香港工業總會 Paper No. CB(Federalion of Hong Kong Industries

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Dr the Hon. Lo Wing-lok
Chairman
Bills Committee on the Occupational Deafness
(Compensation) (Amendment) Bill 2002
Legislative Council
Legislative Council Building
8 Jackson Road
Hong Kong

Dear Dr Lo,

Occupational Deafness (Compensation) (Amendment) Bill 2002

The Federation of Hong Kong Industries is pleased to submit the following views for the consideration of the Bills Committee on the Occupational Deafness (Compensation) (Amendment) Bill 2002.

To start with, we would like to express our support for the Government's proposals to improve the compensation benefits for successful claimants under the Occupational Deafness Compensation Scheme, including the addition of a new benefit which allows reimbursement of expenses incurred in purchasing, repairing and replacing hearing assistive devices. Under the present Bill, such reimbursement would be subject to a maximum ceiling of \$15,000 for each applicant and a ceiling of \$6,000 for the initial purchase.

We understand that the Bill Committee has consulted relevant parties on the Bill earlier this year and that some of these groups have urged the Government to revise upward or remove these ceilings. At its meeting held on 30 January 2003, the Labour Advisory Board, of which I am a member representing the Federation, was consulted by the Labour Department on a new proposal to revise the maximum reimbursement ceiling to \$18,000 and the ceiling for initial purchase to \$9,000. According to the Labour Department, the rationale for such increases was that the use of new special devices operating on the principle of electromagnetism would effectively improve the transmission of sound to a deaf person wearing a hearing aid and the total installation costs for such devices were about \$3,000. The Labour Department's views were supported by an audiologist attending the meeting.

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Having considered the Government's explanation, the audiologist's expert opinions and the communication needs of claimants, members of the Labour Advisory Board, including employers' representatives, finally accepted the proposed increases. However, we must emphasise that to increase each of the reimbursement ceilings by \$3,000 is the best offer to enable a claimant to purchase and install the most effective hearing assistive aids available in the market. We do not see any justification for further increasing the reimbursement levels. Nor do we consider it desirable to remove the reimbursement ceilings, as this would subject the Occupational Deafness Compensation Board to an open-ended liability.

We wish to stress that any improvement to the benefits of occupational deafness claimants should be introduced in a gradual and prudent manner to ensure the financial status of the Occupational Deafness Compensation Board remains at a healthy level. At present, the Occupation Deafness Compensation Scheme is financed by a levy on employees' compensation insurance premium paid by employers. Last year, the levy rate was adjusted downward from 2.3% to 1.2% under the Employees Compensation Assistance (Amendment) Ordinance 2002. In view of the anticipated decrease in revenue, we fear that hefty increases of benefits to claimants would lead to drastic depletion of the Board's reserve, thus adversely affecting the Scheme's long-term operations.

We believe that the Labour Department's latest proposals have struck a proper balance between improving the communication capabilities of sufferers from occupational deafness and the financial well-being of the Compensation Scheme. We hope the Bills Committee will consider our views very carefully when deliberating the Bill.

Yours sincerely,

Andrew Leung Deputy Chairman

c.c. The Hon. Kenneth Ting