

Legislative Council Panel on Manpower

(meeting to be held on 2.11.2001)

**Report on the progress on policy initiatives for the 2000-01 session and
policy programmes/reviews for the 2001-02 session**

Introduction

This paper sets out the progress on key manpower and labour policy initiatives for the 2000-01 legislative session and future plans on new initiatives and programmes for the 2001-02 legislative session for Members' reference.

(I) Employment

Creating New Job Opportunities

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

3. In the 2001 Policy Address, the Chief Executive announced a series of enhanced services and accelerated works projects to create jobs in response to the worsening unemployment situation in Hong Kong. The Government's improved services in the areas of education, environmental protection, public sanitation and greening, health care and welfare, will create some 8,000 jobs. Among them, the Food and Environmental

Hygiene Department will step up street cleansing and the enhanced service is estimated to create some 2,500 jobs. Social Welfare Department through its subvented organizations, Department of Health and Hospital Authority would altogether create some 3,400 jobs, including doctors, nurses, care assistants, personal care workers and welfare workers to provide improved services for people-in-need including patients and vulnerable groups. In the education arena, there will be about 1,400 additional job opportunities, the majority of which are teachers/curriculum development officers, teaching assistants and student guidance counselors to develop school curriculum and provide better support for teachers and students.

4. The Housing Department will improve security services in public housing estates by switching the two-shift system to three-shift system for security guards. In addition, there would be job opportunities for property management professionals for newly-occupied housing estates. We expect an estimated total of 4,000 jobs in this area. For the capital works programme this year, the newly added projects, which include the Final Phase of the School Improvement Programme, the Leisure and Cultural projects and the enhanced minor works programme, will provide a total of some 20,000 job opportunities. The Government is pressing ahead to accelerate the pre-construction procedures so as to bring forward the commencement of the construction of the projects.

5. Altogether, over 30,000 jobs will be created as a result of Government's efforts to ease unemployment.

6. As for new job opportunities announced in last year's Policy Address, over 14,500 out of 15,000 jobs have already been created.

(II) Identify Needs and Review Policies and Standards

Review of Training and Retraining

7. Manpower training in Hong Kong has been separately undertaken by various bodies including the Vocational Training Council, Construction Industry Training Authority, Employees Retraining Board and tertiary institutions with a lack of general planning and co-ordination. We are conducting a review of the existing organisational setup and service delivery model for vocational training and retraining. Our aim is to strengthen the co-operation of the Government, employers, employees and training bodies so as to more systematically and efficiently assess manpower needs, mapping out training requirements and drawing up priorities to the effect that manpower training can more effectively support the needs for the economic development of Hong Kong. To promote lifelong learning and to set a clear progression pathway, we also need to develop a qualifications framework, and a system of accreditation and quality assurance. In order to meet the training demand more flexibly and swiftly, the training market should also be opened up and the private sector be encouraged to take a more active role in manpower training. We will consult the stakeholders, including the LegCo Manpower Panel, on the specific arrangements shortly.

To conduct an opinion survey on age discrimination in employment

8. We will commission a consultancy to conduct an opinion survey on age discrimination in employment by the end of 2001. We aim to collect the public's views on the subject and to assess their awareness of the publicity programmes introduced. We will consult this Panel on the findings of the survey when available.

(III) Foster a Skilled and Dynamic Workforce

Continuing Education Fund

9. A new major new initiative announced in the 2001 Policy Address is the creation of a \$5 billion Fund to promote continuing education. We plan to implement this proposal in the 2002-03 financial year. There are four over-arching principles which will govern the operation of the Fund. First, applicants must be adults aged 18 and above. Second, eligible courses must be approved by Government. Third, courses must contribute to the economic development of Hong Kong. Fourth, applicants may not enjoy double subsidy.

10. It is estimated that the annual expenditure on continuing education in Hong Kong amounts to some \$14 billion. Compared to this amount, the \$5 billion is relatively small. Unless we adopt a directional approach, the Fund can be easily and quickly absorbed by the existing continuing education market without any meaningful impact. We consider it essential that the design parameters of the disbursement of the Fund should enable it to achieve sustainable impact and multiplying effects. The courses will need to be approved to ensure quality and to prevent abuse. We will carry out consultation exercise of stakeholders, including the LegCo Panpower Panel, on this issue in the near future.

IT Training

11. Over 10 000 training places for IT skills upgrading were provided by the Vocational Training Council (VTC) in 2000-01. The VTC has also increased the number of places in its non-IT graduate conversion course from 120 in 1999-2000 to 230 in 2000-01. It has also rolled out over 20 new courses to improve the range, relevance, timeliness and flexibility of existing IT programmes to cater for needs of the market. An e-learning portal will be established by end-2001 to enable its courses

to be delivered on the Internet. The VTC has also launched the Hong Kong IT Skills Assessment Centre in July 2001 to develop and implement an effective assessment mechanism to measure the IT skill competencies of IT practitioners.

12. As the project manager, the VTC has assisted in the provision of over 2 300 training places under the IT Assistant Training Programme from 2000-01 to 2001-02 for training of manpower at the junior assistant level. With VTC's assistance, we will continue to provide 1 000 training places in the IT Assistant Courses each year for the coming three years (2002-03 to 2004-05) to meet the needs of the IT sector for trained manpower. We expect to seek funds from the Finance Committee of the Legislative Council for this purpose early next year.

Employees Retraining

13. As a long-term commitment to the provision of retraining services, we agreed to provide recurrent funding to the Employees Retraining Board (ERB) starting from this financial year. To tie in with this new funding arrangement, we have also entered into a Memorandum of Administrative Arrangement with the ERB to clearly set out key service requirements and performance indicators to ensure effectiveness of retraining work.

14. The ERB aims to establish a new assessment centre in the coming financial year. The centre will be equipped with the necessary skills training facilities to centrally administer the practical skills training and common assessment for retrainees of some skills-based popular training courses, including domestic helpers, security guards and property attendants as well as personal care workers training.

Business Startup Assistance Scheme

15. We have introduced a Business Startup Assistance Scheme in September 2001 to help retrainees on ERB courses who want to start up a business or become self-employed. Besides provision of courses covering generic skills and skill-specific self-employment courses, the Scheme allows individual retrainees to apply for a loan of up to \$100,000 from participating lending institutions to start up a small business. Government acts as the guarantor for 70% of the loan.

16. Apart from the loan arrangement, the ERB provides a package of support and follow-up services in order to enhance retrainees' chances of success as they start a business or become self-employed. The services include provision of office facilities, advice and counselling service, organisation of relevant seminars and workshops, etc.

17. Up to mid-October 2001, 13 retraining courses have been rolled out since September offering over 300 retraining places. The ERB plans to offer a total of 400 self-employment training places during this financial year. Regarding the application for loans under the Scheme, we have enlisted the participation of 31 lending institutions and so far, there have been 5 applications for loans. We expect the number of application for loans to rise as retrainees start to graduate from the employment courses in the months ahead.

18. We will monitor operation of the Scheme with a view to benefit more target applicants and to better cater for their needs in starting a business. We will take into account business starters' views on the details of the Scheme including the course content, the eligibility for loan, the amount of loan, etc. We will continue to discuss with participating lending institutions to explore the feasibility of offering better loan terms, e.g. the offer of lower lending rates, a smaller amount of administration fee and longer repayment period.

Levy on Electrical and Mechanical Works of the Construction Industry

19. In response to a request from the industry, we intend to propose an amendment to the Industrial Training (Construction Industry) Ordinance in the coming legislative session to enable a levy to be imposed on the electrical and mechanical works of the construction industry. This would enable enhanced training and trade testing to be provided for the electrical and mechanical trade.

Skills Upgrading Scheme

20. In response to the ongoing restructuring of our economy, the Government has allocated \$400 million to launch the “Skills Upgrading Scheme” to provide focused skills training for in-service workers with secondary or lower education levels to upgrade their skills so as to maintain their competitiveness in the labour market. A Steering Committee on Skills Upgrading was set up in November last year with representatives from employers, employees, training institutions and the Government.

21. Six industries, namely printing, Chinese catering, retail, import and export trade, transportation and wearing apparel/textile, have been identified for the initial phase of the Scheme. As at mid-October 2001, 53 courses with an enrolment of 844 trainees have commenced since early September. Inspections have been carried out on the training facilities of training providers, the trainers' qualifications and the conduction of classes to ensure quality of the courses.

22. We have invited other interested industries to submit their applications by 1 November to join the second phase. Several industries, including hotel, tourism, hair-dressing, property management and insurance, have indicated their interest in joining the Scheme. We will submit

progress reports on the Scheme to Finance Committee and the LegCo Manpower Panel in due course.

Pre-employment Training for Young School Leavers

23. The Youth Pre-employment Training Programme for 2000-01 was concluded in June 2001. A total of 12 066 trainees participated in the Programme. Of them, around 3 800 decided to pursue further studies on completion of the Programme. For the remaining 8 200 trainees, about 80% had already secured employment by July 2001.

24. The On-the-Job Training Scheme under the Programme was introduced in June 2000. As at 30 September 2001, 2 358 trainees have registered under the Scheme, and 4 331 training vacancies have been canvassed. A total of 856 placements under the Scheme had been achieved.

25. The Programme for 2001-02 commenced in September 2001. Over 12 000 young people have applied to join the first phase of the Programme. A variety of improvement measures have been introduced, including the implementation of a “streaming” mechanism to assist trainees in career planning; extension of the counselling and support services to cover the post-employment period; and strengthening vocational language training in all job-specific skills training courses.

(IV) Promote Good Employer/Employee Relations

Promoting Tripartite Dialogue and Labour-Management Communication

26. We have established a new tripartite committee for the retail industry, bringing the total of such committees to nine. Through close collaboration with the tripartite committees, we have introduced simplified employment contract and wage records for employers and employees in the

construction industry, produced a Code of Labour Relations Practice and a CD-ROM on leave rostering for the catering trade, as well as published special guides on distinguishing contract of employment from contract for services in the cargo transport industry and on skills training opportunities in the printing industry.

27. At the enterprise level, we have conducted a survey on ‘Communication and Human Resources: Hong Kong Style’ and in light of the survey results, we have geared up our efforts to promote workplace consultation and cooperation on employment matters. We have launched a large-scale promotional activity titled ‘Workplace Cooperation 2001’ to promote the importance and benefits of workplace cooperation. We have also produced a new video and a practical guide on the benefits, modes and points-to-note in workplace co-operation in the enterprise.

Enhancing Understanding of Employees’ Rights and Benefits

28. To enhance public understanding of the relevant labour legislation and to promote good labour-management practices, we have organised a large-scale programme titled ‘Labour Relations Extravaganza’ which comprised seminars, courses, workshops and roadshows. To promote the importance of distinguishing employer/employee relationship from contractor/sub-contractor relationship, we have launched a series of activities including seminars, media interviews and announcements of public interest. Special guides on the subject have also been produced for wide distribution.

29. As understanding of labour legislation is conducive to harmonious labour relations, we have specially compiled a comprehensive guide on employees’ rights and benefits under labour laws. The guide is uploaded to Labour Department (LD)’s homepage on the Internet for wider public access. LD has also produced a resource kit for distribution to all registered trade unions to promote sound union administration and

responsible trade unionism.

30. In the coming year, a major initiative is to launch a series of promotional activities to encourage the wider use of written employment contract by employers and employees. This will help protect employees' rights and minimize unnecessary labour disputes. We will also launch a publicity campaign against age discrimination in employment. The aim is to convey to members of the public, including employers and employees, the concept of equal opportunities and the importance of eliminating age discrimination in employment.

(V) Enforce employee rights and benefits

Protecting Employees' Rights and Benefits

31. We worked closely with the Finance Bureau and government departments to improve the employment conditions of employees engaged by government service contractors through revision of the tendering arrangements. The Government announced the new tendering arrangements in the outsourcing of government services that rely heavily on the deployment of non-skilled workers in May. Under the new arrangements, the wage level and working hours of contractors' employees as well as the records of past convictions under the Employment Ordinance (EO) should be considered in the assessment of tenders.

32. In sharing information on conviction records under the EO with government departments, the LD will complete the conviction record checks within seven working days for government departments which outsource service contracts. This will facilitate government bureaux/departments in taking these records into account in the evaluation of tenders.

33. The LD also strengthened the monitoring of government

contractors to ensure that they grant statutory benefits to their employees in accordance with the EO. The LD will continue to build up a close working relationship with other government bureaux/departments in planning regular inspections, complaint investigations and large-scale blitz operations to the workplaces of these employees. Labour inspectors will conduct 200 special visits in 2001 to ensure contractors' compliance with provisions under the EO.

34. On the protection to injured employees and family members of deceased employees who were unable to receive compensation from their employers or insurers, we worked out a package of measures to reform the Employees Compensation Assistance Scheme (ECAS) with a view to ensuring its financial viability in the long run. The proposed reform package was endorsed by the Labour Advisory Board (LAB) in March 2001 and discussed by this Panel in May. However, in the wake of the insolvency of two local insurers which were active in underwriting employees' compensation insurance in April, we need to consider further financial arrangements for ECAS. We shall consult this Panel again shortly on the measures to further augment the financial resources of ECAS. We plan to introduce the necessary legislative amendments to implement the reform package and the additional financial arrangements in the 2001-2002 legislative session.

35. We undertook to introduce a bill into the Legislative Council to amend the EO 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. Drafting of the bill is in progress. We will submit the bill to Legislative Council when ready.

Employees' compensation

36. During the last legislative session, we conducted a review of the

levels of compensation under the Employees' Compensation Ordinance (ECO) and the Pneumoconiosis (Compensation) Ordinance (PCO). Despite the deflationary price movement in the last couple of years, it was decided to maintain the levels of compensation at the existing levels so as to protect the interests of injured employees. At the same time, following the improvements made to the settlement of fatal compensation claims, which included the increase of the level of funeral expenses under the ECO in August 2000, we introduced a resolution to increase the level of funeral expenses under the PCO from \$16,000 to \$35,000 in December 2000. The resolution was passed by the Legislative Council and took effect on 1 January 2001.

37. The proposal to recognise Chinese medicine under the EO, ECO, PCO and the Pneumoconiosis Ex Gratia Scheme was discussed by the LAB in May. In view of the far-reaching implications, the LAB will further discuss the proposal. We intend to introduce the necessary legislative and administrative amendments within 2002 after consulting this Panel.

38. A review of the Occupational Deafness Compensation Scheme was completed in July and a series of measures to improve the Scheme was proposed. The Occupational Deafness Compensation Board and the LAB were consulted on the proposed improvements in September. We shall consult this Panel before introducing the necessary legislative amendments within the current legislative session to implement changes to the Scheme.

39. We have also completed a review of the provisions of the ECO to streamline the processing of employees' compensation claims. With a view to introducing legislative amendments within 2002, we shall consult the LAB on the proposals shortly.

(VI) Deliver an efficient employment service

Improving Effectiveness of Employment Service

40. The LD has continued to strengthen and improve its employment services and successfully assisted 60 394 job-seekers find employment over the past twelve months. It launched the Re-employment Pilot Programme for the Middle-Aged in February 2001 for a period of 12 months to provide a one-stop employment and counselling service for job-seekers aged over 40 who are registrants of the LD and have been unemployed for three months or more. As at 30 September 2001, 8 076 job-seekers have participated in the Programme and 1 678 placements have been secured by the LD.

41. To address the difficulties of older workers in finding jobs, the LD will extend the Re-employment Pilot Programme for the Middle-Aged for another twelve months between February 2002 to January 2003. The LD will also strengthen its employment services by setting up user-friendly self-help Digital Job Centers within the existing eleven Job Centres. The Digital Job Centres will provide a modernized, comfortable and convenient environment for job-seekers. They can browse comprehensive and up-to-date vacancy information through the newly-installed terminals, conduct an on-line vacancy search and use the supporting facilities such as printers and fax machines to apply for jobs.

42. In December 2000, the LD launched an innovative Employment Information Superhighway which hyperlinked the iES website with leading employment websites operating in Hong Kong. Besides, the LD has entered into partnership with private employment agencies, allowing the latter to display the vacancies of their clients through the iES website, thus facilitating the dissemination of employment information.

43. The 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 2001, integration of seven Job Centres with offices of the Labour Relations Division and Careers Information Centres have been completed to provide a one-stop service for members of the public seeking employment and labour relations services.

44. A new website, the Labour Department's Cyber Resource Centre for Business, was launched in November 2000 to provide a one-stop information centre on labour-related matters to the business community in Hong Kong as well as potential investors overseas.

Employment Service for People with a Disability

45. The LD has, in the past year, continued to render an effective and efficient employment service to people with a disability. A new "Self Help Integrated Placement Service (SHIPS)" was developed in 2000, with full launching in 2001. The SHIPS programme aimed at improving the job-searching skills of job-seekers with a disability through group counselling. It also encouraged participants to be more proactive and independent in the search for jobs by using computer facilities and careers information available at the offices of the Selective Placement Division. The overall placement rate of about 70% of this programme compared favourably with the general placement rate of the division.

Career Guidance for the Youth

46. The Careers Advisory Service (CAS) of the LD has been revamped to provide more focused and effective service in dissemination of career information to young people. The CAS website was redesigned and restructured in December 2000 to enhance its contents, interactive elements and user-friendliness. A resource kit incorporating a locally-developed career aptitude test, and some interactive computer games on

job search skills, interview skills and proper work habits was developed in March 2001 to facilitate career teachers, youth workers and other interested parties to provide career counselling.

(VII) Promote and Regulate Safety and Health at Work

Safety Record Improved

47. In 2000, our safety record continued to improve. The number of industrial accidents and the accident rate per 1,000 employees decreased by 6.5% and 6.3% respectively in 2000 when compared with the 1999 figures. The trend of improvement continued into the 1st half of 2001. Detailed figures are shown in the table below :

Statistics on overall industrial accidents

	1999	2000	2000 First Six Months	2001 First Six Months
No. of Fatal Industrial Accidents	52	43 (- 17.3%)	18	11 (- 38.9%)
No. of Industrial Accident (including fatal)	35,986	33,652 (- 6.5%)	16,062	14,244 (- 11.3%)
Accident Rate per 1,000 Employees	55.1	51.7 (- 6.3%)	49.2	44.0 (- 10.7%)

48. The safety performance in the construction industry is particularly encouraging. The number of industrial accidents and the accident rate per 1,000 employees dropped by 15.3% and 24.5% respectively in 2000 when compared with the 1999 figures. In the 1st half of 2001, we recorded further significant improvement as shown in the following table :

Statistics on industrial accidents in construction industry

	1999	2000	2000 First Six Months	2001 First Six Months
No. of Fatal Industrial Accidents	47	29 (- 38.3%)	11	7 (- 36.4%)
No. of Industrial Accident (including fatal)	14,078	11,925 (- 15.3%)	5,637	4,643 (- 17.6%)
Accident Rate per 1,000 Employees	198.5	149.8 (- 24.5%)	146.6	110.5 (- 24.6%)

Enhancing Occupational Safety Standards

Commencement of new legislation

49. We have monitored closely the readiness of the industry for the full implementation of the following regulations which have already been approved by the Legislative Council:

- (a) the Factories and Industrial Undertakings (Safety Management) Regulation which requires construction sites, shipyards, factories and designated undertakings having 50 or more employees to implement a safety management system. We are now collecting feedbacks from the stakeholders to determine the most appropriate time for bringing the Regulation into effect;
- (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. We are closely monitoring the progress of the relevant training and will ensure that there is an adequate supply of certified operators before we bring the Regulation into force.

Progress of proposed legislation

50. In examining the draft Factories and Industrial Undertakings (Medical Examinations) Regulation, the Subcommittee on Regulations relating to Occupational Safety and Health of the Legislative Council expressed concern on the continuity of employment of an employee during the period of suspension as recommended by Appointed Medical Practitioner. We intend to re-introduce the Regulation within the current legislative session.

51. The proposed Occupational Safety and Health (Display Screen Equipment) Regulation to protect the safety and health of habitual users of display screen equipment was submitted to the Legislative Council in December 2000 and is now being examined by a sub-committee.

52. In June 2001, we introduced the following two regulations into the Legislative Council:

- (a) the Factories and Industrial Undertakings (Safety Officers and Safety Supervisors) (Amendment) Regulation to enhance the powers and training of safety officers and to extend the coverage of the Regulation to the container-handling industry;
- (b) 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.

53. In addition, we also plan to introduce amendments to the Construction Sites (Safety) Regulations to improve the safety performance of construction sub-contractors by holding both the principal contractor and the sub-contractors jointly and severally liable for offences committed on

their parts. This is one of the recommendations made by the Construction Industry Review Committee. We plan to introduce the amendment regulation into the Legislative Council within the current legislative session.

Education and Manpower Bureau

October 2001