

香港工業總會的信頭

Letterhead of Federation of Hong Kong Industries

15 April 1999

Mrs Constance Li
Clerk to the Bills Committee on the Factories
and Industrial Undertakings (Amendment)
Bill 1999
Legislative Council
Legislative Council Building
8 Jackson Road
Hong Kong

Dear Mrs Li,

**Factories and Industrial Undertakings (Amendment) Bill 1999 and
the Factories and Industrial Undertakings (Safety Management) Regulation**

Thank you for your letter of 1 April 1999 inviting our views on the above legislative proposals.

We regret that we shall not be able to attend the Bills Committee meeting on 20 April 1999 to present our views. However, we wish to submit the following comments for the consideration of the Committee.

First of all, we would like to express our support for the proposal to stipulate a requirement for employers in the construction and container handling industries to only employ workers who have undergone the required basic safety training offered by a recognised competent body. As the nature of work in the construction and container handling industries is more prone to accidents, we believe the proposed measure would enhance the safety awareness of workers and help prevent occupational injuries and death in these industries.

We are, however, greatly concerned about the proposed Factories and Industrial Undertakings (Safety Management) Regulation, which, *inter alia*, requires factories employing 50 or more workers to put in place a safety management system. While the Federation is a staunch supporter of self-regulation in promoting occupational safety and health in the workplace, we do not feel that it is desirable to introduce a mandatory safety management regime for all manufacturing industries in Hong Kong as proposed under the Regulation. We would prefer a gradual step-by-step approach in introducing the system, beginning initially with the more accident-prone industries, such as construction and container handling. Since manufacturing industries in Hong

Kong are predominantly light industries involving little or no use of heavy and hazardous machinery, the level of risk inherent in manufacturing jobs is not especially high. Requiring all factories to carry out compulsory systemic safety management is not considered to be necessary or advisable. We, therefore, strongly recommend the deletion of factories from the proposed control. We will elaborate our arguments in the following paragraphs.

1. Following the promulgation of the Occupational Safety and Health Ordinance and its subsidiary Regulation in the last couple of years, employers have made a concerted effort to adjust their operations in order to comply with the new safety requirements. The introduction of another piece of safety legislation would undoubtedly further increase their responsibilities and impose an extra burden on them. As many manufacturers have already been hard hit by the present economic downturn, we fear that imposing more safety obligations on them would aggravate their hardship and impede the overall economic recovery process.

Aside from regular safety audits/reviews, the proposed Regulation prescribes as many as 14 process elements which employers will be required to fulfill in undertaking systemic safety management. To discharge these responsibilities is not only costly but will also involve a huge amount of administrative work. For instance, employers would need to employ additional staff to handle the many safety-related tasks, such as designing and overseeing implementation of in-house safety programmes. This would certainly increase manufacturers' total production costs and would add to the colossal cost for hiring professionals to conduct regular safety audits. Since the proposed control covers large establishments as well as SMEs, we are worried that the high compliance cost would imperil many SMEs' ability to survive the economic downturn.

2. Systemic safety management is still a new concept to most local employers, who generally do not possess the highly specialised knowledge and skills needed for its implementation. So far, the Labour Department and the Occupational Safety and Health Council have not been doing much to educate employers in this area. It is therefore necessary to allow sufficient time for them to learn more about the operation of the system and acquire the requisite techniques for setting up such systems in their workplace, before any statutory control is imposed. Moreover, it is also understood that at present the supply of qualified auditors in the market is insufficient to carry out the proposed safety audits for all controlled industries. There is just a necessity to limit the scope of control to the more accident-prone industries.
3. There is already sufficient provision for protecting the safety of employees in the manufacturing industries in existing legislation. Apart from the general duties imposed on employers under the Factories and Industrial Undertakings

Ordinance to ensure the safety and health of workers, a host of specific regulations are already in place to protect workers in different hazardous trades and processes. With such comprehensive legislative protection, we do not see that there is any genuine need to introduce mandatory safety management to boost controls. Moreover, statistics also show that the safety record of manufacturing industries has improved dramatically over the last decade, with the industrial accident rate dropping from 32.3 per 1,000 workers in 1987 to 21.5 in 1996, representing a decrease of 33%. In the first six months of 1998, there was a total of 21,091 occupational injuries in Hong Kong, of which only 14.7% (i.e. 3,095 cases) occurred in manufacturing industries. In this period, most of the injuries took place in the construction and catering industries. In the construction industry, the number of injuries was 9,456 (i.e. 45% of the total), whereas in the catering industry there were 6,544 such cases (i.e. 31% of the total). These figures illustrate that in terms of safety performance, the manufacturing industry has been improving a great deal in recent years. There is indeed no obvious reason why it is targeted for stricter control.

Based on the aforementioned reasons, we hope the Bills Committee will support our recommendation to delete manufacturing industries from the proposed control.

Yours sincerely,

Andrew Leung
Deputy Chairman