

立法會
Legislative Council

LC Paper No. CB(2)2688/06-07
(These minutes have been seen by
the Administration)

Ref : CB2/PL/MP/1

Panel on Manpower

Minutes of meeting
held on Thursday, 21 June 2007, at 2:30 pm
in the Chamber of the Legislative Council Building

- Members present** : Hon LAU Chin-shek, JP (Chairman)
Hon KWONG Chi-kin (Deputy Chairman)
Hon CHAN Yuen-han, JP
Hon Jasper TSANG Yok-sing, GBS, JP
Hon Andrew CHENG Kar-foo
Hon LI Fung-ying, BBS, JP
Hon Tommy CHEUNG Yu-yan, JP
Hon Frederick FUNG Kin-kee, SBS, JP
Hon WONG Kwok-hing, MH
Hon Andrew LEUNG Kwan-yuen, SBS, JP
Hon Alan LEONG Kah-kit, SC
Hon LEUNG Kwok-hung
- Member attending** : Dr Hon Fernando CHEUNG Chiu-hung
- Members absent** : Hon LEE Cheuk-yan
Hon LEUNG Yiu-chung
- Public Officers attending** : Item IV
Mr TANG Kwok-wai, Paul, JP
Permanent Secretary for Economic Development and
Labour (Labour)

Mr FONG Ngai
Assistant Commissioner for Labour (Policy Support and
Strategic Planning)

Miss CHANG Kar-wai, Carrie
Senior Administrative Officer (Policy Support)
Labour Department

Item V

Mr TANG Kwok-wai, Paul, JP
Permanent Secretary for Economic Development and
Labour (Labour)

Mr NG Ka-kwong, Stanley
Assistant Commissioner for Labour (Employees' Rights
and Benefits)

Ms LAU Pik-yiu, Femia
Senior Labour Officer (Employees' Compensation)
Labour Department

Item VI

Mr TANG Kwok-wai, Paul, JP
Permanent Secretary for Economic Development and
Labour (Labour)

Mr Fred TING, JP
Deputy Commissioner for Labour (Occupational Safety
and Health)

Mr TSO Sing-hin, JP
Assistant Commissioner for Labour (Occupational
Safety)

Academics : Item IV
by invitation

Professor HO Lok-sang
Professor, Department of Economics
Lingnan University

Professor Francis T. LUI
Professor, Department of Economics and
Director, Center for Economic Development
Hong Kong University of Science & Technology

Dr CHAN Wing-chiu, Andy
Associate Professor, Department of Management &
Marketing
The Hong Kong Polytechnic University

Clerk in attendance : Mrs Sharon TONG
Chief Council Secretary (2) 1

Staff in attendance : Mr Watson CHAN
Head (Research & Library Services)

Mr Jackie WU
Research Officer 1

Ms Diana WONG
Research Officer 2

Miss Josephine SO
Council Secretary (2) 1

Miss Helen DIN
Legislative Assistant (2) 1

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I. Confirmation of minutes of previous meeting
(LC Paper No. CB(2)2174/06-07)

The minutes of the meeting held on 17 May 2007 were confirmed.

II. Outline of research study on minimum wage systems in selected places
(LC Paper No. CB(2)2173/06-07(01))

2. Head (Research & Library Services) (H(RL)) briefed members on the proposed research outline.

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3. Mr WONG Kwok-hing suggested that the research study should cover the following issues -

- (a) the authorities responsible for determining the minimum wage rates;
- (b) the authorities responsible for regulating and enforcing the minimum wage systems; and
- (c) the impact of the statutory minimum wage on disabled persons.

4. Mr Frederick FUNG hoped that the research study could cover the experience of countries/places where the proposal to implement statutory minimum wage was explored but abandoned due to specific reasons.

5. Ms LI Fung-ying asked whether the research study would provide information on process of determining and adjusting the minimum wage rates.

6. H(RL) referred members to paragraph 2.1 of the proposed outline, and advised that the research report would provide a detailed account of issues raised by members subject to data availability. It would provide a comprehensive analysis and a balanced perspective of the minimum wage systems implemented in the places to be studied.

7. Mr Frederick FUNG enquired about the reason for selecting the 10 places to be studied. H(RL) said that as the Research and Library Services Division was requested to update the research report entitled "Minimum Wage Systems" published in May 1999, the same 10 places studied at that time were included for ease of comparison.

8. Members agreed to the proposed scope of the study and the tentative work plan to complete the research by September/October 2007.

III. Date of next meeting and items for discussion
(LC Paper Nos. CB(2)2173/06-07(02) & (03))

9. Members agreed that the next Panel meeting originally scheduled for 19 July 2007 be re-scheduled for Thursday, 5 July 2007, from 4:30 pm to 6:30 pm.

10. Members agreed that the following items be discussed at the next meeting -

- (a) Progress of Wage Protection Movement and the proposal for introduction of legislation for a minimum wage and related issues;

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- (b) Measures to promote harmonious labour relations in the construction industry; and
- (c) Latest progress and enhanced promotional efforts of the Labour Department's youth employment and training programme.

11. Mr WONG Kwok-hing and Ms LI Fung-ying expressed concern that some employers of the securities and real estate sectors were seeking means to evade the statutory responsibility to provide their employees with benefits calculated on the basis of commission earned by the employees. They suggested that issues relating to the implementation of the Employment (Amendment) Ordinance 2007 should be discussed by the Panel at a future meeting.

IV. Proposal for introduction of legislation for a minimum wage and related preparatory work - statutory minimum wage for cleaning workers and security guards

(LC Paper Nos. CB(2)2160/06-07(01) & (02) and CB(2)2204/06-07(01) & (02))

Views of academics

Professor HO Lok-sang

Professor, Department of Economics, Lingnan University

[LC Paper No. CB(2)2160/06-07(01)]

12. Professor HO Lok-sang presented his views as detailed in his submission, and highlighted the following points -

- (a) wage level of workers in a free market was determined by supply and demand. Other things being equal, the greater the supply, the lower would be the wages;
- (b) in situation where manpower supply far exceeded demand, the wages of workers could fall below the minimum cost-of-living level. This would have an effect of driving the low-income group to resort to the Comprehensive Social Security Assistance (CSSA) scheme, thereby putting the financial burden on the taxpayers and the community as a whole;
- (c) a long-standing argumentation against the imposition of statutory minimum wage was that it would lead to a reduction in employment opportunities, especially for the less skilled and inexperienced job seekers, e.g. teenagers, given their comparatively lower productivity and limited bargaining power

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in the labour market;

- (d) the statutory minimum wage, if implemented effectively, could end up benefiting the whole economy, as it could provide CSSA recipients with an incentive for work. The minimum wage level should be set at a reasonable level. In principle, there was an optimal level. Upward adjustment should be considered as long as the marginal benefit of raising the wage level exceeded the marginal cost; and
- (e) there were other better alternatives than statutory minimum wage, e.g. provision of wage subsidies to employees across-the-board.

Professor Francis T LUI

Professor, Department of Economics and Director, Center for Economic Development, Hong Kong University of Science & Technology

13. Professor Francis T LUI expressed his views as follows -

- (a) the issue of whether statutory minimum wage should be introduced in Hong Kong had been debated for years. Conventional economists did not consider introduction of legislation for a minimum wage favourable as it was against the spirit of free competition in the labour market;
- (b) legislating for a minimum wage was meaningful only if the problem of wage suppression by monopsonistic employers was very serious. However, there was no question of such problem occurring in Hong Kong;
- (c) in considering whether a statutory minimum wage system should be implemented in Hong Kong, the possible effects of minimum wage on employment, e.g. the overall effect on the employment opportunities of low-skilled workers, youth without working experience and disabled persons, had to be thoroughly assessed. A report entitled "Minimum Wages and Employment : A Review of Evidence from the New Minimum Wage Research" published by Mr David Neumark and Mr William Wascher of National Bureau of Economic Research, USA, had summarised about 100 research studies on minimum wage since the early 1990s, and it could serve as useful reference;
- (d) the proposal of granting wage subsidies to employees, if implemented, should be complemented by appropriate measures to monitor the conduct of employers, as unscrupulous employers might take advantage of the provision of wage subsidies by the

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Government and join hands to suppress the wages of their employees; and

- (e) introducing a minimum wage was not the only way to safeguard the interests of low-income workers. There were other alternatives. For example, to complement its economic development strategy to increase employment opportunities, the Administration should have long-term policy on manpower resources training. Vocational training and retraining programmes should be provided for low-skilled workers with low education attainment with a view to enhancing their competitiveness in the labour market.

Dr CHAN Wing-chiu, Andy

Associate Professor, Department of Management & Marketing, the Hong Kong Polytechnic University

[LC Paper No. CB(2)2204/06-07(01)]

14. Dr Andy CHAN said that he was in support of the proposal to introduce a statutory minimum wage. To start with, the Administration could consider providing wage protection to cleaning workers and security guards, and the minimum wage rates should not be set at a very high level. They should be pitched at a level which offered real benefits to the low-paid workers, with reference to the poverty line and the cost-of-living level.

Discussion

15. Mr WONG Kwok-hing considered that the measure proposed by Professor HO Lok-sang to grant wage subsidies to employees was unfair to the Government, as wages should be paid by employers.

16. Professor HO Lok-sang responded that granting wage subsidies to employees was one of the possible options, other than implementation of statutory minimum wage, which served the purpose of providing wage protection. He explained the pros and cons of this option, and supplemented that if all members of the workforce, regardless of occupation and salary level, received the same amount of wage subsidies, the chance of employers suppressing the wages of their employees would be extremely slim. As the revenue from salary tax would increase, the burden on the Government could be offset.

17. Miss CHAN Yuen-han considered wage subsidies a feasible solution to solve the problem faced by the low-income group. She said that there was cause for concern that employers were joining hands to suppress the wages of cleaning workers and security guards, as such workers were presently required

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to work long hours and continued to earn a very low income, about four to five thousand dollars a month.

18. Professor Francis T LUI explained that the existing market-driven wage mechanism was an essential component of Hong Kong as an open and flexible free market economy. Under this economic system, wage, which was the cost of labour, just like any other costs of production, was determined by the forces of demand and supply in the labour market. Labour mobility was virtually unrestricted and labour market information was easily accessible in Hong Kong. The ultimate amount of wages for each individual worker was invariably the outcome of a combination of factors. Such factors included changes in the costs of production, productivity and performance of individual workers, the prevailing wage rates for comparable jobs as well as the outcome of negotiation between employers and employees. Professor LUI did not consider it appropriate for the Government to set up any form of minimum wage in Hong Kong, as any move to interfere the private sector decisions on wage setting was bound to be counter-productive. For some industries, a minimum wage would increase the labour cost. This would, in turn, weaken their competitiveness, prompt them to relocate or outsource some production processes offshore (e.g. the Mainland or other countries of the South East Asia), and lead to redundancy and fewer job opportunities. Those production processes that were labour intensive and less value-added would bear the brunt, and unfortunately workers with lower skills or educational levels, or the cohort whom the minimum wage intended to protect, would suffer most.

19. Ms LI Fung-ying cited the case of the United States (US) as an example that although it was facing a problem of excessive supply of labour due to the influx of workers from Mexico, the US Government enacted the national minimum wage to protect the low-income group. In her view, the Administration should draw on US's experience to address the issue. Professor Francis T LUI said that the implementation of a higher minimum wage would give rise to higher unemployment in the southern part of US.

20. Ms LI Fung-ying sought the views of the academics on the appropriate minimum wage level, if a minimum wage system was to be established in Hong Kong. Professor HO Lok-sang considered that the minimum wage should be set at a reasonable level to enable employees to live with dignity, and suggested that to start with, the Government should fix the rates at a level equivalent to the CSSA payments. Dr Andy CHAN echoed his view.

21. Dr Hon Fernando CHEUNG expressed concern about the way forward for Hong Kong in respect of implementing a minimum wage, and asked whether wage subsidies should be implemented in parallel with statutory minimum wage.

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22. Professor Francis T LUI and Dr Andy CHAN shared the view that it was not appropriate to implement wage subsidies across-the-board, as there would not be any means test. The issue was a complicated one and would require very careful consideration. Professor LUI said that he was not aware of any places that provided wage subsidies while implementing statutory minimum wages.

23. Mr LEUNG Kwok-hung said that although there were arguments that a minimum wage policy would have adverse effect on the economy, overseas experience did not show any sign of economic recession which was caused by statutory minimum wage. He remained of the view that a minimum wage could provide adequate income protection for elementary workers, reduce the number of people resorting to CSSA and provide an incentive for the able-bodied unemployed to re-enter the labour market, enable workers to earn a dignified living by their labour, alleviate the problem of poverty and narrow the gap between the rich and the poor in Hong Kong.

24. Mr Frederick FUNG held the view that the Administration should explore in depth the feasibility and desirability of introducing a statutory minimum wage in Hong Kong. As the starting point in considering the proposal, he made the following suggestions -

- (a) the minimum wage should be set at a reasonable level at least equivalent to the CSSA payments, so as to enable employees to maintain a basic standard of living and prevent them from being forced to apply for CSSA; and
- (b) the minimum wage legislation could be implemented in selected industries, e.g. the cleansing and guarding services sectors, before full application to all trades and occupations.

25. Mr WONG Kwok-hing pointed out that many places and developed countries, such as Europe, the United Kingdom, France, US, Japan, Australia and the Mainland, had put in place the minimum wage system to protect their low-income workers. Hong Kong should have similar legislation.

26. Professor Francis T LUI advised that US had a long history of implementing the minimum wage system. The US Government imposed a legal minimum wage in 1938 when the country experienced the great depression, and had all along upheld the system for political or other reasons.

27. Miss CHAN Yuen-han noted with concern the continuous rise of Gini Coefficient (GC) since 1971, as it indicated a deteriorating trend of disparity in income and the inadequacies of existing measures in reversing such a trend. She sought the views of the academics on measures to curb the trend.

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28. Professor Francis T LUI said that according to the latest report published by the Census and Statistics Department on household income distribution, the GC computed on the basis of per capita household income had been very stable and stayed at about the same level in the past decade. He stressed that the study of income distribution was a highly complex subject requiring careful interpretations. During the past decade, Hong Kong had been experiencing economic restructuring as well as social and demographic changes. It might not be possible to fully understand the actual situation by looking at GC compiled based on household income data alone. Professor LUI further said that job creation was an effective measure to tackle poverty. The Administration should strive to stimulate economic growth and create employment opportunities.

V. Funding requirements of the Pneumoconiosis Ex Gratia Scheme
(LC Paper No. CB(2)2173/06-07(04))

29. Permanent Secretary for Economic Development and Labour (Labour) (PSL) briefed members on the proposal to make a funding injection of \$89 million into the Pneumoconiosis Ex Gratia Fund (the Fund) to restore the financial viability of the Pneumoconiosis Ex Gratia Scheme (the Ex Gratia Scheme) so that it would continue to provide lifelong benefits to persons who were diagnosed as suffering from pneumoconiosis before 1981 (the pre-1981 pneumoconiotics). PSL informed members that the Administration had projected in 1997 that there would only be 25 beneficiaries as at the end of 2006, and the Ex Gratia Scheme would have to operate up to 2011 when all the beneficiaries would have passed away. The projection had taken into account the age profile and the average life expectancy of the pre-1981 pneumoconiotics then. Nevertheless, subsequent figures revealed that the beneficiaries enjoyed a longer lifespan than originally envisaged and the actual number of beneficiaries surviving as at the end of April 2007 was 197. The discrepancy in the projection was mainly attributable to the following factors -

- (a) the average life expectancy adopted for working out the amount of injection in 1997 was based on very limited operational statistics on deceased pneumoconiotics available at that time. With more data available, the Administration could arrive at a more accurate projection of the life expectancy of surviving beneficiaries;
- (b) improvements in benefits under the Ex Gratia Scheme had contributed to the improved health conditions of the pre-1981 pneumoconiotics and the longer-than-expected life expectancy of the beneficiaries; and

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- (c) the Pneumoconiosis Compensation Fund Board (PCFB) had improved its services provided to pneumoconiotics. With the expansion of PCFB's function in 1996 to conduct rehabilitation programmes for pneumoconiotics, the pre-1981 pneumoconiotics had also benefited from the active healthcare services and rehabilitation activities organised by PCFB.

PSL said that the balance in the Fund was inadequate to support the benefit payments for the pre-1981 pneumoconiotics, and the Fund would likely be depleted in early 2008.

30. Mr WONG Kwok-hing expressed support for the proposal. He referred members to a submission from the Pneumoconiosis Mutual Aid Association, in which the Association requested that -

- (a) the pre-1981 pneumoconiotics should be entitled to enjoy medical and healthcare services identical to those accorded to persons diagnosed on or after 1 January 1981 as suffering from pneumoconiosis (the post-1981 pneumoconiotics);
- (b) similar to the post-1981 pneumoconiotics, medical fee waiver cards should be provided to the pre-1981 pneumoconiotics to facilitate medical treatment at clinics and hospitals of the Hospital Authority;
- (c) the Administration should streamline the procedures for processing and shorten the time required for making death grant payable to the family members of the pneumoconiotics who died of pneumoconiosis. It was proposed that the processing time should be no longer than three months; and
- (d) in connection with pneumoconiosis, certification given by, and medical examination and treatment conducted or given by registered Chinese medicine practitioners (CMPs) should be recognised for the purpose of entitlement to benefits and compensation under the Pneumoconiosis (Compensation) Ordinance (PCO) and the Ex Gratia Scheme.

Mr WONG hoped that the Administration would accede to the request of the Association.

(Post-meeting note : The submission from the Pneumoconiosis Mutual Aid Association, tabled at the meeting, was issued to members vide LC Paper No. CB(2)2246/06-07(02) on 22 June 2007.)

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31. Miss CHAN Yuen-han considered that the time required for processing the payment of death grant was too long, given that it took four to six months to complete. She enquired about the measures to be taken by the Administration to address the issues relating to the payment of death grant.

32. Ms LI Fung-ying said that while she supported the proposal to make an injection into the Fund, she noted that the Ex Gratia Scheme relied entirely on government funding as its major source of income. Ms LI enquired whether the Administration would consider other financing methods, e.g. imposing a levy on the construction and quarrying industries, for the purpose of improving the benefits for the pre-1981 pneumoconiotics.

33. In response, PSL and Assistant Commissioner for Labour (Employees' Rights and Benefits) (AC(ERB)) made the following points –

- (a) there were currently two schemes providing financial support to pneumoconiotics, namely a statutory compensation scheme set up under PCO providing compensation on a collective liability basis for the post-1981 pneumoconiotics, and the Ex Gratia Scheme for the pre-1981 pneumoconiotics. While the statutory scheme was financed by a levy on the construction and quarrying industries, where the bulk of pneumoconiosis cases were detected, the Ex Gratia Scheme was funded entirely by the Government through grants made to the Fund. Both schemes provided benefits and compensation to persons, or family members of persons, who were diagnosed as suffering from pneumoconiosis and were incapacitated by or died as a result of pneumoconiosis;
- (b) the Pneumoconiosis Medical Board (PMB) was responsible for determining whether a person was suffering from pneumoconiosis, and if so, the degree of such incapacity. It also assessed whether a person was in need of constant care and attention of another person on account of pneumoconiosis. For fatal cases, PMB determined whether the death of a person resulted from the disease. For the purpose of assessment, PMB needed to examine the relevant medical reports. The Administration agreed there was a need to expedite the process and would discuss with PMB means to shorten the lead time for its determination;
- (c) when the provisions of the Certification for Employee Benefits (Chinese Medicine) (Miscellaneous Amendments) Ordinance in relation to PCO came into force, medical treatment given by registered CMPs would be recognised for entitlement to benefits under PCO. Medical expenses incurred directly for treatment in

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connection with pneumoconiosis by registered CMPs would also be reimbursable under the Ex Gratia Scheme;

- (d) as at the end of April 2007, there were 197 beneficiaries under the Ex Gratia Scheme. The benefits currently provided under the scheme included reimbursement of medical expenses for medical treatments in connection with pneumoconiosis, subject to a daily ceiling of \$200 for out-patient or in-patient treatment in any one day or \$280 for out-patient and in-patient treatment received on the same day, which was broadly in line with those provided for the post-1981 pneumoconiotics under the statutory scheme. The Administration would study carefully the suggestion of providing medical fee waiver cards to the pre-1981 pneumoconiotics to facilitate their seeking of medical treatment at hospitals and clinics of the Hospital Authority, and finalise the details of the new arrangement hopefully by the end of 2007; and
- (e) under the Ex Gratia Scheme, the pre-1981 pneumoconiotics were eligible to receive quarterly payments for incapacity at a monthly rate of \$1,530. This amount was comparable to the average amount of \$1,296 a month received by those post-1981 pneumoconiotics who had also received a lump sum amount of compensation beforehand.

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34. The Chairman requested the Administration to revert to the Panel in October 2007 on its discussion with PMB on measures to expedite the payment of death grant to the family members of pneumoconiotics who died of pneumoconiosis.

35. In response to Mr WONG Kwok-hing's enquiry, AC(ERB) said that the current number of post-1981 pneumoconiotics receiving benefits under PCO was about 1 950.

36. Mr WONG Kwok-hing asked whether the Labour Department (LD) had any established channel for communication with the patient groups, such as the Pneumoconiosis Mutual Aid Association, to understand and address the concerns and needs of pneumoconiotics.

37. AC(ERB) replied that LD maintained close contact with the relevant stakeholders, and had regular communication with organisations, such as the Hong Kong Workers' Health Centre, which had reflected views in connection with pneumoconiotics. LD welcomed regular communication with the Pneumoconiosis Mutual Aid Association.

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VI. Hong Kong's Occupational Safety Performance in 2006
(LC Paper No. CB(2)2173/06-07(05))

38. PSL briefed members on Hong Kong's occupational safety performance in 2006, as detailed in the Administration's paper.

39. Mr WONG Kwok-hing noted with concern that in 2006, the transport and related services industry as well as the sanitary and similar services industry had recorded notable increase in accident figures as compared with 2005. He asked whether the Administration had analysed the causes of the accidents.

40. Deputy Commissioner for Labour (Occupational Safety and Health) (DC(OSH)) said that workers in the sanitary and similar services industry were more prone to work injuries since they often had to lift or move heavy objects. However, most of the accidents were of a relatively minor nature. With a view to reducing the accident toll in cleansing work, LD would continue to raise the safety awareness (e.g. the proper ways to lift or move heavy objects and safety precautions on use of chemicals, including cleansing agents) among people in the trade through education and publicity campaigns.

41. As regards the transport and related services industry, Assistant Commissioner for Labour (Occupational Safety) (AC(OS)) explained that the figures given in paragraph 5(b) of the Administration's paper captured all accidents which occurred in the air transport, sea transport, road transport and logistics services sector. Incorrect manual lifting or carrying and slip, trip or fall on the same level were the major causes of these accidents. To combat the rising trend of accidents, LD had planned and implemented a series of preventive measures in the form of enforcement campaigns, promotional visits and safety seminars.

42. Miss CHAN Yuen-han expressed concern about the increase in occupational accidents in the catering, construction and services industries. She considered that long working hours which caused fatigue was the crux of the problem, as it could affect an employee's ability to perform and might also lead to higher chance of occupational accidents resulting in injuries. She shared the view that the Administration should analyse the causes of industrial accidents in Hong Kong, with a view to identifying more effective measures to reducing the work accident toll.

43. PSL said that there were many reasons for the increase in occupational accidents and he would not rule out long working hours as one of the possible causes. However, the lack of work safety awareness among employers and workers alike might be a major reason that led to the increase. It was worth noting that there had been an increase in accidents in repair, maintenance, alteration and addition (RMAA) works in the past few years. The

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Administration would continue to launch, among others, intensive publicity campaigns to enhance the safety awareness of all parties involved in RMAA works.

44. Ms LI Fung-ying pointed out that with the support and assistance offered by the Urban Renewal Authority and the Hong Kong Housing Society in the area of building rehabilitation, more and more building rehabilitation works were undertaken, which might attribute to the increase in the number of industrial accidents in the construction industry. She held the view that the Administration should adopt more focused and effective measures to tighten up the safety control over building rehabilitation works.

45. In response, DC(OSH) made the following points -

- (a) there had been an increase in accidents in RMAA works over the last few years. In 2006, there were 1 697 RMAA accidents that accounted for 49.9% of all construction accidents, as compared to 1 509 accidents and 42.5% in 2005;
- (b) to tackle the increase in the number of occupational injuries and industrial accidents recorded for RMAA works, LD had planned and implemented a series of measures. Among others, LD had joined hands with the Occupational Safety and Health Council (OSHC) and the Hong Kong Construction Industry Employees General Union to organise safety seminars for frontline workers to enhance their safety awareness;
- (c) the Administration was very concerned about industrial accidents caused by fall from height. In view of the possible financial difficulties faced by small and medium-sized building contractors in purchasing safety equipment, LD had launched a sponsorship scheme, in partnership with OSHC, to help them purchase work-at-height fall arresting equipment such as transportable temporary anchoring device for truss-out scaffolding work. Under the scheme, a subsidy of up to \$3,000 was offered to proprietors or contractors of small and medium-sized enterprises (SMEs). In October 2006, the subsidy ceiling of the scheme was increased to \$3,500 to further assist these contractors to purchase safety equipment of higher standard, e.g. T-shaped metal brackets; and
- (d) on the publicity front, the Administration would continue its efforts to arouse the safety awareness of all parties involved in RMAA works through a broad range of vehicles including television and radio Announcements of Public Interests.

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46. Ms LI Fung-ying requested the Administration to provide information on the number of industrial accidents in the construction industry which respectively involved self-employed persons and workers employed by subcontractors.

47. Mr WONG Kwok-hing said that the Administration should study whether the work accidents/injuries in the transport and related services industry as well as the sanitary and similar services industry had correlation with long working hours of workers. He held the view that an in-depth analysis of the industrial accidents, with a view to locating their possible causes, would be useful reference to the Government in its formulation of new or enhanced measures to improve workplace safety for these industries. As regards the two sponsorship schemes which provided financial assistance to proprietors or contractors of SMEs to procure fall protection equipment or gas testing equipment and risk assessment service, Mr WONG suggested that consideration should be given to making it a compulsory requirement for all building contractors to purchase the safety equipment, so as to protect the safety of those engaged in high-risk activities.

48. Mr LEUNG Kwok-hung shared the view that an in-depth study to understand whether the problem of long working hours had correlation with industrial accidents should be conducted. If the findings revealed that working long hours had significant impact on occupational safety, the Administration should consider legislating to provide for rest break for employees, so as to address the problem at source. Mr LEUNG was very concerned about the industrial accidents occurred in the catering industry and the sanitary and similar services industry. Regarding the high-risk construction industry, he suggested that safety nets should be used as a complementary tool to improve workplace safety for scaffolding workers.

49. PSL and DC(OSH) responded that -

- (a) the Administration was very concerned about occupational safety on construction sites, and had conducted case studies to analyse the severe injuries and fatalities for follow-up actions. It was observed that many accidents were caused by contractors' and workers' disregard for industrial safety and failure to provide or use personal protective equipment e.g. safety belt/harness and independent lifeline. LD would work closely with the future Development Bureau to identify strategies for the improvement of industrial safety on construction sites;
- (b) the Occupational Safety and Health Regulation set out clearly the requirements on safety and health aspects associated with work occurring within a confined space. The person responsible for

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the workplace must conform to certain safety standards to ensure that the workplace was safe and without risk to the safety and health of workers working therein. LD would strictly enforce the legal requirements. For example, it had been working closely with the Drainage Services Department to conduct workplace inspections to ensure that employers and workers of drainage and sewage services works complied with the safety requirements. A cease work order would be issued in situation where safety of workers on site was undermined by the continuation of works;

- (c) the safety of persons working-at-height on construction sites was regulated by the relevant provisions of the Construction Sites (Safety) Regulation, which set out the fundamental duty of contractors to provide a safe working environment and to take adequate steps to prevent any worker from falling from a height. The Regulation also set out the required protective measures for persons working-at-height. LD would step up workplace inspections to secure employers' and employees' compliance with the legislation. Promotion and publicity campaigns targeted to enhance work safety awareness among workers engaged in scaffolding works would also be launched; and
- (d) although the catering industry ranked top among all industries in terms of the number of accidents, there had been continual improvement in the past few years. This was evidenced by the fact that the number of industrial accidents had dropped from about 30 000 in 1998 to 8 902 in 2005. In 2006, the number of industrial accidents showed a slight rise to 9 294, but the accident rate per 1 000 workers had decreased to 47.2. The most common types of industrial accidents in the catering industry were slip, trip or fall on same level and injured by hand tool. Most of them could be prevented by taking appropriate safety measure, e.g. wearing of gloves.

50. Noting members' concern about the possible impact of long working hours on occupational safety, DC(OSH) said that the Administration would conduct a literature research to see whether there was a clear relationship between the two.

51. Responding to Mr LEUNG Kwok-hung's enquiry, DC(OSH) said that an employer was required by law to report to the Commissioner for Labour any work-related accident or specified occupational disease in relation to his employees in an appropriate form within a specified time period. For work-related accident, an employer was required to report within seven days after the accident using Form 2.

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52. Referring to Annex 1 to the Administration's paper, Mr WONG Kwok-hing noted with concern that the number of occupational injuries arising from workplace accidents in the financing, insurance, real estate and business services sector in 2006 stood at 5 911, representing an increase of 12% over 2005. He asked about the reasons for the increase and measures adopted by the Administration to improve the situation.

53. AC(OS) responded that many of the injury cases recorded for the financing, insurance, real estate and business services sector involved workers engaged in property management and related duties. To address the problem, the Administration had taken the following measures –

- (a) stepping up workplace inspections to ensure that employers and employees of property management companies observed safety and health at work;
- (b) enhancing the safety awareness of employers and employees in this trade through different promotion and publicity channels, e.g. organising safety seminars for frontline workers; and
- (c) setting up a safety committee for the property management industry under OSHC.

54. Mr LEUNG Kwok-hung expressed concern about the methodology adopted by the Administration in compiling work injury statistics. He suggested that the Administration should establish closer cooperation with research institutes and tertiary education institutions to study the problem and review the policies relating to occupational safety and health.

55. PSL and AC(OS) responded that -

- (a) the statistics provided in the Administration's paper were compiled on the basis of information gathered through Form 2, which was designed for employers to report to LD when work accidents occurred;
- (b) section 13 of the Occupational Safety and Health Ordinance required that an accident which occurred at a workplace and caused the death of, or serious bodily injury to, or incapacity from working for at least three days of, an employee must be reported;
- (c) if an employee sustained an injury or died as a result of an accident arising out of and in the course of the employment, his employer was liable to pay compensation under the Employees' Compensation Ordinance. The likelihood of employers not

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reporting the work accidents to the Commissioner for Labour was slim; and

- (d) the Administration was firmly committed to improving safety and health at work. It also kept its strategy under constant review, in partnership with OSHC, to ensure that risks to people's safety and health at work were properly managed by legislation, education and promotion.

VII. Any other business

56. There being no other business, the meeting ended at 5:10 pm.

Council Business Division 2
Legislative Council Secretariat
7 September 2007