in the event that the FDHs employed had failed to report for duty on time as per the contract. There was a view that the Administration could consider providing reference fee levels for common service items and allowing FDH employers to pay the service fees by instalments, so as to further safeguard employers’ rights and interests.

40. According to the Administration, it was stipulated in the revised CoP promulgated in May 2024 that EAs should include, in service agreements signed with FDH employers, the amount of the fee set for each service category, and clearly state whether a refund or FDH replacement arrangement would be provided where their services were not delivered in full, or the employment contract had been terminated by an FDH prematurely within the contract period. The Administration took the view that as the determination of service fees and payment arrangements was a matter of commercial decision of individual EAs, the regulatory regime should allow flexibility in this respect.

### *Scope of application of the Code of Practice for Employment Agencies*

41. In response to the Administration's introduction of various talent attraction and labour importation initiatives in recent years, EAs providing job placement services for incoming talents and imported workers had emerged. Noting that the business nature of such EAs was different from that of FDH EAs, members suggested that consideration should be given to formulating a separate code of practice for such EAs for more targeted regulation, and stepping up publicity to facilitate the sector's understanding of the points to note in operating such EAs and the requirements of various talent attraction and labour importation schemes.

42. The Administration advised that CoP applied to any "employment agency" as defined under EO (i.e. a person who operated a business the purpose of which was to obtain employment for another person, or to supply the labour of another person to an employer, whether or not the person who operated the business would derive any pecuniary or other material advantage from either the employer or such other person). To facilitate the sector's understanding of the requirements of CoP, LD had been carrying out publicity and educational activities on various fronts, and had strengthened the relevant publicity and educational work in the light of the recent promulgation of the revised CoP. The Administration would, if necessary, consider stepping up publicity among EAs providing job placement services for incoming talents or imported workers.

### Labour relations

#### *Measures to foster harmonious labour relations*

43. The Administration briefed the Panel on the measures taken by LD to foster harmonious labour relations. Members generally opined that the Administration should play a more active role in fostering harmonious labour relations and further promote the tripartite consultative mechanism among employers, employees and the Government, thereby encouraging a sense of cooperation on an equal footing between employers and employees as well as facilitating the forging of consensus between them on labour issues. Some members expressed concern that as LAB was a non-statutory body which was not vested with statutory functions or powers, it could not effectively perform its due functions in respect of certain major labour policies. Some other members, however, considered the existing mechanism of LAB effective as it could enable employee and employer representatives to forge consensus on labour issues of mutual concern through candid communication. The Panel passed a motion urging the Administration to enhance the functions of LAB and explore ways to promote the tripartite consultative mechanism.

44. The Administration responded that it was committed to promoting tripartite dialogue and consultation among employers, employees and the Government on labour matters and employment issues. In particular, LAB was a highly representative tripartite consultation platform for representatives of employers

and those of employees to participate on an equal footing and advise the Government on labour issues. Members of LAB could also initiate agenda items for discussion at LAB meetings. In addition, LD had set up nine industry-based tripartite committees for members to discuss issues of common concern to their industries. The principle of tripartite consultation had been adopted by other consultative bodies on labour issues as well.

*Promoting good human resource management and family-friendly employment practices*

45. Members noted that following the launch of the Good Employer Charter (“GEC”) in 2017 and 2020, LD had launched afresh GEC 2024 as an ongoing effort to promote the adoption of good human resource management (“GHRM”) and the implementation of family-friendly employment practices (“FFEPs”) by employers of different scales in various industries. Members suggested that the Administration should introduce a “Good Department Charter” to encourage government departments to promote GHRM and FFEPs wherever practicable without compromising public services. According to the Administration, the SAR Government had always endeavoured to create a family-friendly working environment for its employees. The Civil Service Bureau had announced the provision of marriage leave and compassionate leave for government employees from April 2024 to meet their family needs. The Administration would continue to enhance communication with government employees and adopt comprehensive FFEPs for them.

46. Members also made a number of suggestions on how the Administration could step up the promotion of GHRM and FFEPs, including: analysing the information obtained from GEC 2024 to collate data on GHRM and FFEPs adopted by signatories (especially MSMEs), and mounting a public promotion campaign based on the data to publicize the cost-effectiveness of implementing such practices; inviting MSME signatories of GEC to share their successful experience in implementing such practices with the resources required, so as to entice more MSMEs to join the cause and implement GHRM and FFEPs; classifying signatories into different tiers to enhance public recognition of them; setting out the list of signatories on the websites of LD, HKTE, etc. to help job seekers identify good employers; and organizing a “Good Employer Recognition Scheme” to recognize employers’ contributions. The Administration took note of members’ views, and advised that LD would widely publicize through various channels the exemplary experience of signatories of GEC 2024 in implementing GHRM and FFEPs, with a view to fostering harmonious labour relations.

*Measures to promote sound trade union management*

47. Members supported the measures taken by the Administration to discharge its duties of supervision, regulation, etc. over national security matters relating to trade unions. Members noted that in the wake of the “black-clad violence”

incidents in 2019, the Registry of Trade Unions (“RTU”) had received over 4 000 registration applications in just a few months, representing a big jump over the yearly average of 15 or so in the past, and among these applications, hundreds of trade unions had been successfully registered. Members were concerned as to whether the vetting and approval criteria adopted by RTU were laxer than before. In their view, RTU should take special follow-up actions to review whether those hundreds of trade unions had been used for illegal purposes.

48. According to the Administration, RTU adopted targeted enforcement strategies pursuant to the risk-based principle (including conducting visits to trade unions, vetting and registering their rules, and examining their annual statements of accounts) to ensure that trade unions’ conduct of activities was in compliance with relevant laws and their constitutions. Moreover, RTU would proactively monitor trade unions for any activities suspected to be in breach of the Trade Unions Ordinance (Cap. 332) (“TUO”) and/or inconsistent with their registered constitutions, and take timely follow-up actions.

49. Members remarked that some trade unions in Hong Kong had all along maintained connections and exchanges with trade unions or relevant professional bodies in the Mainland and around the world. Given that the Safeguarding National Security Ordinance expressly stipulated that local organizations should not have any connections with political organizations of external places, members considered that the Administration should provide concise guidelines for trade unions so as to avoid inadvertent contravention of the law on their part. There was a view that the Administration should step up publicity and education to promote trade unions’ understanding about their obligation of safeguarding national security when launching trade union activities.

50. The Administration advised that under the existing TUO, a registered trade union might become a member of an organization of workers or employers, or a relevant professional organization, which was established in a foreign country. RTU was actively taking forward amendments to TUO to strengthen the statutory powers of the Registrar of Trade Unions in supervising and regulating trade unions for safeguarding national security. When drawing up the legislative amendment proposals, the Administration would take reference from the relevant provisions of the Safeguarding National Security Ordinance, and pay due regard to employees’ rights and freedoms to form and join trade unions pursuant to the Basic Law, the Hong Kong Bill of Rights Ordinance (Cap. 383) and relevant international conventions. The Administration further advised that RTU would organize training courses regularly to explain to trade union officers and paid staff the relationship between TUO, the Law of the People’s Republic of China on Safeguarding National Security in the Hong Kong Special Administrative Region and trade unions, as well as other topics. The Administration would also be pleased to organize more publicity and educational activities with trade unions and labour organizations to enhance stakeholders’ knowledge and understanding of national security and trade union administration.



### Other issues

51. The Panel received a briefing on the 2024 Policy Address, and discussed the funding proposal for the subsidy payout and engagement of a processing agent in respect of the Subsidy Scheme for Abolition of MPF Offsetting Arrangement to be implemented by LD. The Administration was urged to step up publicity among industries and trades on the relevant supporting measures to tie in with the abolition of the MPF offsetting arrangement on 1 May 2025. The funding proposal was approved by the Finance Committee on 22 November 2024.

### Subcommittee formed under the Panel

52. In this session, the Panel appointed the Subcommittee on Issues Relating to Human Resources Training and Planning (“the Subcommittee”) to conduct in-depth study and analysis on human resources training and planning in Hong Kong, and to explore and give timely advice for reference on the areas of manpower supply and demand, education and training, talent admission, job market development, etc. The Subcommittee commenced its work in June 2024. The issues studied by the Subcommittee so far include trends and changes in Hong Kong’s manpower supply and requirements, and the findings of the Survey on the Training Needs of the Local Workforce.

### Meetings held

53. During the period between January and November 2024, the Panel held a total of nine meetings. The Panel has scheduled another meeting for 16 December 2024 to discuss the Administration’s reviews of: (a) the coverage of ex gratia payment of SP under PWIF; and (b) the levels of compensation under the Employees’ Compensation Ordinance, the Pneumoconiosis and Mesothelioma (Compensation) Ordinance and the Occupational Deafness (Compensation) Ordinance.

Council Business Divisions  
Legislative Council Secretariat  
11 December 2024

**Legislative Council**

**Panel on Manpower**

**Terms of Reference**

1. To monitor and examine Government policies and issues of public concern relating to labour, manpower planning, vocational training and education, and qualifications framework.
2. To provide a forum for the exchange and dissemination of views on the above policy matters.
3. To receive briefings and to formulate views on any major legislative or financial proposals in respect of the above policy areas prior to their formal introduction to the Council or Finance Committee.
4. To monitor and examine, to the extent it considers necessary, the above policy matters referred to it by a member of the Panel or by the House Committee.
5. To make reports to the Council or to the House Committee as required by the Rules of Procedure.

**Panel on Manpower**

**Membership list for the 2024 session\***

<b>Chairman</b>	Hon LAM Chun-sing
<b>Deputy Chairman</b>	Dr Hon NGAN Man-yu
<b>Members</b>	Hon KWOK Wai-keung, BBS, JP Hon SHIU Ka-fai, BBS, JP Hon LUK Chung-hung, JP Hon Doreen KONG Yuk-foon Hon CHU Kwok-keung Ir Hon LEE Chun-keung, JP Hon CHAU Siu-chung Hon Dennis LEUNG Tsz-wing, MH Hon Kenneth LEUNG Yuk-wai, JP Hon Lillian KWOK Ling-lai Hon Kingsley WONG Kwok, BBS, JP Hon TANG Fei, MH Hon LAI Tung-kwok, GBS, IDSM, JP Hon SHANG Hailong Prof Hon CHAN Wing-kwong  (Total : 17 members)
<b>Clerk</b>	Miss Connie AU (up to 30 June 2024) Ms Jessica CHAN (since 1 July 2024)
<b>Legal adviser</b>	Mr Alvin CHUI

\* Changes in membership are shown in the Annex to Appendix 2.

## Annex to Appendix 2

### Panel on Manpower

#### Changes in membership (Year 2024)

Member	Relevant date
Hon TANG Fei, MH	Since 16 January 2024
Hon Tommy CHEUNG Yu-yan, GBM, GBS, JP	Up to 7 April 2024
Ir Hon LEE Chun-keung, JP	Since 8 April 2024