

## **LegCo Manpower Panel**

### **Report on Policy Initiatives and Legislative Proposals on Manpower and Labour for 1998-99 and 1999-2000**

#### **Introduction**

At the special meeting of the Legislative Council Panel on Manpower held on 9 October, Members were briefed on the policy initiatives on manpower and labour of the Education and Manpower Bureau for 1998-99 and 1999-2000. This paper sets out the progress and future plans of these key initiatives for Members' reference.

#### **(I) Ease Unemployment**

##### **Creation of 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. Between June 1998 and September 1999, it is estimated that about 90 000 job opportunities had been created as a result of the Government's key initiatives, infrastructural projects and public works. According to our estimates, another 65 000 new job opportunities will arise from these initiatives and projects in the next 15 months. This figure does not cover the initiatives recently outlined in the 1999 Policy Address.

3. The infrastructural projects and environmental improvement plans set out in the Chief Executive's 1999 Policy Address will also help create job opportunities. They will bring about many new jobs and business opportunities in the construction industry, environmental protection sector and their related supporting industries.

## Youth Pre-employment Training Programme

4. To address the problem of youth unemployment, the Government launched an innovative and major Youth Pre-employment Training Programme in September this year. This 6-month Programme aims at enhancing the employability and competitiveness of young school leavers mainly aged between 15 and 19 through a series of employment-related training courses and workplace attachments.

5. The Youth Pre-employment Training Programme is progressing well. About 25 000 training places are offered by over 50 organisations. By mid-October, more than 500 employers from the private sector, social service agencies and government departments have offered over 12 000 attachment places. Response from young people towards the Programme has been overwhelming. Over 18 000 applications have been received when application closed. At present, a total of 4 000 participants are currently undergoing training under the Programme. Initial response from both the training bodies and the participants is highly favourable. Most participants are motivated, show great interest in what they learn, and maintain a high attendance rate. Moreover, the participants also find the training practical and useful to their future employment. We will regularly report the progress of the Programme to this Panel.

## **(II) Identify Needs and Review Policies and Standards**

6. In the past year, we completed two consultancy studies on the manpower and training needs of the travel and tourism industry and the information technology sector. Together with the relevant bureaux and departments, we are taking steps to take forward the recommendations. We plan to brief this Panel on the conclusion of these studies and our follow-up actions in late 1999 or early 2000.

7. With regard to overall manpower planning, we have commissioned a consultancy firm to conduct a study on the best overseas practices in manpower forecasting. Having reviewed the forecasting models of nearly 10 economies and their effectiveness, the consultant will make recommendations on how to improve Hong Kong's existing manpower forecasting practice. The report on this study will be completed by the end of this year. Our next step will be focussed on the examination of the usefulness and feasibility of establishing a manpower forecasting model best suited to Hong Kong in the light of the findings of this study. We plan to

brief and consult this Panel upon completion of the study on the best overseas practices in manpower forecasting.

### **(III) Foster a Skilled and Dynamic Workforce**

#### **Vocational Training**

8. In the past year, we made good progress in our work to rationalize the management, academic and training structure of the Vocational Training Council (VTC). The aim was to further enhance the VTC's cost-effectiveness and responsiveness to changing needs. The Hong Kong Institute of Vocational Education was formed in March this year by integrating the VTC's two existing Technical Colleges and seven Technical Institutes. The first batch of new courses has been introduced from September 1999 to tie in with the commencement of the new academic year. The structure and content of the VTC's courses at basic craft level have been revamped. In addition, the VTC has launched two new courses in the current academic year, namely Foundation Diploma and Certificate of Vocational Studies, for Form Three and Form Five school leavers. A total of 4 160 training places are available to these school leavers for training in language and communication, application of information technology and other job-related training. These two courses will help young people find jobs or further their studies. We plan to brief this Panel on the progress of the various initiatives by the end of this year/early next year.

#### **Employees Retraining**

9. Next year, the Employees Retraining Board (ERB) will continue to increase the number of training places in courses tailor-made for employers. At the same time, it will run additional courses which are in great demand and actively bring in new courses of different types. ERB will also continue its efforts in improving the quality of training through course restructuring, standardisation and modularisation, and enhancing the participation of employers and training providers in the design and evaluation of retraining courses through various Course Steering Groups and Trade Advisory Groups. Besides, we are now formulating recommendations on developing a qualifications framework for VTC's programme and ERB's retraining programme. We plan to brief this Panel on the progress of our work early next year.

## Chinese Cuisine Training Institute and Construction Training

10. The other two important areas of work for the coming year will be the establishment of a Chinese Cuisine Training Institute (CCTI) and the regular assessment of manpower needs of the construction industry by the Working Group on Training and Retraining for the Construction Industry. The establishment of CCTI will provide systematic training and trade testing in the preparation of Chinese Cuisine, define a clear route for professional development and advancement within the industry. Through the active participation of the industry (including trade associations and labour unions of the construction industry and training providers) and relevant government departments, the Working Group for Training and Retraining for the Construction Industry can help us assess the manpower supply and demand of the industry and make recommendations on how to enhance our training and retraining programmes. We will brief this Panel on the progress of our work and consult Members in due course.

### **(IV) Promote Good Employer/Employee Relations**

11. In the Policy Address 1998, we pledged to prepare four practical guides to promote good employer/employee relations. These guides, which have been published, promote employers' compliance with their obligations under the labour laws, introduce good people management practices, advise on how to handle retrenchment and wage reduction, and promote the use of written employment contract. We have organized a wide range of publicity activities including seminars, talks, training courses, poster display and exhibitions to introduce these guides to both employers and employees. These guides have been uploaded to the website of the Labour Department and hard copies have been distributed to 100 000 companies with five or more employees.

12. In 1999-2000, we will implement the following initiatives to further promote good employer/employee relations:

- (a) To launch a Good People Management Award to encourage, promote and benchmark such practices. The assessment is in progress and the awards will be presented in December 1999.
- (b) To promote tripartite communication between employers, employees and the government on employment matters at the trade/industry level. With the assistance of the Labour

Department, tripartite committees have been set up in five trades/industries. These committees will hold regular meetings to enhance understanding and communication between employers' and employees' organizations on employment matters of mutual concern. The Labour Department will continue to help other trade/industries set up such committees.

- (c) To organize a series of activities to strengthen promotional efforts for effective labour-management communication and better understanding of the Employment Ordinance amongst small and medium sized enterprises.
- (d) To compile a guide on employees' rights and benefits under labour laws and distribute it through different channels, including labour organizations and other channels.

**(V) Enforce Employees' Rights and Benefits**

Review on labour laws

13. We have completed the reviews of the employment conditions of live-in domestic helpers and of the provisions on sickness benefits, lay-offs, wages and reinstatement under the Employment Ordinance. Details of these five reviews are as follows:

(a) Employment conditions of live-in domestic helpers

Having regard to the unique employment circumstances of live-in domestic helpers (i.e. they have to work and live in their employers' residence), we have reviewed whether the Employment Ordinance should continue to apply to live-in domestic helpers and whether more flexible arrangements can be provided for live-in-domestic helpers under the existing provisions on maternity protection. We have received various views on the proposals arising from the review. The Labour Department is now examining these views carefully before considering the way forward.

(b) Review on sickness benefits

This is a review of the provisions on sickness allowance under the Employment Ordinance, particularly to assess whether there is a need to change the qualifying period for the rate of sickness allowance.

(c) Review on the provisions on lay-off

The review aims at assessing whether there is a need to change the criteria for an employee's entitlement to severance payment in respect of the number of days and period for which an employee is not provided with work as set out in the existing definition of "lay-off".

(d) Review on the reinstatement provisions

The provisions on employment protection under the Employment Ordinance came into effect in June 1997. Under the provisions, the Labour Tribunal may make an order for reinstatement / re-engagement subject to the consent of both the employer and the employee. The aim of the review is to examine whether there is a need to change this requirement of mutual consent of the parties.

(e) Review on the provisions on wages

In June 1997, the definition of 'wages' in the Employment Ordinance was amended and provisions were made on whether overtime pay should be included in the calculation of various statutory benefits and compensation. The aim of the review is to examine the operation of these provisions and to assess whether changes need to be made.

14. The Labour Department has consulted the Committee on Labour Relations of the Labour Advisory Board (LAB) and the concerned parties on the result of the review on the employment conditions of live-in domestic helpers. Results of the other five reviews were submitted to the LAB's Committee on Labour Relations on 27 October. After considering the views of the LAB, we will submit the relevant documents to this Panel and consult Members.

15. We plan to introduce a bill into the Legislative Council in the 1999-2000 session to clarify the provisions on the protection against dismissal during an employee's pregnancy or paid sick leave under the Employment Ordinance.

16. In the light of Article 27 of the Basic Law, which provides for employees' right to strike, we will propose technical amendments to the Employment Ordinance (EO) to make it very clear that an employer cannot dismiss an employee summarily under Section 9 of the EO on the ground of the employee taking part in a strike.

17. With respect to employees' compensation, we have just completed the consultancy review on the Employees Compensation Assistance Scheme. We will consult the interested parties on the recommendations contained in the consultancy report. We will also brief and consult this Panel as soon as possible. We plan to introduce a bill into the Legislative Council in the 1999-2000 session to implement the relevant proposals, so as to ensure that the Employees Compensation Assistance Fund provides an adequate 'safety net' to all deserving cases, and is financially viable in the long run.

18. As for another task of introducing legislative amendments to improve the system of settlement of compensation claims in work-related fatal accidents, our original plan was to introduce the legislation into the Legislative Council by June 1999. However, owing to the intricacies of the legal issues involved in the proposals and the need to provide unequivocal legislative provisions to facilitate the Commissioner for Labour to determine the compensation to which the family of the deceased employee is entitled in an undisputed claim, we are slightly behind schedule in drafting the legislation. We plan to introduce the bill into the Legislative Council in early 2000.

#### **(VI) Deliver an Efficient Employment Service**

19. In the past year, the Labour Department (LD) implemented a number of reforms involving the introduction of new technology, new concepts and new services. A lot more vacancies have been identified together with much improved services for job-seekers, resulting in a greater number of successful job placements.

20. We have implemented the following initiatives -

- (a) The second Employment and Guidance Centre for New Arrivals was set up in Mongkok in March 1999.
- (b) As from July 1998, the Job Matching Programme in 11 Local Employment Services (LES) Branch offices and Employment and Guidance Centres for New Arrivals has been strengthened by adding a team of 22 staff to provide personalised counselling and placement services to more unemployed job-seekers.
- (c) The Employment Information and Promotion Programme (EIPP) was launched in August 1998 to strengthen rapport with employers and to canvass vacancies.
- (d) Touch-screen computers in all LES offices and the Labour Relations Service (LRS) offices were installed in October 1998 to enable more job-seekers to access job vacancies.
- (e) A Telephone Employment Service Centre was set up in December 1998 to provide telephone referral service for job-seekers.
- (f) The dissemination of career information on the Internet commenced in February 1999.

21. The other initiatives implemented by LD over the past year in respect of employment services include the establishment of the website of the Interactive Employment Service to provide a two-way interactive service for both employees and job-seekers, the strengthening of the employment service for domestic helpers, the establishment of the Job Vacancy Processing Centre and the adoption of the Easy Registration procedure.

22. Over the past twelve months, 133 000 vacancies have been registered with LD and 43 000 job-seekers have been successfully placed. As compared with the same period last year, the number of job referrals handled by LD in the first nine months this year has increased by 87% and the number of job-seekers successfully placed by 28%. In September, 14 000 job vacancies were registered with LD and over 4 200 job-seekers were successfully placed, both of which set a record high for the past fourteen months.



23. LD will undertake the following initiatives in 2000 in order to provide a more effective employment service -

- (a) To revamp the Job Matching Programme with the addition of group counselling and core skills training workshop to complement the existing personalised counselling service.
- (b) To enhance the dissemination of information on job vacancies and job-seekers in the construction industry by developing a dedicated system in the website of the Interactive Employment Service for more effective use of human resources.
- (c) To revamp LD's Careers Advisory Service to render more suitable and effective service in career advisory assistance to young people.

#### **(VII) Promote and Regulate Safety and Health at Work**

24. In the 1998-1999 legislative session we introduced all the planned legislation regarding occupational safety and health into the Legislative Council. The Council approved half of them, including the legislation for mandatory safety training for those working in the construction and container handling industries, as well as the legislation for better protection for those working in confined spaces and at height on construction sites. The new regulations regarding medical examinations and loadshifting machinery are being considered by two Legislative Council Sub-committees.

25. We plan to introduce 5 bills/regulations regarding occupational safety and health in the 1999-2000 legislative session -

- (a) To introduce the Factories and Industrial Undertakings (Safety Management) Regulation to require specified factories and industrial undertakings to implement safety management if their number of employees amounts to or exceeds 50 and 100 respectively. We briefed this Panel on the regulation in early 1999. We will introduce a motion on passing on 27 October.
- (b) To introduce the Occupational Safety and Health (Display Screen Equipment) Regulation to protect the safety and health of habitual users of display screen equipment and to set compliance standards. We plan to consult this Panel in November 1999

and introduce the regulation into the Legislative Council in December 1999.

- (c) To introduce the Factories and Industrial Undertakings (Amendment) Bill to amend the time limit for prosecuting proprietors of notifiable work places for failure to meet the notification requirement to 6 months from the date when such a work place is discovered or made known. We plan to consult this Panel in December 1999 and introduce the bill into the Legislative Council in January 2000.
- (d) To introduce the Occupational Safety and Health (Personal Protective Equipment) Regulation to ensure that employees are provided with suitable personal protective equipment and given adequate and appropriate information, instruction and training on the use of such equipment. We plan to consult this Panel in February 2000 and introduce the regulation into the Legislative Council in March 2000.
- (e) To introduce 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 to the container-handling industry. We plan to consult this Panel in March 2000 and introduce the regulation into the Legislative Council in April 2000.

Education and Manpower Bureau

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