

LegCo Panel on Manpower

**Report on the progress of policy initiatives for the 1999-2000 session
and policy programmes/reviews for the 2000-2001 session**

Introduction

At the special meeting of the Legislative Council Panel on Manpower held on 13 October, Members were briefed on the manpower and labour policy initiatives of the Education and Manpower Bureau for 1999-2000 and 2000-2001. This paper sets out the progress and future plans of these key initiatives for Members' reference.

(I) Employment

Creating New Job Opportunities

2. The Task Force on Employment, led by the Financial Secretary, made good progress over the past year in its efforts to ease unemployment through a wide range of measures. These include accelerating public works and infrastructural projects, strengthening employment services, enhancing vocational training and employees retraining, promoting continuing education and combating illegal employment.

3. In the 2000 Policy Address, the Chief Executive announced a further package of job creation projects. The package aims to enhance social and community service provisions whilst at the same time creating new jobs. It is estimated that about 7,000 new jobs will be created by these measures. A further 8,000 jobs are expected to be available next year in other expanded service areas. Subject to the Legislative Council's funding approval, the total number of job opportunities provided by the Government next year will be around 15,000. This does not include the tens of thousands of jobs to be

created for various Government infrastructure projects.

(II) Assessment of Manpower Needs

New Trends

4. Looking ahead, with the opening up of the Mainland market, the restructuring of the local economy and the advancement in science and technology, there will be an upsurge of manpower demand in industries relating to information and high value-added services. On the other hand, elementary workers with low skills and low educational attainment will need to upgrade their skills as soon as possible to enhance their competitiveness in employment.

Manpower Studies

5. To gain a clearer picture of Hong Kong's future manpower needs and identify potential gaps between supply and demand, the Education and Manpower Bureau, in collaboration with the Government Economist and relevant bureaux and departments, have conducted an assessment of our future manpower requirements by broad industries, occupations and educational levels in the next five years. In addition, we have collected views regarding local employment prospect and future training needs of workers through a household survey and business establishment survey as well as extensive consultations among employers' associations and labour organizations. In parallel we have commissioned academics to carry out a special study to look into the employment prospect of middle aged workers. These two studies are near completion and the findings will be used as an important reference for formulating training and retraining strategies in the longer term. We plan to brief this Panel on the outcome of these studies before the end of this year.

6. Last July, we briefed this Panel on the findings of the consultancy study on the best overseas practices in manpower forecasting. In the light of the consultant's advice, we have introduced some improvements to the existing manpower forecasting methods. In addition, we will examine the feasibility of developing an econometric

model as an additional manpower forecasting tool for Hong Kong.

7. To gain a better understanding of the potential of the local domestic helper market, a survey will be carried out by the Census and Statistics Department before the end of 2000. Information will be gathered on the requirements and expectations of employers and potential employers of domestic helpers and the number of people willing to take up employment as domestic helpers. The survey findings will be used to help improve training programmes and promote the use of local domestic helpers. The findings of the survey are expected to be produced within the first quarter of 2001.

(III) Foster a Skilled and Dynamic Workforce

Vocational Training

8. In June 2000, the Administration and the Vocational Training Council (VTC) concluded a new Memorandum of Administrative Arrangements (MAA). The MAA provides a more clearly defined framework for the relationship between the Administration and the VTC and sets out in detail the responsibilities of each party. The MAA also stipulates the new funding arrangements for the VTC in the form of a lump sum subvention. This new mode of subvention gives the VTC the flexibility and resources to respond promptly to the rapidly changing service needs.

9. Under the new, more flexible funding mode, the VTC proposes to enhance its services in the coming year in a number of areas, including the development of an e-learning portal for delivering VTC courses on the Internet; setting up an IT Skills Assessment Test Centre to develop an effective skills assessment mechanism for IT practitioners; and strengthening of vocational education and training programmes in Chinese medicine and vocational English. To enhance the quality of teaching and learning, the VTC is implementing a \$176 million three-year strategy to enhance its IT infrastructure and services. The enhancement programme is scheduled to be completed by 2003-04.

Employees Retraining

10. In the past year, the Employees Retraining Board (ERB) has completed the course restructuring, standardisation and modularisation exercise in respect of the major course categories. Corresponding training manuals have been or are being developed for specific course categories to ensure the attainment of a common standard which would enhance the quality and recognition of retraining courses. The ERB has also increased the number of tailor-made and full-time retraining courses to meet the needs of the unemployed. To demonstrate the Government's long-term commitment to the provision of retraining service, we propose to provide recurrent subvention to the ERB from the 2001-02 financial year onwards. The subvention in the first year amounts to \$400 million. With a more stable source of income, the ERB will be in a better position to conduct longer term forward planning and respond to market needs more promptly and flexibly. With the new funding arrangement, we will draw up a Memorandum of Understanding with the ERB, setting out key service requirements and performance indicators to ensure the effectiveness of retraining work.

Start-up Fund for Retrainees

11. To encourage retrainees to start their own business, the ERB has introduced self-employment retraining courses, covering areas such as domestic helper service, home/office repair and maintenance, cleansing as well as hairdressing and beauty services. To tie in with this new initiative, we are considering, together with the ERB, the establishment of a revolving start-up fund to provide concrete assistance to retrainees who wish to start their own business. Forms of assistance may include loans for the purchase of the necessary equipment, provision of common facilities and other supporting services. We are examining the implementation details and related legal matters. We plan to brief this Panel of our proposal early next year.

Skills Upgrading Scheme

12. In the face of the ongoing economic restructuring and the

increasing application of technologies in different production processes, we need to help employees of different industries to adapt to the new mode of working, and on the other hand provide the necessary manpower resources for the growing industries. To this end, we have earmarked \$400 million for the provision of focused skills training for the employed and unemployed with secondary or below educational level. The aim is to upgrade their job skills to meet the needs of the industries.

13. During the next six months, we will set up a steering committee and will consult the industries affected by the economic restructuring on the skills upgrading needs of their elementary workers before working out the appropriate programmes and the training mode. Subject to market response, particularly the co-operation of employers, we estimate that about 50 000 people will benefit from the scheme in the coming two years. We expect the first batch of courses to commence in the second quarter of next year. We plan to brief this Panel of the steering committee's proposal in due course.

Pre-employment Training of Young School Leavers

14. In September last year, we launched a massive, six-month Youth Pre-employment Training (YPT) Programme which provided young school leavers mainly aged between 15 and 19 with a wide range of employment-related training to enhance their work-related skills thereby improving their employability and competitiveness. The first Programme was completed in March. A comprehensive review undertaken in April revealed that the Programme enjoyed enthusiastic support from all quarters of the community.

15. This year, in view of the Programme's popularity, we have decided to provide a funding of \$246 million for the Programme to continue for another two years to benefit 24,000 young people. We have also introduced a new component of on-the-job training to the YPT Programme. This new element provides a three-month on-the-job training opportunity for YPT retrainees, further improving their chances of employment. The first phase of this year's YPT Programme has already started in early October and met with enthusiastic response.

IT Manpower

16. Last February, we briefed this Panel on the outcome of the consultancy study on the manpower and training needs of the IT sector. To meet the needs of the IT sector for trained manpower, we will seek to follow up on the recommendations of the study on IT manpower and training needs which are considered feasible in collaboration with relevant government bureaux and departments. In this connection, a Task Force of IT Manpower comprising both official and non-official members has been set up under the aegis of the Information Technology & Bureau Infrastructure Advisory Committee to examine critically the above consultancy report with a view to taking forward the recommendations.

(IV) Promote Good Employer/Employee Relations

Promoting Tripartite and Labour-Management Communication

17. Good progress has been made in this area. The Labour Department (LD) has in the past year set up four new tripartite committees in industries including property management, printing, hotel & tourism and cement & concrete. Altogether, LD has set up a total of eight tripartite committees for important trades/industries and these have served as useful forums for the parties to discuss issues of mutual concern and have contributed significantly to promoting tripartite communication between employers, employees and the government on employment matters at the trade/ industry level.

18. To encourage effective labour-management communication and enhance better understanding of the Employment Ordinance amongst small and medium sized enterprises (SMEs), the LD has organized a series of promotional activities to reach out to over 90,000 SMEs. These activities, including the intensive programme of “Labour Relations – Small and Medium Sized Enterprises 2000” have received favourable response. The first Good People Management Award was launched in 1999 to encourage and commend employers who had made outstanding achievements in good people management practices.

Enhancing Understanding of Employees' Rights and Benefits

19. In addition to the promotional activities targeting at SMEs, the LD is compiling a comprehensive guide on employees' rights and benefits which will be distributed to employees and their organisations before the end of this year and uploaded to the LD's homepage on the Internet for wider public access.

20. In the coming year, the LD will undertake the following initiatives as part of its continuous efforts in promoting good employer/employee relations:

- (a) to promote workplace consultation and co-operation at the enterprise level by producing a promotional video on workplace consultation and publishing a new practical guide on the benefits, modes and points to note in workplace co-operation;
- (b) to further strengthen voluntary co-operation between employers, employees and the government on employment matters at the trade/industry level by producing, in co-operation with the industry-based tripartite committees, practical guides on subjects of mutual concern, preparing a Code of Labour Relations Practice and producing a CD-ROM on leave rostering for the catering trade;
- (c) to promote the importance of distinguishing employer/employee relationship from contractor/sub-contractor relationship through a series of promotional activities;
- (d) to produce a resource kit to promote sound trade union administration and responsible trade unionism; and
- (e) to consider appropriate strategies for promoting effective communication and voluntary negotiation in the light of the results of a survey on "Communication and Human Resources: Hong Kong Style", which has been conducted to study current practices of communication, consultation and voluntary negotiation at the workplace level.

(V) **Enforce employee rights and benefits**

Protecting Employees' Rights and Benefits

21. During the last legislative session, we introduced into the Legislative Council a bill to amend the Employment Ordinance to clarify that an employer may not summarily dismiss an employee without notice or payment in lieu of notice on the ground that the employee takes part in a strike, so as to prevent unnecessary misunderstanding between employers and employees. The bill was passed by the Legislative Council on 26 June 2000 and came into effect on 7 July 2000.

22. We plan to introduce a bill into the Legislative Council in 2001 to amend the Employment Ordinance to empower the Labour Tribunal to make an order of reinstatement or re-engagement for cases involving unreasonable and unlawful dismissal without the need to secure the consent of the employer. This will enhance the protection for employees who have been unreasonably and unlawfully dismissed by their employers.

23. During the course of last year, the LD carried out a feasibility study to examine the recognition of Chinese medicine in labour legislation. The study has been completed and we are consulting the insurance industry, the Hospital Authority and the Pneumoconiosis Compensation Fund Board with a view to taking forward the recommendations of the study. On the basis of the outcome of the consultation, we will recommend the necessary legislative amendments and consult the Labour Advisory Board (LAB) and this Panel accordingly.

24. On protection of wages, we will also work closely with the Protection of Wages on Insolvency Fund Board to conduct a review of the financial position of the Protection of Wages on Insolvency Fund to ensure that it can meet current and future demands.

Employees' Compensation

25. With respect to employees' compensation, we introduced

legislative amendments to improve the mechanism for settlement of compensation for fatal cases under the Employees' Compensation Ordinance in the 1999-2000 legislative session. These improvements came into effect on 1 August 2000 and are expected to speed up the processing of uncontested fatal compensation claims by 9 to 15 months.

26. As for the Employees Compensation Assistance Scheme, which is faced with financial difficulties, we have obtained the approval of the Finance Committee in June 2000 to provide a bridging loan of up to \$60 million to the Employees Compensation Assistance Fund Board to tide over its cash flow problem. We have also consulted interested parties on the consultancy review on the Scheme and are preparing the reform package to modify the Scheme with a view to enabling it to be financially viable in the long term. After consultation with the LAB, we plan to consult this Panel before introducing the necessary legislative amendments in 2001.

27. We will also review the levels of compensation under the Employees' Compensation Ordinance and the Pneumoconiosis (Compensation) Ordinance in 2000. The purpose is to maintain the value of the compensation in line with wage or price movement. We plan to consult this panel after consultation with LAB.

Combating Illegal Employment

28. The LD has kept up its efforts in combating illegal employment. During last year, the LD conducted numerous inspections and monthly campaigns to combat employment of illegal workers. The LD also staged special campaigns to target at trades and districts that are more prone to illegal employment. A total of 116 328 inspections were conducted for this purpose from January to September 2000.

(VI) Deliver an efficient employment service

Improving Effectiveness of Employment Services

29. The LD has, in the past year, made great efforts in strengthening and further improving the efficiency of its employment

services. The service has successfully helped 59 048 job-seekers find employment which is 40% more than the same period a year ago. It has revamped the Job Matching Programme whereby job-seekers may obtain the latest information about the current labour market and receive core skills training in group counselling sessions conducted by placement officers. It has also developed a dedicated website for employers and job-seekers of the construction industry, which has become operative since July 2000. The re-provisioning and integration of Job Centres of the Employment Services Division with offices of the Labour Relations Division and the Careers Information Centres is progressing well. By September 2000, integration for four Job Centres and offices of the Labour Relations Division and Careers Information Centre have been completed to provide a one-stop service for members of the public seeking employment and labour relations services.

30. In the coming year, a major initiative will be to develop an Employment Information Super Highway by hyperlinks with nine other employment websites, and to allow private employment agencies to post their vacancies free of charge. This will significantly enhance the coverage and hence usefulness of LD's employment website. The Department will also step up its efforts in attracting more overseas investment through the provision of a one-stop information centre on labour-related matters to the business community by developing a web site "Labour Department's Cyber Resource Centre for Business".

Employment Services for the Disabled

31. The LD also renders an effective employment services for the disabled. In November 1999, the computerisation programme of the four offices of the Selective Placement Division was completed and became fully operational. The programme has significantly improved the efficiency of the placement service for job-seekers with a disability. The placement rate of job-seekers with a disability registered with the LD in the twelve months ending August 2000 reached 54.5%, which was much higher than the 39.4% in the preceding twelve months. 3 491 job-seekers with a disability were registered with the Selective Placement Division and 1 902 of them were successfully placed.

32. In September this year, the LD launched a Placement Trial Scheme to promote the employment opportunities of people with a disability. Job-seekers with a disability will be placed in jobs offered by participating employers for a trial period of one month. Employers would receive a small financial incentive equaling half of the wages paid in the trial period with a maximum of \$3,000. A previous project for the mentally handicapped job-seekers had proved that such trial placement scheme is very effective in enhancing employers' understanding of the working abilities of people with a disability, thereby promoting their employment opportunities. We expect 200 to 300 disabled job-seekers to benefit from this Scheme.

33. The LD will develop and implement a new Self-help Integrated Placement Service (SHIPS) to improve the job-searching skills of job-seekers with a disability so as to further enhance their employment opportunities.

Pilot Project for Long-term Unemployed People

34. The Government will step up its efforts to help the long-term unemployed get back to work. In the coming year, the Labour Department will launch, on a trial basis, a new project focusing on unemployed people aged 40 and over who have been actively looking for jobs with the help of the Labour Department for more than 3 months. The project will comprise of four core components:

- (i) counseling service;
- (ii) pre-employment training;
- (iii) full-time employment with induction training for one month;
and
- (iv) follow up service for three months.

In-depth employment counseling will be given by the placement officer. Where necessary, counseling by social workers will also be provided. The basic pre-employment training will be a one-week intensive training covering such core skills as work attitude, work habits, communication skills, service skills and EQ training. Placement officers will prepare a training needs profile for each individual participant on the basis of his

own assessment as well as feedback from recruitment officers after job interviews attended by the unemployed job seeker. On the basis of such profiles, trainers will adjust the details of the training programme to meet the specific needs of individual participants in each course. The placement officer may also refer, whenever appropriate, a long-term unemployed person to attend a skill training course under the ERB or any other publicly funded training scheme.

35. Labour Department will invite employers with suitable vacancies to employ the participants at the market rate for a trial period of one month. Participating employers will be requested to provide comprehensive induction training to these workers during the 1-month work trial. Labour Department will provide technical assistance to employers in preparing their induction training. The project will offer employers for each job opening a training grant of \$2,800 to cover the costs of induction training. Participating workers will be assisted by trainers who will follow up and help them smoothen out any adjustment problems that may arise during the first three months. The pilot project aims at serving 2,000 clients in a year on a budget of \$9.8M.

(VII) Promote and Regulate Safety and Health at Work

Safety Record Improved

36. There has been a significant improvement in our safety record in 1999. The number of fatal and non-fatal industrial accidents in 1999 dropped by 23.5% and 16.4% respectively from the 1998 figures. Overall, the number of industrial accidents and the accident rate per 1000 workers fell by 16.4% and 14.9% respectively compared with the figures of 1998.

Enhancing Occupational Safety Standards

37. In the 1999-2000 legislative session, the Legislative Council approved the Factories and Industrial Undertakings (Amendment) Ordinance 2000 to remove the six-month time bar on prosecuting proprietors of notifiable work places for failure to meet the notification requirement under the Ordinance. The Legislative Council also

approved two new regulations under the Factories and Industrial Undertakings Ordinance, namely,

- (a) the Factories and Industrial Undertakings (Safety Management) Regulation which requires construction sites, shipyards, factories and designated undertakings which have 50 or more employees to implement a safety management system; and
- (b) the Factories and Industrial Undertakings (Loadshifting Machinery) Regulation, which provides for training and certification for operators of fork-lift trucks and earth-moving equipment.

38. The Subcommittee on Regulations relating to Occupational Safety and Health of the Legislative Council also studied the draft Factories and Industrial Undertakings (Medical Examinations) Regulation, which requires workers in designated hazardous occupations to undergo pre-employment and periodic medical examinations by Appointed Medical Practitioner (AMP). A worker may be suspended from work on the recommendation of the AMP. As such suspension may break his continuity of employment, we have undertaken to address the issue through legislative amendments. However, the amendments could not be pursued within the 1999-2000 legislative session. We will introduce the necessary legislative amendments as early as possible in the second half of the 2000-01 legislative session. Upon enactment of such amendments, we will re-introduce the Regulation into the Legislative Council.

39. In addition to the above, we also plan to introduce the following regulations regarding occupational safety and health -

- (a) the Occupational Safety and Health (Display Screen Equipment) Regulation to protect the safety and health of habitual users of display screen equipment. The Panel was briefed on the proposal in November 1999. We plan to introduce the Regulation into the Legislative Council within 2000;

- (b) the Occupational Safety and Health (Personal Protective Equipment) Regulation to ensure that, where necessary, employees are provided with suitable personal protective equipment and given adequate information, instruction and training on the use of such equipment. The Panel was briefed on the proposal in January 2000. We plan to introduce the Regulation into the Legislative Council in early 2001;
- (c) an amendment regulation to amend the Factories and Industrial Undertakings (Safety Officers and Safety Supervisors) Regulations to enhance the powers and training of safety officers and to extend the coverage of the Regulation to the container-handling industry. The Panel was briefed on the proposal in March 2000. We plan to introduce the Regulation into the Legislative Council in the second quarter of 2001; and
- (d) a new regulation under the Factories and Industrial Undertakings Ordinance to require workers engaged in gas welding and flame cutting process to undergo safety training and to possess a certificate. We intend to brief the Panel in early 2001 and introduce the Regulation into the Legislative Council towards the end of the 2000-01 legislative session.

Education and Manpower Bureau
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