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Subcommittee on Poverty

Background brief prepared by the Legislative Council Secretariat for the meeting on 19 May 2015

Policies and measures regarding provision of employment support for persons with disabilities

Purpose

This paper summarizes past discussions at meetings of the Council and its committees on the policies and measures regarding the provision of employment support for persons with disabilities.

Background

- 2. According to the Administration, it has all along been attaching great importance to promoting the well-being of persons with disabilities, consistent with Hong Kong Special Administrative Region ("HKSAR")'s obligations under the United Nations Convention on the Rights of Persons with Disabilities ("the Convention"), which has been applicable to HKSAR since August 2008. Amongst others, Article 27 of the Convention provides for recognition of the rights of persons with disabilities "to work, on an equal basis with others; this includes the right to the opportunity to gain a living by work freely chosen or accepted in a labour market and work environment that is open, inclusive and accessible to persons with disabilities".
- 3. The Administration's policy objective is to assist persons with disabilities to find appropriate jobs on the basis of their abilities rather than disabilities, in an inclusive society which duly recognizes the rights, capabilities and contributions of persons with disabilities. In this regard, apart from providing vocational training and employment support for persons with disabilities, the Administration will continue to adopt positive encouragement measures to enhance job opportunities for persons with disabilities, such as giving due recognition to good employers, sharing good practices and providing incentive and assistance for employers, etc. The Administration's specific measures and services

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to promote employment of persons with disabilities are detailed in **Appendix I**.

Members' deliberations

Employment quota system

Members had expressed from time to time their grave concern about the all-time high unemployment rate of persons with disabilities. At its meeting on 27 November 2013, the Council passed a motion urging the Administration to establish a quota system for employing persons with disabilities. Having reservation over the aforesaid suggestion, the Administration pointed out that according to international experience, an employment quota system had not been proven successful in helping persons with disabilities to secure employment, and some countries had abolished their quota system. There was also concern about creating a labelling effect on employees with disabilities. The Administration considered that persons with disabilities should be assisted to find appropriate jobs on the basis of their abilities. In this regard, apart from providing vocational training, the Administration would strengthen employment support for persons with disabilities and continue to adopt positive encouragement measures to enhance the job opportunities of persons with disabilities.

Tax concessions for employers

5. Noting that the Chief Executive had pledged in his election manifesto to study the provision of tax concessions for employers of people with disabilities, Members were concerned about the progress of the study and, if such concessions would be provided, the implementation timetable. The Administration advised that with Hong Kong's low tax rates, most corporations were not paying taxes. Hence, the Administration considered after deliberation that the effectiveness of such concessions in encouraging corporations to employ people with disabilities had yet to be ascertained. In any case, the Administration would continue to consider this and other tax-related proposals in the context of Budgets.

Supporting social enterprises which employed people with disabilities

6. Members noted that the Administration had implemented the Enhancing Self-Reliance Through District Partnership Programme and the Enhancing Employment of People with Disabilities through Small Enterprise Project, and set up the Social Innovation and Entrepreneurship Development Fund under the Commission on Poverty to promote the development of social enterprises ("SEs") and create job opportunities for

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the socially disadvantaged, including persons with disabilities. Members called on the Administration to implement supportive measures for SEs, such as providing premises at concessionary rent, according priority to procuring SE services and products, setting up an SE corporation by the Government to facilitate small SEs in joining their efforts in bidding certain government service contracts, facilitating cross-sector collaboration and encouraging the private sector to develop SE projects, etc.

7. The Administration advised that it was fully aware of the challenges including the problem of high rental faced by SEs in running sustainable business and achieving social objectives. However, as SEs should run like a business, it would give rise to the concern about unfair competition with the business sector if too much government support, e.g., rent concession, was provided for the SE sector to run business on a commercial basis. During 2008 to 2012, the Administration had introduced a pilot scheme on giving eligible SEs priority in bidding government services contracts. The Administration would continue to take various measures to promote the development of SEs, which included providing seed grants for establishment of SEs, promoting cross-sector collaboration, promoting young social entrepreneurship, enhancing public awareness of SEs, etc.

Wage subsidy

- 8. Since the implementation of the Minimum Wage Ordinance (Cap. 608) ("MWO") in 2011, Members kept in view the operation and effect of the special arrangement for employees with disabilities under the Statutory Minimum Wage ("SMW") regime. Some Members expressed dissatisfaction about the productivity assessment mechanism under which the wage rate of the assessed employees would, according to their productivity level, be set at a level below the SMW rate. They urged the Administration to provide wage subsidy to top up the difference between the SMW rate and the wage rate of those employees with disabilities whose productivity was assessed to be less than 100%, with a view to safeguarding their basic livelihood and encouraging them to join the workforce.
- 9. The Administration advised that the objective of setting up the SMW regime under MWO was to provide a wage floor with a view to forestalling excessively low wages of employees, which was different from safeguarding the basic livelihood of the employees concerned. The Administration had no plan to implement the suggestion of wage subsidy since it was not the policy intent of MWO. The suggestion would involve major policy considerations with far-reaching implications on public finance. Persons with disabilities who had financial difficulties could apply for assistance under the social security system to meet their

basic needs as necessary.

Vocational training

- 10. Some Members noted with concern that the enrolment rates of supported employment and integrated vocational rehabilitation services centres ("IVRSCs") were over 100%. They considered that the over-enrolment reflected the great service demand and the difficulties faced by persons with disabilities in securing employment in the open market. These Members also pointed out that while the enrolment rates of the day activity centres ("DACs") and sheltered workshops ("SWs") had not reached 100%, the waiting time for these services was long (57.6 months for DACs and 16.1 months for SWs). The Administration was requested to provide additional resources to meet the service needs and shorten the waiting time.
- The Administration advised that the Social Welfare Department 11. ("SWD") provided a range of vocational rehabilitation services for persons with disabilities who were not yet able to join the open job market. These services included supported employment, IVRSCs, SWs, integrated vocational training centres ("IVTCs"), On the Job Training Programme for People with Disabilities and Sunnyway - On the Job Training Programme for Young People with Disabilities. In order to prepare persons with disabilities for advancement to open employment, IVRSCs incorporated SW and supported employment services to provide these people with one-stop vocational training. The Administration planned to provide some 1 250 additional IVRSC places in the next five years (i.e. from 2015-2016 to 2019-2020). As regards DACs and SWs, a short lead time was normally required for a successful applicant to fill a vacant place that arose, e.g. the lead time between confirmation of acceptance of an offer and formal admission to a DAC or an SW. Hence, the enrolment rates of DAC and SW would not be 100% at any one time. To address the problem of long waiting time for DACs, the Administration planned to provide some 1 081 additional DAC places in the next five years (i.e. from 2015-2016 to 2019-2020).

Employment services for autistic persons

12. Some Members were concerned that the employment support received by autistic persons upon graduation was grossly inadequate, and the Selective Placement Division ("SPD") of the Labour Department ("LD") had failed to provide them with suitable employment services. Besides, quite a number of employers lacked the knowledge about autistic employees and how to manage these employees. These Members called on the Administration to enhance its support services to assist autistic adults in securing employment.

13. The Administration advised that newsletters, newspaper supplements and videos, successful cases of employment of persons with disabilities (including autistic persons) would be used by LD in 2014-2015 to enhance employers' understanding of the characteristics and working capabilities of autistic persons so as to enhance their employment opportunities. To enhance the understanding of SPD placement officers of the special needs of autistic persons so as to provide appropriate employment services to them, LD would invite professionals with the relevant expertise to conduct workshops and briefings, and enhance exchanges with relevant parents' groups and non-governmental organizations. In addition, SWD was considering the implementation of a pilot programme to strengthen the support for autistic persons, which would include enhancing the social and employment adaptation skills of high-functioning autistic persons, with a view to facilitating their employment and integration into society. The programme was expected to be rolled out by end-2014 or early 2015.

Relevant papers

14. A list of the relevant papers on the Legislative Council website is in **Appendix II**.

Council Business Division 2
<u>Legislative Council Secretariat</u>
14 May 2015

Specific Measures and Services to Promote Employment of Persons with Disabilities

Legislative Measures

The Disability Discrimination Ordinance (Cap. 487) is in place to provide persons with disabilities the legal safeguards for equal opportunities and to protect them against discrimination, harassment and vilification in employment and other areas.

Vocational Rehabilitation Services

- 2. For persons with disabilities who are not yet able to take up open employment, the Social Welfare Department (SWD) provides various vocational rehabilitation services such as Sheltered Workshop, Supported Employment, Integrated Vocational Rehabilitation Services Centres and Integrated Vocational Training Centres. With appropriate vocational training in a specially designed work environment, persons with disabilities can learn to adapt to work requirements, develop social skills and relationships, and prepare for potential advancement to supported and open employment.
- 3. With the subvention of the Labour and Welfare Bureau, the three Shine Skills Centres (the Centres) run by the Vocational Training Centre offer a range of vocational training courses and services for persons with disabilities aged 15 or above to enhance their employment prospects and facilitate their integration into society. These include training courses on commerce, information technology and service industry, etc. In addition, career guidance services are provided by vocational counsellors and social workers in the Centres. The services include sourcing career opportunities for trainees, provision of career support in the first six months of employment to help graduates settle in their workplace, and ongoing support thereafter for individuals on a need basis. The Centres also provide technical aids and workplace equipment for trainees in need with a view to helping them overcome obstacles in the work environment. Besides, the Employees Retraining Board (ERB) provides dedicated training courses for persons with disabilities. In 2015-16, ERB will organise courses on self-employment as well as food and beverage

production, etc. for persons with disabilities.

On the Job Training Programme for People with Disabilities and Sunnyway - On the Job Training Programme for Young People with Disabilities

4. The On the Job Training Programme for People with Disabilities and Sunnyway - On the Job Training Programme for Young People with Disabilities are administered by SWD. Proactive training is provided to persons with disabilities enrolled under each of the two programmes so as to enhance their employability and work opportunities, and encourage the participation of employers through the provision of job trial subsidy. SWD has enhanced both schemes since July 2013 by increasing the job attachment allowance and job trial wage subsidy thereunder. The job attachment allowance has been raised from \$1,250 to \$2,000 per month, and the cap of job trial wage subsidy has been raised from \$3,000 to \$4,000 per month with the maximum subsidy period extended from three months to six months.

Employment Services for Persons with disabilities

5. For job seekers with disabilities who are fit for open employment, the Selective Placement Division (SPD) of the Labour Department (LD) provides them with free and personalised employment support services. The Placement Officers offer persons with disabilities employment counselling, conduct job matching and referrals, and follow-up service upon their placement in employment. SPD also provides free recruitment service to employers in the private sector for employing persons with disabilities. In 2015-16, LD will enhance the post-placement follow-up service provided for job seekers with disabilities by extending the service period from three months to six During the follow-up period, placement officers will keep in view the work progress of the employees with disabilities by maintaining closer contacts with them to help them adapt to their work as soon as possible. Placement officers will also provide more intensive support services for employers to assist them better understand the special needs of their employees with disabilities and help both parties build up good working relationship.

Specialised Employment Programme for Persons with Disabilities

- 6. To enhance the employability and employment prospects of the persons with disabilities, LD implements the Work Orientation and Placement Scheme (WOPS) which encourages employers to employ persons with disabilities and provides them with coaching and support through the provision of an allowance. Under WOPS, employers may receive a monthly allowance equivalent to two-thirds of the actual salary paid to the employee, subject to a ceiling of \$4,000, for a maximum period of six months.
- 7. Since June 2013, WOPS has been enhanced with the introduction of a two-month work adaption period. An eligible employer who employs a person with disabilities having employment difficulties, and provides him/her with training, support and mentorship, is entitled to a monthly allowance equivalent to the amount of actual salary paid, less \$500 per month, subject to a ceiling of \$5,500, in the first two months of employment. Afterwards, the employer may continue to receive the allowance mentioned in paragraph 6 above.

"Enhancing Employment of People with Disabilities through Small Enterprise" Project

8. SWD implements the "Enhancing Employment of People with Disabilities through Small Enterprise" Project (3E's Project). Through payment of grants as seed money to non-governmental organisations (NGOs), the 3E's Project supports the setting up of small enterprises / businesses by NGOs so as to create employment for persons with disabilities and provide them with genuine employment in a carefully planned and sympathetic work environment. For the purpose of direct creation of job opportunities for persons with disabilities, at least half number of the employees of the funded businesses should be persons with disabilities. Each funded business will be offered a grant not exceeding \$2 million to meet the set-up capital cost and the operating loss incurred in the first three years of operation of the business. The business is expected to become self-sustaining after the funding period.

Support Programme for Employees with Disabilities

9. SWD launched the programme in June 2013. It provides subsidies to employers of persons with disabilities for procurement of assistive rehabilitation devices and/or workplace modifications to facilitate the work of employees with disabilities and to enhance their work efficiency. Employers of persons with disabilities may apply for a one-off subsidy up to \$20,000 for each employee with disabilities. The scheme was enhanced since April 2014, including raising the maximum support level of \$40,000 for procurement of a single assistive device and its essential accessories.

<u>Talent-Wise Employment Charter and Inclusive Organisations</u> <u>Recognition Scheme</u>

- 10. In September 2013, the Labour and Welfare Bureau (LWB), in collaboration with the Rehabilitation Advisory Committee, The Hong Kong Council of Social Service and the Hong Kong Joint Council for People with Disabilities, launched the Talent-Wise Employment Charter and Inclusive Organisations Recognition Scheme (the Charter Scheme) to mobilise the Government, private sector, public and subvented bodies to make collective efforts to promote the employment of persons with disabilities through a host of sustainable measures commensurate with their modes of operation.
- Participating organisations of the Charter Scheme 11. implement measures including: employing persons with disabilities and formulating corporate policies and measures on employment of persons with disabilities; publishing periodically in corporate publications/publicity materials on the number of employees with disabilities and on measures or indicators pertaining to the employment of persons with disabilities; providing a barrier-free working environment and assistive devices for employees with disabilities; participating in various on-the-job training and support programmes for persons with disabilities; using products or services provided by rehabilitation social enterprises and suppliers employing persons with disabilities; building an inclusive workplace through assisting persons with disabilities in mastering job skills and adapting into the work environment; and setting aside shops or stalls for social enterprises or self-employed persons with disabilities to operate their businesses, etc. The participating

organisations are required to review the effectiveness of their measures, report progress to LWB annually and introduce additional measures as and when appropriate.

- 12. In collaboration with Radio Television Hong Kong, LWB held a television variety show cum award presentation ceremony on 6 September 2014, whereby employers and employees of the organisations participating in the Charter Scheme shared their experience in promoting employment of persons with disabilities. A total of 136 organisations, which included 36 Government bureaux and departments and 100 non-governmental / private organisations, received awards in recognition of their efforts and achievements in implementing the Charter Scheme.
- 13. We will continue to promote the Charter Scheme, which is consistent with Hong Kong Special Administrative Region's obligations under the United Nations Conventions on the Rights of Persons with Disabilities which has been applied to HKSAR since August 2008, in particular Article 8 of the Convention (which provides for the promotion of awareness throughout the society on the capabilities and contribution of persons with disabilities to the workplace and labour market, etc) and Article 27 (which provides for recognition of the rights of persons with disabilities to work and employment).
- 14. The Government will continue to work with the Rehabilitation Advisory Committee and the Special Needs Groups Task Force under the Commission on Poverty to explore other initiatives to promote employment of persons with disabilities.

Source: Extract from the Administration's paper for the meeting of the Subcommittee on Poverty held on 28 April 2015 (Annex A to LC Paper No. CB(2)1319/14-15(01)).

Relevant papers on Policies and measures regarding provision of employment support for persons with disabilities

Committee	Date of meeting	Paper
Legislative Council	27 November 2013	Official Record of Proceedings Pages 286 to 389
Subcommittee on Poverty	28 January 2014 (Item II)	Agenda Minutes
Legislative Council	26 March 2014	Official Record of Proceedings Pages 110-114
Panel on Manpower	16 December 2014 (Item V)	Agenda Minutes
Subcommittee on Poverty	12 January 2015 (Item II)	Agenda Minutes
Subcommittee on Poverty	24 February 2015 (Item II)	Agenda Minutes
Finance Committee	2 April 2015	Administration's reply to members' written supplementary questions in examining the Estimates of Expenditure 2015-2016 Pages 27-28
Subcommittee on Poverty	28 April 2015 (Item I)	Agenda

Council Business Division 2 <u>Legislative Council Secretariat</u> 14 May 2015