



**Submission on the Suspension of the Obligation on Employers of
All Imported Labour to Pay the Employees Retraining Levy**

31 October 2008

1. Our position

The Hong Kong Unison **supports** the suspension of the obligation on all employers of foreign domestic workers (FDWs) to pay the Employees Retraining Levy (levy), and strongly urge the Government to abolish the levy permanently.

2. Current policies not fair to employers of FDWs

We opines that the levy is not fair to the employers of FDWs. Employees retraining should be the obligation of the Government and all the employers. However the Government selectively requires only the employers of FDWs to pay the levy. Employers of FDWs are subsidizing all other employers to retrain the employees.

The target group of Employees Retraining Board (ERB) now is so broad to include people aged 30 or above with low skill and qualification, young people aged 15 to 29 and those with education up to the sub-degree level. This illustrates the fact that general employees from different age groups and employment sectors are given the resources for retraining from the ERB. It is unfair and unjust to require only the employers of FDWs to be responsible for the retraining of local employees. All employers should be obliged to employees retraining.

3. Current policies not fair to FDWs

3.1 *Further exploitation to low-waged FDWs*

While some of the law-abiding employers of FDWs take the responsibility to retrain the local employees, some other employers put the burden to their FDWs by deducting their salaries. It means that their low salary beforehand would be further minimized. FDWs can only get a very low salary by leaving their home countries and working very hard in local families. It is inhuman and unjust to further exploit them by the levy.

3.2 *FDWs are not competing with local employees*

FDWs have to suffer from long working hour, low salary as well as low social status and harsh working environment. Most of the local employees are not willing to work in this field. Even they reluctantly accept to work as domestic helpers, most of them only treat the jobs as temporary and part-time jobs. Many employers would like to recruit full-time workers to build up a long-term and trustful



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relationship. A few local full-time domestic workers with satisfactory performance cannot meet the demands.

3.3 Imposed responsibility as illogical

Many families with elders, chronic patients, mentally incapacitated persons, disabled persons and infant children need the help of domestic workers. These families require the domestic workers to move into their households to stand by at any moment. It is ridiculous to retrain the local employees as traditional Chinese domestic workers (“Ma Jie” in Cantonese), which is hard to find in current Hong Kong society. It is also difficult to imagine that many employers would accept or succeed in recruiting a local domestic worker to live together. In other words, it is illogical to assume FDWs would affect the job opportunities of local employees, and then conclude to the point that FDWs are obliged to share the burden of training/retraining the local employees.

4. Government and general employers are responsible to ensure adequate and stable resources of ERB

While facing the restructuring of Hong Kong’s economy and society as well as the international financial crisis, the role of ERB is getting important. Therefore we agree the role of the Administration to improve the quality of local employees. However, such important mission needs the co-operation of all sectors in Hong Kong. Putting the financial responsibility of the ERB to the unprivileged FDWs and their employers shows the Government’s injustice and its lack of comprehensive planning. The Government does not utilize the financial resources from all the employers in the society (e.g. profit tax) and other taxes and resources to ensure adequate and stable resources in long-term. Such assurance could satisfy the need of employees retraining, which is beneficial to the economic and societal development. Retaining the current practice actually impairs the ideas which are more reasonable and appropriate.

The Government should be responsible to establish a more reasonable and appropriate way to implement the employees retraining. It is natural to support the employees retraining by general employers and tax revenues. We hope the officials of related bureau would take a reasonable measure to resolve the controversies and injustice brought by current policy.

In this transitional period, the Government should suspend the unreasonable and controversial levy. It should utilize the accumulated \$4.7 billion to support the ERB in coming few years, and take the opportunity to study how to open up extra resources to resolve the resource problem.

