

Speaking Note for Joseph W.P. Wong,
Secretary for Education and Manpower Bureau
At the briefing on 1999 Policy Address
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Manpower and Labour Policy

Manpower is Hong Kong's most treasured asset. The objective of the SAR Government's manpower and labour policy is to ensure that we have a dynamic, well-motivated, adaptable and continuously upgraded workforce contributing to the economic competitiveness of individuals and Hong Kong as a whole.

2. In the past year, we were committed to implementing a total of 72 initiatives which we have pledged to undertake in 1998 and before. I am very happy to report to Members of the Legislative Council that we have completed 34 of them while 36 are proceeding on schedule. These initiatives cover a wide range of areas, including identifying needs and reviewing policies and standards, fostering a skilled and dynamic workforce, promoting good employer/employee relations, enforcing employee rights and benefits, delivering an efficient employment service, and promoting and regulating safety and health at work. As for the remaining two initiatives, one is behind schedule while one is under review.

3. In the coming year, the Bureau is committed to implement 40 initiatives to meet the policy objectives of manpower and labour policies. This Bureau's foremost tasks are to continue to tackle unemployment, protect the rights and benefits of employees, strengthen training and retraining as well as enhance occupational safety and health

standards. Details are set out in the “Policy Objective for Education and Manpower Bureau”. Let me explain the key areas.

I. Easing Unemployment

4. Being caught in an economic downturn, Hong Kong’s unemployment rate has been on the rise over the past year. Deeply concerned about this problem, the Government has initiated and coordinated over 30 measures to tackle unemployment through the efforts of the Task Force on Employment chaired by the Financial Secretary. It has, among other things, advanced government projects, strengthened employment services, enhanced vocational training and employees’ retraining and tightened measures to combat illegal employment. Our objective is to enhance job opportunities for local workers by providing a comprehensive, effective and broadly based employment service.

Creating Job Opportunities

5. The series of measures have achieved initial results. With gradual improvements in the economy, the labour market as well as unemployment rate have stabilized in recent months.

6. According to our estimates, about 90 000 job opportunities have been created between June 1998 and September 1999 as a result of the Government’s key initiatives, public works and infrastructural projects. We estimate that 65 000 more new job opportunities will arise from these initiatives and projects in the next 15 months. This has not taken into account the employment opportunities brought about by new initiatives just announced in the 1999 Policy Address, in particular those concerning environmental protection.

Strengthening of Employment Services

7. Last year, the Labour Department has implemented a number of reforms, introduced new technology, new concepts and new services. It managed to find more vacancies for job-seekers, thereby greatly improved its employment services and helped more job-seekers find jobs. The Labour Department has in the past year registered a total of 130 000 job vacancies and helped over 40 000 people to successfully secure a job. A year on year comparison showed that the number of job referrals arranged by the Labour Department has increased by 87% and the number of placements 28%.

8. The Labour Department will continue to introduce new initiatives in various aspects to provide more effective employment services. These initiatives include revamping the Job Matching Programme, adding into it elements of group counselling and core skills training, revamping the Careers Advisory Service, strengthening the collection and dissemination of career and education information on the web, and creating a special webpage for the construction industry in the website of the Interactive Employment Services.

Youth Pre-employment Training Programme

9. We are deeply concerned about the high unemployment rate of young people. We have, therefore, launched a major and comprehensive Youth Pre-employment Training Programme specially designed for young people aged between 15 and 19. The Programme aims to address the difficulties encountered by young people without any working experience when they seek employment by providing short-term innovative training and workplace attachment opportunities in private

organizations, voluntary agencies and Government departments.

10. The extensive and favourable response to this Programme reflects the community's concern and care for, as well as expectation of our young generation. Over 50 training bodies and more than 500 organizations and private sector employers will support the Programme by providing 25 000 training places and over 11 000 attachment places in six months. The Programme is also well-received by the young people. Since the commencement of application, a total of 18 000 applications have been received. The first batch of courses commenced from September 20. Feedback from the trainers showed that most of the trainees are motivated and take great interest in the courses. Their attendance rate is very high on the whole. We are glad to learn that trainees showed significant improvements in their interpersonal skills and confidence after completed the training. Trainees also generally considered the courses practical and useful to their future employment.

11. Upon completion of the Programme, we will conduct a review to examine how best to equip school leavers with pre-employment training before they enter the labour market.

II. Protecting the Rights and Benefits of Employees

Studies on Manpower Demand

12. To protect the long term benefits of employees, we have to study the future manpower demand as a basis for drawing up long term training plans. For overall manpower planning, we have earlier this year commissioned a consultancy study on the best overseas practices in manpower forecasting. After studying the practices of close to 10 selected

economies and assessed their effectiveness, the consultant will make recommendations on how the existing manpower forecasting of Hong Kong could be improved. The consultancy report will be completed by end of the year. Our main task in the next stage will be to examine, on the basis of their findings, whether a manpower forecasting model suited to Hong Kong could be developed.

13. Apart from the above, the consultancy reports on the manpower and training needs of the travel and tourism industry as well as the information technology industry have also been completed. Steps are being taken by the relevant departments and organizations to take forward the recommendations.

Promoting Good Employer / Employee Relations

14. In the coming year, we will step up our efforts in encouraging direct dialogue between employers and employees on employment matters at the trade/industry level. For example, we will strengthen the understanding and communication between employers' and employees' organisations by forming new tripartite committees. We will also present awards to establishments that have outstanding performance in implementing good people management practices; compile a guide on employees' rights and benefits under labour laws; and strengthen promotional efforts for better communication between employers and employees of small and medium sized enterprises and better understanding of the Employment Ordinance.

Improve Employees' Rights and Benefits

15. After consulting the Legislative Council Panel on Manpower,

we have already announced that with effect from 1 January 2000, employment contracts of foreign domestic helpers (FDHs) will prohibit their performance of driving duties. We have completed the review on the employment conditions of live-in domestic helpers and are in the process of consultation. We will give careful considerations to the views gathered before deciding on the way forward. We have also completed the reviews on the provisions on wages, sickness benefits, lay-offs and reinstatement under the Employment Ordinance and will consult the Labour Advisory Board (LAB) shortly. After considering the views of the LAB, we will consult Members of the LegCo Panel.

16. With respect to employees compensation, we have completed the consultancy review on the Employees Compensation Assistance Scheme. The review report indicates that the most serious problem of the Scheme is the acute imbalance between income and expenditure. Income from employees' compensation insurance levy has been on the downward trend in recent years whereas the amount of compensation determined by the court in respect of common law damages has been increasing, rendering the Employees Compensation Assistance Fund Board in the red for the past three years. We will consult the organizations concerned, including the LegCo Panel on Manpower, on the recommendations of the consultancy report. We plan to introduce the bill into the Legislative Council in the current session so as to implement the recommendations to ensure the continuous and effective operation of the Scheme.

III. Training and Retraining

Vocational Training and Employees Retraining

17. In the coming year, we will continue to invest in quality training and retraining for our workforce. The Vocational Training Council (VTC) and the Employment Retraining Board (ERB) will spend a total of about \$ 2.5 billion on training and retraining in 1999-2000, providing over 210 000 training places.

18. In the current academic year that has just begun, the VTC has launched two new courses, namely the Foundation Diploma Course and the Certificate in Vocational Studies Course, providing a total of 4 160 training places for Secondary 3 and Secondary 5 leavers. Contents of these courses include training in language and communication, information technology application and employment-related skills. They will help equip young people for employment or further studies.

19. At the same time, ERB will increase its training capacity by 23% in the 1999-2000 financial year, enabling some 95 000 people to benefit from retraining programmes. ERB courses are market-driven. To cater for market needs, ERB will increase the training capacity for tailor-made programmes designed to meet the specific needs of employers. It will also launch new programmes in areas which are in great demand in the labour market such as security / property management and home help / health care. Sustained efforts are also made to introduce different types of new courses such as those for information technology technical assistants, Chinese medicine dispensers, etc. One of ERB's major commitments in the coming year will be to increase the proportion of full-time courses from 30% to nearly 50% of the total

training capacity, so as to cater for the needs of the unemployed.

Manpower Training for the Construction Industry

20. To meet the manpower needs of the construction industry and promote trade tests, the Construction Industry Training Authority (CITA) will further expand the capacity of its full-time training courses and increase the number of trade tests. CITA plans to increase the capacity of full-time training courses from 6 183 in the 1998-1999 training year to 7 657 in the 1999-2000 training year. Since we launched the Intermediate Trade Test for the Construction Industry in 1998, about 6 200 people have passed the test administered by CITA. Subject to availability of resources, CITA plans to increase the capacity of the Intermediate Trade Test to 8 000 each year. CITA has also launched a subsidy scheme at the end of last year to provide subsidies to employers who recruit CITA graduates on a long term basis as a bid to promote this practice in the construction industry.

21. We have just gazetted the Industrial Training (Construction Industry) (Amendment) Bill 1999 last week to provide a clearly-defined legal basis for CITA to conduct trade tests and implement the subsidy scheme. These two measures are crucial in raising the skill level of construction workers and promoting long term employment in the construction industry. To enable CITA to have sufficient resources to carry out the above tasks, after the Bill is passed by the Legislative Council, we will move a resolution to raise the construction levy from 0.25% to 0.4%.

22. In order to meet the manpower demand arising from the infrastructural projects coming on stream next year, the Bureau will hold

regular meetings with the Working Group on Training and Retraining for the Construction Industry, which comprises members from employer associations, trade unions, training bodies and Government departments concerned, to assess the manpower demand and supply in the next few years and discuss measures to strengthen training and retraining of the construction industry to meet future demands.

Chinese Cuisine Training Institute

23. One of the key projects in the coming year is the establishment of a Chinese Cuisine Training Institute. The Government is working vigorously with the Vocational Training Council to make preparations for the Institute, which is expected to come into operation by end 2000. The Institute will provide systematic practical training in Chinese cuisine and introduce a trade testing system to put in place a clear professional development and promotion ladder for members of the trade. In the long-term, the establishment of the Institute will facilitate the development of Hong Kong into a regional centre of excellence in Chinese cuisine training.

IV. Promote safety and health at work

24. In the coming year, we will continue to introduce new and amendment legislation to enhance occupational safety and health in Hong Kong. We have already submitted the Factories and Industrial Undertakings (Medical Examinations) Regulation and Factories and Industrial Undertakings (Loadshifting Machinery) Regulation and they are being examined by respective LegCo sub-committees. We hope for an early passage of these regulations.

25. We plan to introduce five pieces of legislation on occupational safety and health in the 1999-2000 legislative session. They include :

- (i) the Factories and Industrial Undertakings (Safety Management) Regulation, to provide for safety management system in designated factories and industrial undertakings, employing 50 and 100 or more employees;
- (ii) the Factories and Industrial Undertakings (Amendment) Bill, to change the calculation of the 6-month time bar on prosecuting proprietors of notifiable work places for failure to meet the notification requirement. The time limit is to be calculated from the date of discovering or knowing of the existence of such work places;
- (iii) a new regulation under the Occupational Safety and Health Ordinance, to protect the safety and health of habitual users of display screen equipment and stipulates the required standard;
- (iv) a new regulation under the Occupational Safety and Health Ordinance, 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;
- (v) amending the Factories and Industrial Undertakings (Safety Officers and Safety Supervisors) Regulation, to enhance the powers and training of safety officers and to extend the

coverage to the container-handling industry.

26. On the other hand, we will also step up enforcement actions and strengthen promotional and publicity activities. We will form an Integrated Services Group comprising professional officers from occupational health and safety services to undertake promotional and enforcement inspections to chain, complex and large organisations. The Labour Department will also create a new safety icon, in co-operation with the Occupational Safety and Health Council, to provide a focus on work safety and health. It will, in addition, provide small and medium size enterprises with a practical guide and a do-it-yourself kit to promote the concepts of occupational safety and health and to help develop suitable safety management systems.

Conclusion

27. Our work in the areas of easing unemployment, fostering a skilled workforce and protecting the rights and benefits of employees is of utmost importance, especially under the current economic situation. The Education and Manpower Bureau, the Labour Department and various training bodies will spare no efforts to meet the targets we have set in the coming year.