

# Annual Report of Occupational Deafness Compensation Board for 2012-2013

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## CHAIRMAN'S FOREWORD

The Occupational Deafness Compensation Board has been resolute in safeguarding the hearing health of people engaged in noisy occupations. Throughout 2012/13, we have continued to work hard on promoting the importance of hearing conservation at workplaces. It was a rewarding and constructive period with the encouraging results that the Board achieved.

During the year 2012/13, the Board received a total of 236 applications for compensation, being a lower figure as compared to the year 2011/12. We believe this was a result of the proactive work that we had done in the past and hence fewer workers were found to be suffering from hearing impairment. Among these 236 applications, 174 cases for different types of compensation were approved with a total payout of HK\$10.12 million made. The approved cases consisted of 148 applications for the first time, 23 applications for further compensation and 3 previously rejected applications for which the claimants were suffering from monaural hearing loss only.

On the spectrum of our Financial Assistance Scheme for expenses incurred in purchasing, repairing and replacing hearing assistive devices (HAD), in 2012/13 a total of 501 applications were approved, of which 84 were first-time applications. The total subsidised payment amounted to HK\$1.76 million. In order to allow our occupational deafness sufferers to make the most of the HAD Scheme, the Board has been encouraging their participation in the Scheme via different platforms including quarterly newsletters, special mails, pre-fitting talks, hearing aid trial programmes, etc.

The construction industry in Hong Kong has been robust with a number of major infrastructure projects that rolled out earlier. In addition, a series of large-scale construction and development projects will continue on in the few years to come. In view of such circumstances, the construction industry is one of the key sectors that we must put more promotional efforts into, since some 60 per cent of the successful claimants who got compensation from the Board were/are engaged in the construction industry.

Occupational Deafness is not easily detected at the early stage. It would only be discovered when the sufferer's auditory nerve is gradually damaged which leads to a series of symptoms. Protection is the key to avoiding hearing loss. This requires the full commitment of employers and employees. Therefore, the Board has taken an active role in encouraging the parties concerned to cooperate to this end. Through our direct visits to noisy workplaces and via the institutes that organise safety training courses, the Board will continue to launch a series of educational campaigns addressing the importance of taking protective measures to prevent occupational

hearing loss, as well as elaborating to the parties concerned our compensation scheme should workers suffer from noise-induced deafness by reason of employment.

To further enhance our outreaching work to the general public, in year 2012/13 we revamped the Board's website which is now more user-friendly with the vivid and enriched information. I am glad that the revamped website has won two international and local awards with its new layout – namely, an international award of Standard of Excellence presented by the Web Marketing Association, and a Gold Award accredited by the Web Accessibility Recognition Scheme jointly organised by the Office of Government Chief Information Officer and the Equal Opportunities Commission. I trust that the Board's new website can allow our service targets to easily learn more about our responsibilities and services.

On the financial front, in 2012/13 the Board received a relatively high income of levy distributed under the Employees' Compensation Insurance Levies Ordinance. On the other hand, since the expense that the Board spent on compensation and HAD Financial Assistance Scheme was less than forecast given the reduced number of applications submitted to the Board, we recorded an operating surplus of HK\$16.66 million with our ongoing stringent control on expenditures.

I would like to extend my heartfelt gratitude to all stakeholders who have worked hard for our accomplishments and progress made over the years. I am delighted that we have got tremendous support from my Board fellows and the Medical Committee members. Special thanks go to all of them and also to the Secretariat for their dedication and commitment. Finally, may I take this opportunity to appeal for your continuous support to the Board in the years to come. Working together, we shall step up our concerted efforts to ensure an even safer working environment for all industries in Hong Kong.

**Dr. Anthony Yuen**

Chairman

Occupational Deafness Compensation Board

## OCCUPATIONAL DEAFNESS COMPENSATION BOARD

The Occupational Deafness Compensation Board (the Board) was established on 1 June 1995 under the Occupational Deafness (Compensation) Ordinance (the Ordinance). It is responsible for carrying out the following functions under the Ordinance:

- (A) to manage the Occupational Deafness Compensation Fund in accordance with the law;
- (B) to process and determine applications for compensation in respect of occupational deafness;
- (C) to process and determine applications for reimbursement of expenses for hearing assistive devices;
- (D) to conduct or finance educational and publicity programmes for the purpose of preventing noise-induced deafness by reason of employment; and
- (E) to conduct or finance rehabilitation programmes for persons suffering from noise-induced deafness by reason of employment.

The Board consists of 9 members, who are appointed by the Chief Executive of the Hong Kong Special Administrative Region, including representatives of employers, employees, medical professionals and public officers. It meets regularly to set directions on the programmes of activities to be carried out and to determine applications made under the Ordinance. The Secretariat of the Board is responsible for the day-to-day operation.



Commissioner for Labour Mr Cheuk Wing Hing, JP (centre), Deputy Commissioner for Labour (Labour Administration) Mr Byron Ng, JP (6<sup>th</sup> from left), Assistant Commissioner for Labour (Employees' Rights and Benefits) Mr Ernest Ip, JP (4<sup>th</sup> from right), ODCB Chairman Dr Anthony Yuen (6<sup>th</sup> from right), and a group of former and current Board members at the 2013 ODCB Annual Dinner

**MEMBERSHIP OF  
OCCUPATIONAL DEAFNESS COMPENSATION BOARD (ODCB)  
(1 April 2012 – 31 March 2013)**



Dr YUEN Po-wing, Anthony  
ODCB Chairman



Dr WONG Nai-keung, Philco  
Representing employers



Ms TUNG Mi-wah, Elsa  
Representing employers



Mr CHOW Luen-kiu, MH  
Representing employees



Mr POON Siu-ping, MH  
Representing employees  
(up to 31 May 2012)



Ms LEE Sau-king, Amy  
Representing employees  
(from 1 June 2012)



Dr KWOK Kai-him, Henry  
Representative of Hospital  
Authority (up to 31 May 2012)



Dr SO Hin-pan  
Representative of Hospital Authority  
(from 1 June 2012)



Dr CHIU Kit-ye,  
Sherlianne  
ENT Surgeon



Mr FONG Siu-leung, Raymond  
Senior Labour Officer  
Labour Department  
(up to 13 January 2013)



Mr LEUNG Kwok-kee, Raymond  
Senior Labour Officer  
Labour Department  
(from 14 January 2013)



Dr LEUNG Lai-man, Raymond, JP  
Consultant (Community Medicine)  
(Occupational Health)  
Department of Health



Ms NG Wai-ying, Erica  
ODCB Executive Director (Secretary)

## OCCUPATIONAL DEAFNESS MEDICAL COMMITTEE

The Occupational Deafness Medical Committee (the Committee) is another statutory body established under the Ordinance. Its function is to advise the Board on the technical, medical and professional aspects of hearing assessment and provision of hearing assistive devices to persons suffering from occupational deafness. The Committee comprises 5 members who are specialists of the medical profession or expert in the field of audiology.

### MEMBERSHIP OF OCCUPATIONAL DEAFNESS MEDICAL COMMITTEE (1 April 2012 – 31 March 2013)



Dr LEUNG Lai-man, Raymond, JP  
Nominated by  
Department of Health



Dr Victor ABDULLAH  
Nominated by  
Hospital Authority  
(up to 31 May 2012)



Dr WOO Kong-sang, John  
Nominated by  
Hospital Authority  
(from 1 June 2012)



Dr MA Kwong-hon  
Nominated by  
Hong Kong College of  
Otorhinolaryngologists  
Hong Kong Academy of Medicine  
(up to 31 May 2012)



Dr LUK Wai-sing, Albert  
Nominated by  
Hong Kong College of  
Otorhinolaryngologists  
Hong Kong Academy of Medicine  
(from 1 June 2012)



Professor YU Tak-sun, Ignatius  
Nominated by  
Hong Kong College of  
Community Medicine  
Hong Kong Academy of Medicine  
(up to 31 May 2012)



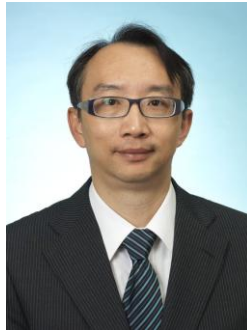
Dr FOK Pui-chu, Joan  
Nominated by  
Hong Kong College of  
Community Medicine  
Hong Kong Academy of Medicine  
(from 1 June 2012)



Professor AU Kin-kwok, Dennis  
Nominated by  
Hong Kong Society of Audiology  
(up to 31 May 2012)



Mr WONG Ka-cheong, Terence  
Nominated by  
Hong Kong Society of Audiology  
(from 1 June 2012)



Mr Chan Ying-wai, Alfred  
ODCB Director of Operations  
(Secretary)

## OCCUPATIONAL DEAFNESS COMPENSATION SCHEME

Occupational deafness is one of the most common occupational diseases detected in Hong Kong. It is caused by prolonged exposure to high level of noise at work, which results in the damage of the nerve cells of the inner ear. Once damaged or destroyed, these nerve cells will not recover. The resulting hearing impairment will be permanent and cannot be cured.

The Occupational Deafness Compensation Scheme provides for the payment of compensation to those employees who suffer from noise-induced hearing loss due to employment. Claimants have to fulfil both the disability and occupational requirements as stipulated by the Ordinance in order to be entitled to receiving compensation.

### **Disability Requirements**

Under the Ordinance, a claimant will be determined as suffering from occupational deafness if he/she has sensorineural hearing loss, as measured by audiometry averaged over the 1, 2 and 3 kHz frequencies, in the following manner:

- (A) Binaural hearing loss - sensorineural hearing loss amounting to not less than 40 dB in both ears, where such loss of at least one ear is due to noise; or
- (B) Monaural hearing loss - sensorineural hearing loss amounting to not less than 40 dB in only one ear, where such loss is due to noise.

### **Occupational Requirements**

To meet the occupational requirements, a claimant should have at least 10 years of employment in aggregate in any of the specified noisy occupations in Hong Kong. However, for 4 occupations that are particularly noisy, the aggregate employment period required is 5 years only. Specified noisy occupations refer to those occupations that are specified under the Ordinance, involving either noisy production processes or the use of noisy machinery. At present, 29 noisy occupations are specified, a full list of which is given at Appendix 1.

Moreover, a claimant has to be employed under a continuous contract of employment<sup>1</sup> in any specified noisy occupations in Hong Kong within the 12 months before making an application for compensation.

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<sup>1</sup> A claimant is regarded as having been employed under a continuous contract of employment if he/she has been employed continuously by the same employer for four or more weeks and has worked for 18 hours or more in each of such weeks.



### Further Compensation

A person who has previously received compensation from the Board shall be entitled to further compensation if he/she fulfils the following requirements:

### Occupational Requirements

- Having at least 3 years of employment in aggregate in any specified noisy occupation in Hong Kong after the application date of his/her latest application for which compensation has been approved; and
- Having been employed under a continuous contract in a specified noisy occupation in Hong Kong within the 12 months prior to making the application for further compensation.

### Additional Permanent Incapacity Requirements

- Confirmed by hearing test as suffering from binaural or monaural hearing loss; and
- The percentage of permanent incapacity as determined by the Board is greater than that of the latest application for which compensation has been approved.

### Payment of Compensation

Under the Ordinance, the first-time compensation or further compensation is paid in a lump sum calculated with reference to the claimant's age, monthly earnings and percentage of permanent incapacity resulting from occupational deafness in the following way:

Compensation for the first time:

<b>Age of Claimant</b>	<b>Amount of Compensation</b>
Under 40	96 months' earnings multiplied by % of permanent incapacity
40 to under 56	72 months' earnings multiplied by % of permanent incapacity
56 or above	48 months' earnings multiplied by % of permanent incapacity

Further Compensation:

<b>Age of Claimant</b>	<b>Amount of Compensation</b>
Under 40	96 months' earnings multiplied by additional % of permanent incapacity
40 to under 56	72 months' earnings multiplied by additional % of permanent incapacity
56 or above	48 months' earnings multiplied by additional % of permanent incapacity

For the purpose of calculating the amount of compensation, the average monthly earnings received by the claimant in his/her last 12 months' employment in specified noisy occupations in Hong Kong prior to the date of application shall be taken as his/her monthly earnings. If the claimant cannot provide documentary evidence on his/her earnings or the evidence provided by him/her is not accepted by the Board, the median employment earnings of the total employed population of Hong Kong published by the Census and Statistics Department will be adopted for computing the compensation amount. Irrespective of which figure is used, the amount is subject to a maximum of HK\$23,580.

The percentage of permanent incapacity is determined by the hearing loss suffered by the claimant in both ears. Under the Ordinance, it ranges from a minimum of 0.5% to a maximum of 60%.

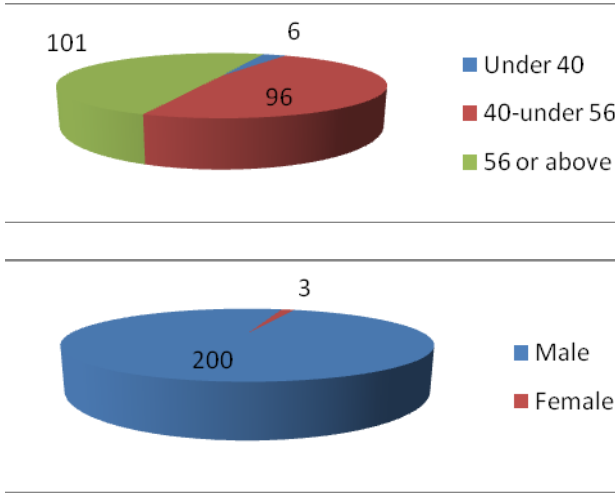
**Applications Received**

During the year 2012/13, the Board received a total of 236 applications for compensation with the following breakdown:

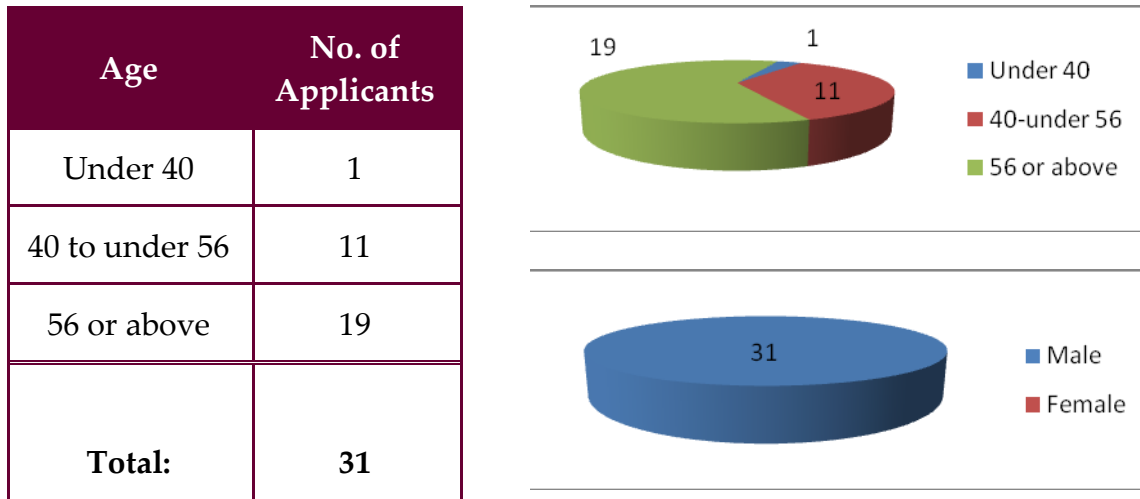
- Compensation for the first time (Figure 1).....203
- Further compensation (Figure 2)..... 31
- Compensation for hearing loss in only one ear  
 ~ having been previously refused by the Board.....2

**Figure 1: Profile of Claimants (First-time Compensation)**

Age	No. of Applicants
Under 40	6
40 to under 56	96
56 or above	101
<b>Total:</b>	<b>203</b>



**Figure 2: Profile of Claimants (Further Compensation)**



Similar to last year, the majority of the 203 applications for compensation for the first time are related to those working near internal combustion engines, turbines, pressurised fuel burners or jet engines which accounted for 34.0% of all first-time applications. The next largest groups involved those who engaged in the use of power driven grinding, chiselling, cutting or percussive tools on rocks (31.0%) and those engaged in metal grinding (22.2%). A set of the occupational profiles of the claimants applied for first-time compensation is given at Appendix 2.

With respect to the 31 applications for further compensation, the majority of the claimants were engaged in the use of power driven grinding, chiselling, cutting or percussive tools on rocks (58.1%), while those engaged in metal grinding (32.3%) was the next largest group of claimants. A set of the occupational profiles of the claimants applied for further compensation is given at Appendix 3.

### **Applications Processed**

For the year under review, the Board processed a total of 363 applications. Of these applications, 174 were approved with a total compensation payout of about HK\$10.12 million. A breakdown of the applications approved by their respective types are as follows:

	<b><u>Number of Approved Application</u></b>	<b><u>Amount of Compensation Paid (HK\$)</u></b>
• Compensation for the first time	148	7,961,650
• Further compensation	23	2,042,204
• Compensation for hearing loss in only one ear -		
(a) previously refused by the Board	2	97,360
(b) with hearing test arranged by oneself	1	15,840
<b>Total:</b>	<b>174</b>	

Regarding these 148 successful claimants who received compensation for the first time, 76% suffered a hearing loss of less than 50dB in the better ear (Figure 3) and a large majority (95%) of them suffered from a permanent incapacity of not greater than 20%. The average amount of compensation awarded was HK\$53,795 (Figure 4).

As for those 23 claimants who received further compensation, 74% suffered a hearing loss of less than 60dB in the better ear (Figure 5) and a large majority (96%) of them suffered from additional percentage of permanent incapacity ranged from 1% to 20.5%. The average amount of further compensation paid was HK\$88,791 (Figure 6). Two sets of analysis of approved cases of first-time and further compensation by level of hearing loss are at Appendix 4 and 5 respectively.

**Figure 3: Approved Cases by Level of Hearing Loss (Compensation for the First Time)**

Hearing Level (dB)	Better Ear	Worse Ear
<40	49	N.A.
40 – 49	63	67
50 – 59	28	48
60 – 69	5	19
70 – 79	3	8
80 – 89	0	4
90 or above	0	2
<b>Total:</b>	<b>148</b>	<b>148</b>

**Figure 4: Approved Cases by Compensation Payment (Compensation for the First Time)**

Percentage of Incapacity	No. of Cases	Total Payment (HK\$)
0.5%	22	128,776
1%-4.5%	58	981,112
5%-10%	39	2,647,171
11%-20%	22	2,857,219
21%-30%	5	1,004,172
31%-40%	2	343,200
41%-50%	0	N.A.
51%-60%	0	N.A.
<b>Total:</b>	<b>148</b>	<b>7,961,650</b>
<b>Average Compensation Paid:</b>		<b>53,795</b>

**Figure 5: Approved Cases by Level of Hearing Loss (Further Compensation)**

Hearing Level (dB)	Better Ear	Worse Ear
<40	0	N.A.
40 – 49	4	2
50 – 59	13	8
60 – 69	6	8
70 – 79	0	3
80 – 89	0	2
90 or above	0	0
<b>Total:</b>	<b>23</b>	<b>23</b>

**Figure 6: Approved Cases by Compensation Payment (Further Compensation)**

Percentage of Incapacity	No. of Cases	Total Payment (HK\$)
0.5%	0	N.A.
1%-4.5%	7	188,110
5%-10.5%	8	618,830
11%-20.5%	7	963,457
21%-30.5%	1	271,807
31%-40.5%	0	N.A.
41%-50.5%	0	N.A.
51%-59.5%	0	N.A.
<b>Total:</b>	<b>23</b>	<b>2,042,204</b>
<b>Average Compensation Paid:</b>		<b>88,791</b>

Regarding the 149 applications for compensation for the first time being refused during the year under review, 137 applications (92%) were due to failing to meet the disability requirements whereas 12 applications (8%) failed to meet the occupational requirements. On the other hand, 20 claimants had withdrawn the applications by themselves.

As for the 15 applications for further compensation being refused, 13 of them (87%) could not meet the disability requirements whereas 2 applications (13%) failed to meet the occupational requirements. There were 5 withdrawn cases (Figure 7). An analytical comparison of the results of first-time and further applications for compensation processed in 2012/13 versus 2011/12 is at Appendix 6.

**Figure 7: Breakdown of Applications Processed in the Year 2012/13**

	No. of cases (Compensation for the first time)	No. of cases (Further Compensation )
Compensation payment approved	148	23
Failed to meet disability requirements	137	13
Failed to meet occupational requirements	12	2
Failed to attend hearing assessment	0	0
Withdrawn	20	5

## FINANCIAL ASSISTANCE SCHEME FOR HEARING ASSISTIVE DEVICES

Any person who is entitled to compensation under the Ordinance may also apply for the reasonable expenses incurred in the acquisition, fitting, repair or maintenance of hearing assistive devices in connection with his/her noise-induced deafness subject to the Medical Committee's determination. Being the upper limit, the aggregate amount of financial assistance given under the scheme shall not exceed HK\$36,000. For the first-time application relating to the acquisition and fitting of a hearing assistive device, for each eligible person the claimed amount is subject to a maximum of HK\$12,000.

### *Under the Ordinance, hearing assistive devices shall include:*

- (A) hearing aid;
- (B) telephone amplifier specially designed for use by persons with hearing difficulty;
- (C) desktop telephone with flashing light or other visual device to indicate ringing;
- (D) any device the use of which by a person suffering from noise-induced deafness is determined by the Board, upon the advice of the Occupational Deafness Medical Committee, to be reasonably necessary in connection with such deafness; or
- (E) any accessories or parts of the above hearing assistive devices.

In 2012/13, 499 new applications for financing hearing assistive devices were received by the Board, in which 76 were first-time applications. During the same year, the Board approved 501 applications with a total payout of HK\$1.76 million. Acquisition of hearing aids was the major claim which amounted to 88.4% of the total expenses of the Scheme.

## EDUCATION AND PUBLICITY

Occupational deafness is caused by damages to the nerve cells of inner ear. Prevention is the only effective way to help protect the hearing of those workers engaged in noisy occupations. If their nerve cells are exposed to high-level noise for a prolonged period, they would not be able to recover and thereby leading to gradual and permanent hearing loss.

For the prevention of occurrence of noise-induced hearing loss due to employment, the Board has been undertaking a wide spectrum of educational and publicity programmes in order to inform the public about the Occupational Deafness Compensation Scheme and also to arouse public awareness on preventing occupational deafness.

### Exhibitions and Site Visits

With a view to reaching out to the public community, the Board has continued to stage a series of roving exhibitions at various sites during the year to propagate the compensation scheme and the importance of hearing protection at work.



Assistant Commissioner for Labour (Employees' Rights and Benefits) Mr Ernest Ip, JP (5<sup>th</sup> from left), ODCB Chairman Dr Anthony Yuen (5<sup>th</sup> from right), Caring Ambassador for Occupational Deafness Mr Stephen Au (1<sup>st</sup> from left) and a group of Board members at the Opening Ceremony of ODCB Roving Exhibitions 2012/13



Educational and propaganda games participated by a group of guests and audiences at the Opening Ceremony of ODCB Roving Exhibitions 2012/13



During the year under review, a total of 14 exhibitions were launched at shopping malls, training centres of the Construction Industry Council Academy as well as other venues where special promotional activities were organised jointly with the Labour Department and the Occupational Safety and Health Council.

To communicate with workers in noisy occupations directly, in 2012/13 the Board had conducted 16 safety talks at different noisy workplaces, especially at construction sites, concrete plants and the airport apron. Details of the Occupational Deafness Compensation Scheme and the proper way to protect hearing at work were explained to the workers who are likely in contact with high level of noise at work. A total of 700 participants took part in these safety talks. Moreover, the Board also provided training materials to 35 workplaces of noisy occupations in order to facilitate them to conduct internal training on hearing protection to their employees.

Working together with a number of major trade unions, the Board also offered support to organise special campaigns for avoidance of noise hazards by sending volunteers to work sites where noisy work processes were conducted. It was estimated that these activities benefited about 6,300 workers.

### **Publicity through the Mass Media**

The Board has been keen to make use of various mass media channels to spread out the message of preventing occupational deafness. TV commercial and radio advertisements were produced on hearing conservation that aimed at reaching out to the general public.

With the objective of alerting workers when they are commuting to and from work daily, the Board has made extensive efforts to put up publicity in the public transport systems: panels were placed on the seat-back and body of buses, posters were put at MTR concourses, train cards were displayed in MTR and Light Rail carriages, whereas electronic messages were shown on buses and East Rail carriages.

### **Education**

As an ongoing practice, the Board has joined hands with the Occupational Safety and Health Council (OSHC) in organising quarterly training courses on *Managing Noise at Work* for the managerial or supervisory personnel of those establishments with noisy processes. More, introduction of the compensation scheme was given at another 4 courses on workplace noise assessment organised by the OSHC. In order to combat the hazards of noise at work, it is of crucial importance that supervisors and managers should have a good comprehension on the problems and are able to solve them consequently.

### **Labour Group Activities Sponsorship Scheme**

Purposes of such sponsorship scheme are to encourage trade unions and labour groups to help publicise the compensation scheme and promote the hearing conservation message in the activities organised for their members. In 2012/13, sponsorship of HK\$676,800 were granted to 107 labour unions and organisations. Among the total 24,200 workers who took part in the sponsored activities delivered by these organisations, 20% of the participants were engaged in high-level noise occupations.

### Joint Functions on Occupational Safety and Health

The Board kept on co-organising with the Occupational Safety and Health Council for *The Hearing Conservation Best Practices Award Scheme* 2012/13 which aimed at giving recognition to companies and organisations that had made significant efforts to implement effective measures to protect the hearing of workers. This year, the number of participating organisations increased considerably and there were 27 bodies enrolled in the scheme. The winners were invited to share their valuable experiences at an award presentation forum successfully held in February 2013.

In addition, the Board continued to support and participate in several other major annual safety campaigns, including *The Catering Industry Safety Award Scheme* and *The Construction Safety Award Scheme*, which were jointly organised with the Labour Department and other prominent safety promotion organisations.



ODCB Chairman Dr Anthony Yuen (3<sup>rd</sup> from left) presents trophies to winners at the Occupational Health Award Presentation Ceremony



Commissioner for Labour Mr Cheuk Wing Hing, JP (centre), and a group of guests officiate at the Opening Ceremony of the Catering Industry Safety Award Presentation Ceremony



Chairman of the Occupational Safety & Health Council Ir Conrad Wong, JP, presents a memento to ODCB Executive Director Ms Erica Ng at the Construction Safety Award Presentation Ceremony

## REHABILITATION

Empowered by the Occupational Deafness (Compensation) Ordinance, the Board is also responsible for conducting and financing rehabilitation programmes for those persons who suffer from occupational deafness. The mission of such programmes is to help occupational deafness sufferers overcome their handicap brought about by the ailment. All the rehabilitation activities are organised under the name of Occupational Deafness Rehabilitation Network (ODRN), a set-up formed by the Board and its partnering organisations.

### Aural Rehabilitation Programmes

The objective of aural rehabilitation is to help out those persons with occupational deafness in overcoming the hearing impairment through the provision of suitable hearing assistive devices and developing effective communication skills.

### **Pre-fitting Seminar**

Being part of an effort to help occupational deafness sufferers have a better understanding on the use of hearing aids, in the year 2012/13 the Board organised 25 pre-fitting seminars for 175 participants. Apart from having the Board's audiologist to talk on the benefits of wearing hearing aids and how to choose a suitable device, staff of the Board also briefed participants on the procedures of applying the financial assistance scheme for hearing assistive devices.

### **Post-fitting Seminar**

After acquiring hearing aids, many users would take time and effort in adapting to the new devices. Therefore, the Board also organised post-fitting seminars for them. During the year 2012/13, 2 such seminars were organised for 89 participants. In the seminars, the Board's audiologist and social worker shared with the participants tips and tricks on how to make better use of hearing aids as well as the right attitude in the use of them.

In order to address the needs of some occupational deafness sufferers who encountered difficulties in daily maintenance of the hearing aids and the handling of their malfunction if happened, individual counseling workshops would be arranged for occupational deafness persons as needed. At these workshops, the Board's audiologist checked the functions of the hearing aids and provided advice to the participants if their devices needed to be repaired.

### **Hearing Aid Trial Scheme**

The Hearing Aid Trial Scheme was designed to help those occupational deafness persons who have reservation of using hearing aids. Under the scheme, they could try out hearing aids free of charge for a period of one month. During the trial period, the Board would arrange follow-up sessions to ensure the proper use of devices by the participants.

### **Social Rehabilitation Programmes**

Many occupational deafness sufferers encountered problems in communicating with others and could not take full enjoyment of daily life. To help them out to re-integrate into social life in spite of their hearing difficulties, the Board organised various activities to let them regain confidence and motivation to interact with other people in the family or community.

Joining forces with the Hong Kong Society for the Deaf, Association for the Rights of Industrial Accident Victims and Hong Kong Construction Industry Employees General Union, in 2012/13 the Board organised a wide range of fascinating social rehabilitation activities for persons suffering from occupational deafness. These activities aimed at broadening their social circles and strengthening their motivation and skills to communicate with others. Staff of ODRN always try hard to reach out to all occupational deafness persons via different channels so as to provide them with relevant services. The social rehabilitation programmes recorded about 6,380 participations by occupational deafness sufferers and their family members in 2012/13.

### **Vocational Rehabilitation Programmes**

The vocational rehabilitation programmes are run with the aim of providing career counselling, job skills training and placement service to those occupational deafness persons who still have the capability and motivation to undertake employment. Job matching services are also offered to interested participants under such programmes. During the year under review, 970 participations by occupational deafness persons were recorded for career counselling information sessions from which more than 30 persons had taken part in the job skills retraining programmes based on their different vocational needs.

### **Newsletters**

As in the past, the Board published quarterly newsletters which are excellent communication platforms between the Board and the occupational deafness persons. During the year, seasonable copies of the newsletters were posted to everyone who had been granted compensation under the Occupational Deafness Compensation Scheme. In each issue of the newsletters, there were updates on information about effective usage of hearing assistive devices, news of the rehabilitation activities, and story sharing among occupational deafness sufferers which encouraged their mutual support to each other.

## FINANCIAL POSITION

The Ordinance provides for the setting up of an Occupational Deafness Compensation Fund (the Fund) to finance the payment of compensation and the activities undertaken by the Board. The Fund is established on the principle of employers' collective liability, with a recurrent income drawn from a levy charged upon the employees' compensation insurance premiums. The levy is collected by the Employees' Compensation Insurance Levies Management Board, which is established under the Employees' Compensation Insurance Levies Ordinance, and distributed to the Board on a quarterly basis.

The Government, as an employer, also contributes to the Fund. The amount of contribution is calculated on the basis of the levy income distributed to the Fund with reference to the proportion of the number of employees in the civil service sector to the total workforce (excluding employees in the civil service sector).

For the year 2012/13, the Board had an income of HK\$46.36 million, with 80.0% coming from the levy. Interest from bank deposits and contribution by the Government in the capacity of an employer made up 15.3% and 3.9% of the Board's income respectively.

The expenditure of the Board for the year under review amounted to HK\$29.7 million. Compensation for occupational deafness, amount paid for financing expenses spent for hearing assistive devices, expenses on hearing assessments, rehabilitation, education and promotion programmes amounted to 68.8% that were the majority of the total expenditure. The remaining 31.2% were largely administrative, office and other expenses.



## OCCUPATIONAL DEAFNESS COMPENSATION BOARD



Front Row (From left):

Ms Lee Sau-king, Ms Tung Mi-wah, Dr Yuen Po-wing,  
Dr Chiu Kit-yee, Ms Ng Wai-ying

Back Row (From left):

Mr Chan Ying-wai, Dr So Hin-pan, Dr Leung Lai-man,  
Dr Wong Nai-keung, Mr Chow Luen-kiu, Mr Fong Siu-leung

## OCCUPATIONAL DEAFNESS MEDICAL COMMITTEE



(From left):

Mr Wong Ka-cheong, Mr Chan Ying-wai, Dr Leung Lai-man, Dr Fok Pui-chu,  
Dr Luk Wai-sing, Ms Ng Wai-ying, Dr Woo Kong-sang

## **NOISY OCCUPATIONS SPECIFIED UNDER OCCUPATIONAL DEAFNESS (COMPENSATION) ORDINANCE**

According to Schedule 3 of the Occupational Deafness (Compensation) Ordinance, a noisy occupation is one of the following noisy types. For the particularly noisy types 3, 10, 11 and 25, workers with a minimum of 5 years of employment can apply for compensation -

1. the use of power driven grinding tools on metal or on billets of metal or blooms, or work wholly or mainly in the immediate vicinity of those tools whilst they are being so used;
2. the use of power driven percussive tools on metal or on billets of metal or blooms, or work wholly or mainly in the immediate vicinity of those tools whilst they are being so used;
3. the use of power driven grinding, chiselling, cutting or percussive tools on rocks, concrete or marble, or work wholly or mainly in the immediate vicinity of those tools whilst they are being so used;
4. work wholly or mainly in the immediate vicinity of plant (excluding power press plant) engaged in the forging (including drop stamping) of metal by means of closed or open dies or drop hammers;
5. work in textile manufacturing where the work is undertaken wholly or mainly in rooms or sheds in which there are machines engaged in weaving man - made or natural (including mineral) fibres or in the high speed false twisting of fibres;
6. the use of, or work wholly or mainly in the immediate vicinity of, machines engaged in cutting, shaping or cleaning metal nails or screws;
7. the use of, or work wholly or mainly in the immediate vicinity of, plasma spray guns engaged in the deposition of metal;
8. the use of, or work wholly or mainly in the immediate vicinity of, any of the following machines: multi - cutter moulding machines, planing machines, automatic or semi-automatic lathes, multiple cross-cut machines, automatic shaping machines, double-end tenoning machines, vertical spindle moulding machines (including high-speed routing machines ), edge banding machines, bandsawing machines with a blade width of not less than 75 mm and circular sawing machines;
9. the use of chain saws;
10. the use of, or work wholly or mainly in the immediate vicinity of, machines engaged in percussive pile or metal plank driving on construction Sites;
11. work wholly or mainly in the immediate vicinity of abrasive blasting operations;
12. the use of, or work wholly or mainly in the immediate vicinity of, machines engaged in grinding of glass;
13. work wholly or mainly in the immediate vicinity of machines engaged in crushing or screening of rocks or stone aggregate;

14. the use of, or work wholly or mainly in the immediate vicinity of, machines engaged in granulating of plastic materials;
15. work wholly or mainly in the immediate vicinity of machines or hand tools engaged in descaling of ships;
16. work wholly or mainly in the immediate vicinity of internal combustion engines or turbines or pressurized fuel burners or jet engines;
17. work wholly or mainly in the immediate vicinity of car body repair, or of making metal articles by manual hammering;
18. the use of, or work wholly or mainly in the immediate vicinity of, machines engaged in extruding of plastic materials;
19. the use of paper corrugating machines, or work wholly or mainly in the immediate vicinity of those machines whilst they are being so used;
20. work wholly or mainly in the immediate vicinity of bleaching and dyeing of fabric involving machines using pressurised steam;
21. work wholly or mainly in the immediate vicinity of glass-bottling lines;
22. work wholly or mainly in the immediate vicinity of metal-can bottling lines;
23. the use of paper folding machines, or work wholly or mainly in the immediate vicinity of those machines whilst they are being so used;
24. the use of high speed web-fed offset printing machines, or work wholly or mainly in the immediate vicinity of those machines whilst they are being so used;
25. work wholly or mainly in the immediate vicinity of gun-firing operation;
26. work wholly or mainly in the immediate vicinity of a place where the electric stunning of pigs for the purpose of slaughter takes place;
27. playing mahjong (as the major duty) inside a mahjong parlour licensed under section 22(1)(b) of the Gambling Ordinance (Cap. 148);
28. preparing or serving drinks (as the main duty) in the immediate vicinity of the dancing area of a discotheque; or
29. controlling or operating a system for playing back and broadcasting recorded music in a discotheque.

<p>Note: The occupations in grey shade are the 4 particularly noisy occupations. An applicant is only required to be engaged in these occupations in aggregate for 5 years, instead of 10 years, in order to fulfil the employment requirement.</p>
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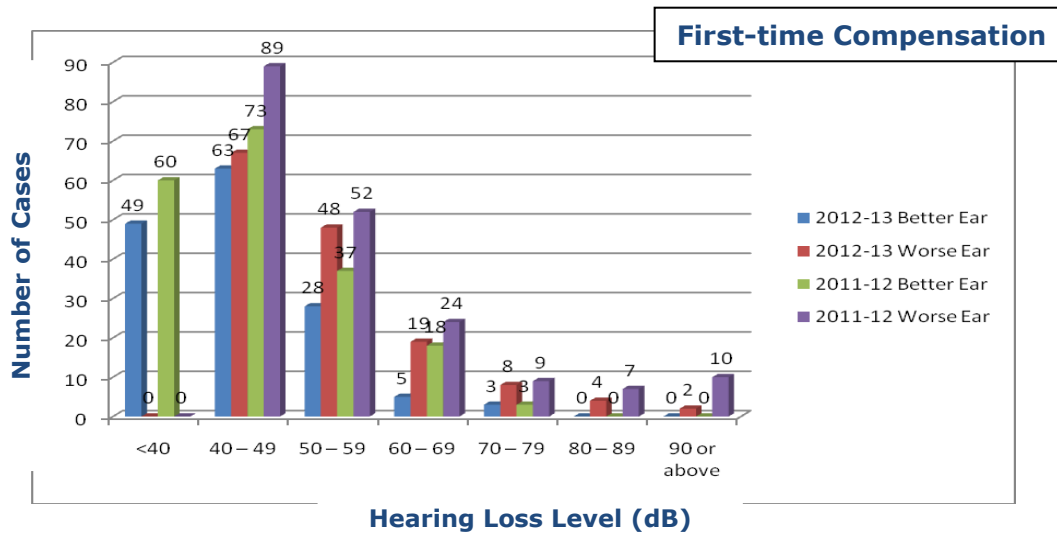
**Appendix 2: Type of Noisy Occupations Engaged (Compensation for the First Time)****(Year 2012/13)**

Noisy Occupation	Number	Percentage (%)
Working near internal combustion engines, turbines, pressurised fuel burners or jet engines	69	34.0
Rock grinding, chiselling, cutting or percussion	63	31.0
Metal grinding	45	22.2
Metal percussion	9	4.4
Using routing, planing, circular sawing machines or automatic lathes	8	3.9
Using high speed web-fed offset printing machines	3	1.5
Abrasive blasting operations	2	1.0
Working near car body repair, or of making metal articles by manual hammering	2	1.0
Weaving or spinning	1	0.5
Pile driving	1	0.5
<b>Total:</b>	<b>203</b>	<b>100.0</b>

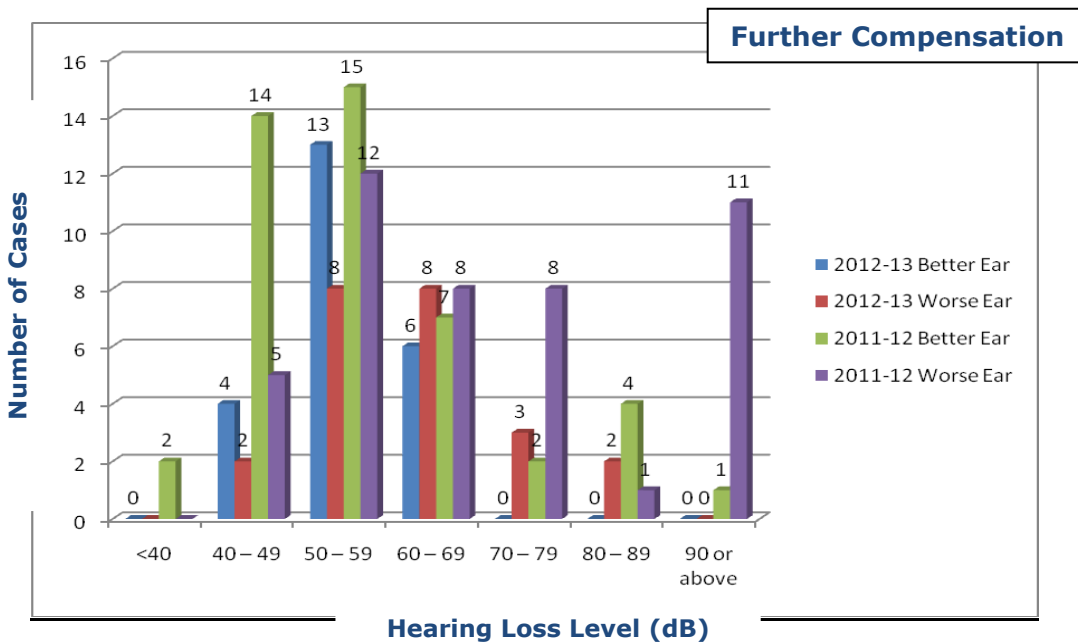
**Appendix 3: Type of Noisy Occupations Engaged (Further Compensation) (Year 2012/13)**

Noisy Occupation	Number	Percentage (%)
Rock grinding, chiselling, cutting or percussion	18	58.1
Metal grinding	10	32.3
Using routing, planing, circular sawing machines or automatic lathes	1	3.2
Pile driving	1	3.2
Working near internal combustion engines, turbines, pressurised fuel burners or jet engines	1	3.2
<b>Total:</b>	<b>31</b>	<b>100.0</b>

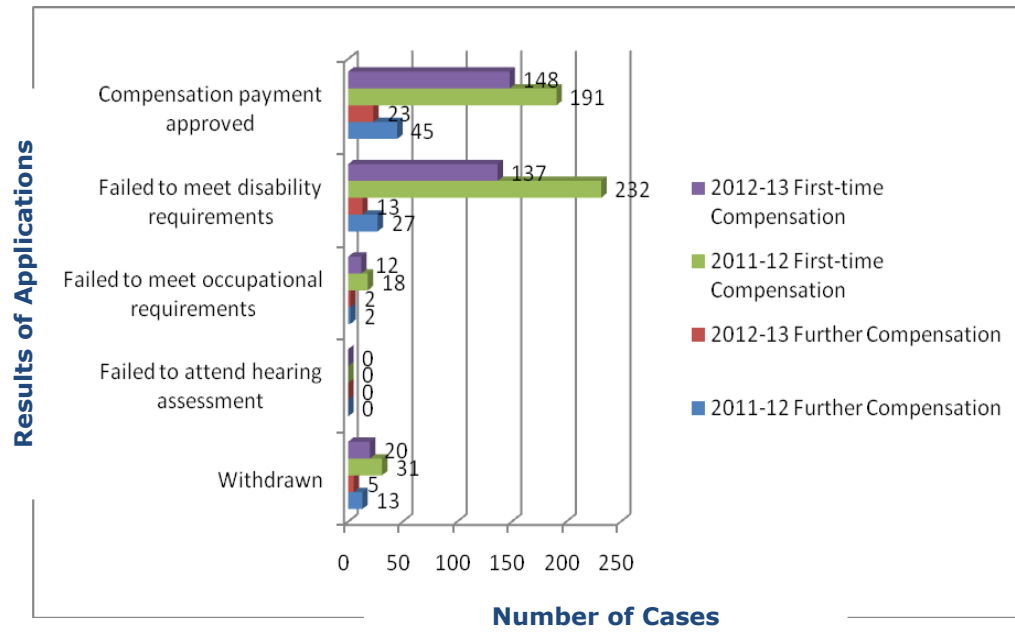
**Appendix 4: Analysis of Approved Cases of First-time Compensation by Level of Hearing Loss (Years 2012/13 and 2011/12)**



**Appendix 5: Analysis of Approved Cases of Further Compensation by Level of Hearing Loss (Years 2012/13 and 2011/12)**



**Appendix 6: Comparison of the Results of First-time and Further Applications for Compensation Processed (Years 2012/13 and 2011/12)**





**Auditor's Report and Financial Statements**

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF  
OCCUPATIONAL DEAFNESS COMPENSATION BOARD**

(Established under the Occupational Deafness (Compensation) Ordinance)

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We have audited the financial statements of Occupational Deafness Compensation Board (the "Board") set out on pages 32 to 41, which comprise the statement of financial position as at 31 March 2013, and the income and expenditure account and the statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

**The Board's responsibility for the financial statements**

The Board is responsible for the preparation of financial statements that give a true and fair view in accordance with Hong Kong Financial Reporting Standards issued by the Hong Kong Institute of Certified Public Accountants and the Occupational Deafness (Compensation) Ordinance, and for such internal control as the Board determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

**Auditor's  
responsibility**

Our responsibility is to express an opinion on these financial statements based on our audit. This report is made solely to you, as a body, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of the report.

We conducted our audit in accordance with Hong Kong Standards on Auditing issued by the Hong Kong Institute of Certified Public Accountants. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation of financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Board's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Board, as well as evaluating the overall presentation of the financial statements.

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF  
OCCUPATIONAL DEAFNESS COMPENSATION BOARD**  
(Established under the Occupational Deafness (Compensation) Ordinance)

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**Auditor's responsibility** (Continued)

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

**Opinion**

In our opinion, the financial statements give a true and fair view of the state of the Board's affairs as at 31 March 2013 and of its surplus and cash flows for the year then ended in accordance with Hong Kong Financial Reporting Standards and have been properly prepared in accordance with the Occupational Deafness (Compensation) Ordinance.

CCIF CPA Limited  
Certified Public Accountants  
Hong Kong, 20 June 2013

Alvin Yeung Sik Hung  
Practising Certificate Number P05206

**OCCUPATIONAL DEAFNESS COMPENSATION BOARD  
INCOME AND EXPENDITURE ACCOUNT  
FOR THE YEAR ENDED 31 MARCH 2013**

	<u>Note</u>	<u>2013</u> HK\$	<u>2012</u> HK\$
<b>INCOME</b>			
Distribution from Employees' Compensation Insurance Levies Management Board	4	37,083,747	29,318,891
Government payment	5	1,816,231	1,404,939
Interest income from time deposits		7,096,194	8,889,710
Service fee income		365,000	335,000
		46,361,172	39,948,540
<b>EXPENDITURE</b>			
Occupational deafness compensation	6	10,124,121	16,777,901
Hearing assistive devices' financial assistance expenses	7	1,760,293	2,269,572
Hearing assessment expenses		705,235	955,587
Promotional and publicity programmes		4,563,445	4,382,714
Rehabilitation programmes		3,277,120	3,266,153
Administrative expenses	8	7,364,681	7,171,167
Rent, rates and management fee		1,776,350	1,749,964
Capital expenditure	9	129,220	35,211
		<u>29,700,465</u>	<u>36,608,269</u>
<b>SURPLUS FOR THE YEAR</b>		16,660,707	3,340,271
<b>RETAINED SURPLUS BROUGHT FORWARD</b>		<u>572,289,366</u>	<u>568,949,095</u>
<b>RETAINED SURPLUS CARRIED FORWARD</b>		<u>588,950,073</u>	<u>572,289,366</u>

The notes on pages 35 to 41 form part of these financial statements.

**OCCUPATIONAL DEAFNESS COMPENSATION BOARD**  
**STATEMENT OF FINANCIAL POSITION**  
**AS AT 31 MARCH 2013**

	<u>2013</u> HK\$	<u>2012</u> HK\$
<b>CURRENT ASSETS</b>		
Prepayment and deposits	696,691	581,880
Interest receivable	610,996	761,892
Time deposits	588,000,000	571,300,000
Cash and cash equivalents	2,122,210	1,791,528
	<u>591,429,897</u>	<u>574,435,300</u>
<b>CURRENT LIABILITIES</b>		
Accrued charges	<u>2,479,824</u>	<u>2,145,934</u>
<b>NET CURRENT ASSETS</b>	<u>588,950,073</u>	<u>572,289,366</u>
<b>RETAINED SURPLUS</b>	<u>588,950,073</u>	<u>572,289,366</u>

Approved and authorised for issue by the Board on 20 June 2013.

On behalf of the Board

Dr. Yuen Po Wing, Anthony  
Chairman

The notes on pages 35 to 41 form part of these financial statements.

**OCCUPATIONAL DEAFNESS COMPENSATION BOARD**  
**STATEMENT OF CASH FLOWS**  
**FOR THE YEAR ENDED 31 MARCH 2013**

	<u>2013</u> HK\$	<u>2012</u> HK\$
<b>OPERATING ACTIVITIES</b>		
Surplus for the year	16,660,707	3,340,271
Adjustments for:		
Interest income	<u>(7,096,194)</u>	<u>(8,889,710)</u>
<b>Changes in working capital</b>	9,564,513	(5,549,439)
Increase in prepayment and deposits	(114,811)	(141,583)
Increase in accrued charges	<u>333,890</u>	<u>295,698</u>
<b>CASH GENERATED FROM/(USED IN) OPERATIONS</b>	9,783,592	(5,395,324)
<b>INVESTING ACTIVITIES</b>		
Increase in time deposits	(16,700,000)	(4,300,000)
Interest received	7,247,090	8,796,158
<b>NET CASH (USED IN)/GENERATED FROM INVESTING ACTIVITIES</b>	<u>(9,452,910)</u>	<u>4,496,158</u>
<b>INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS</b>	330,682	(899,166)
<b>CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR</b>	<u>1,791,528</u>	<u>2,690,694</u>
<b>CASH AND CASH EQUIVALENTS AT END OF YEAR</b>	<u><u>2,122,210</u></u>	<u><u>1,791,528</u></u>

The notes on pages 35 to 41 form part of these financial statements.

**OCCUPATIONAL DEAFNESS COMPENSATION BOARD**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 MARCH 2013**

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**1. CORPORATE STATUS**

The Board is incorporated by virtue of the Occupational Deafness (Compensation) Ordinance. The registered office and place of operation of the Board is situated at 15/F., Grand Centre, 8 Humphreys Avenue, Tsimshatsui, Kowloon.

**2. SIGNIFICANT ACCOUNTING POLICIES**

**a) Statement of compliance**

These financial statements have been prepared in accordance with all applicable Hong Kong Financial Reporting Standards (“HKFRSs”), which collective term includes all applicable individual Hong Kong Financial Reporting Standards, Hong Kong Accounting Standards (“HKASs”) and Interpretations issued by the Hong Kong Institute of Certified Public Accountants (“HKICPA”), accounting principles generally accepted in Hong Kong and the requirements of the Occupational Deafness (Compensation) Ordinance (the “Ordinance”). A summary of the significant accounting policies adopted by the Board is set out below.

The HKICPA has issued certain new and revised HKFRSs which are first effective or available for early adoption for the current accounting period of the Board. Note 3 provides information on any changes in accounting policies resulting from initial application of these developments to the extent that they are relevant to the Board for the current and prior accounting periods reflected in these financial statements.

**b) Basis of preparation of the financial statements**

The measurement basis used in preparing the financial statements is the historical cost basis.

The Board adopts accrual basis of accounting except for distribution from the Employees’ Compensation Insurance Levies Management Board and Government payment which are recognised on receipt basis.

**c) Income recognition**

Interest income is recognised on a time proportion basis, taking into account the principal amounts outstanding and the interest rates applicable.

**OCCUPATIONAL DEAFNESS COMPENSATION BOARD  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2013**

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**2. SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**d) Capital expenditure**

Capital expenditure incurred in the accounting year is charged entirely to the income and expenditure account for the year.

**e) Operating leases**

Rental payable under operating leases are accounted for in the income and expenditure account on a straight line basis over the periods of the respective leases.

**f) Cash and cash equivalents**

Cash and cash equivalents comprises cash at bank and on hand, demand deposits with banks and other financial institutions, and short-term, highly liquid investments readily convertible into known amounts of cash and which are subject to an insignificant risk of changes in value.

**g) Other payables**

Other payables are initially recognised at fair value and subsequently stated at amortised cost unless the effect of discounting would be immaterial, in which case they are stated at cost.

**h) Provisions and contingent liabilities**

Provisions are recognised for other liabilities of uncertain timing or amount when the Board has a legal or constructive obligation arising as a result of a past event, it is probable that an outflow of economic benefits will be required to settle the obligation and a reliable estimate can be made. Where the time value of money is material, provisions are stated at the present value of the expenditure expected to settle the obligation.

Where it is not probable that an outflow of economic benefits will be required, or the amount cannot be estimated reliably, the obligation is disclosed as a contingent liability, unless the probability of outflow of economic benefits is remote. Possible obligations, whose existence will only be confirmed by the occurrence or non-occurrence of one or more future events are also disclosed as contingent liabilities unless the probability of outflow of economic benefits is remote.

**OCCUPATIONAL DEAFNESS COMPENSATION BOARD  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2013**

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**3. APPLICATION OF NEW AND REVISED HONG KONG FINANCIAL REPORTING STANDARDS (“HKFRSs”)**

In the current year, the Board has applied the following new and revised HKFRSs issued by the HKICPA.

Amendments to HKFRS 7	Financial instruments: Disclosures – Transfers of financial assets
Amendments to HKAS 12	Deferred Tax: Recovery of Underlying Assets

The application of the amendments to HKFRSs in the current year has had no material effect on the Board’s financial performance and positions for the current and prior accounting years and/or on the disclosures set out in these financial statements.

**4. DISTRIBUTION FROM EMPLOYEES’ COMPENSATION INSURANCE LEVIES MANAGEMENT BOARD**

In accordance with Section 7 of the Employees’ Compensation Insurance Levies Ordinance, the Employees’ Compensation Insurance Levies Management Board is to distribute a proportion of its net resources to the Occupational Deafness Compensation Board on a quarterly basis. The resources of the Employees’ Compensation Insurance Levies Management Board mainly consist of a levy imposed on all employees’ compensation insurance premiums.

The proportion of the net resources of the Employees’ Compensation Insurance Levies Management Board to be distributed to the Occupational Deafness Compensation Board for the years ended 31 March 2012 and 2013 was 7/58.

The present rate of levy on employees’ compensation insurance premiums is 5.8% on or after 1 July 2010.

**5. GOVERNMENT PAYMENT**

In accordance with Section 7 of the Occupational Deafness (Compensation) Ordinance, the Government has to make payment in respect of the employees engaged in the civil service to the Board.



**OCCUPATIONAL DEAFNESS COMPENSATION BOARD**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 MARCH 2013**

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**6. OCCUPATIONAL DEAFNESS COMPENSATION**

In accordance with Section 14(1) of the Occupational Deafness (Compensation) Ordinance, a person who suffers noise-induced deafness is entitled to compensation if he satisfies the Board that he fulfills the conditions specified in Section 14(2). The term “noise-induced deafness” is defined in Section 2 of the Ordinance. Schedule 5 of the Ordinance sets out how the amount of compensation is to be determined.

**7. HEARING ASSISTIVE DEVICES’ FINANCIAL ASSISTANCE EXPENSES**

In accordance with Section 27B of the Occupational Deafness (Compensation) Ordinance, a person who fulfills the conditions specified in Section 27B(1) may on application to the Board be reimbursed by the Board for any expenses he has reasonably incurred in the acquisition, fitting, repair or maintenance of a hearing assistive device used by him in connection with his noise-induced deafness. The term “hearing assistive device” is defined in Schedule 6 of the Ordinance. According to Schedule 7 of the Ordinance, the aggregate amount of reimbursement shall not exceed HK\$36,000 per claimant.

**8. ADMINISTRATIVE EXPENSES**

	<u>2013</u> HK\$	<u>2012</u> HK\$
Auditor’s remuneration	35,928	33,166
General administrative expenses	718,261	816,792
Staff costs	<u>6,610,492</u>	<u>6,321,209</u>
	<u>7,364,681</u>	<u>7,171,167</u>

**9. CAPITAL EXPENDITURE**

	<u>2013</u> HK\$	<u>2012</u> HK\$
Furniture and fixtures	8,590	4,106
Office equipment	<u>120,630</u>	<u>31,105</u>
	<u>129,220</u>	<u>35,211</u>

**OCCUPATIONAL DEAFNESS COMPENSATION BOARD**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 MARCH 2013**

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**10. OPERATING LEASE COMMITMENTS**

As at 31 March 2013, the total future minimum lease payments under non-cancellable operating leases are payable as follows:

	<u>2013</u> HK\$	<u>2012</u> HK\$
Within one year	1,898,040	1,423,800
In the second to fifth year inclusive	<u>3,084,120</u>	<u>474,600</u>
	<u>4,982,160</u>	<u>1,898,400</u>

The Board leases land and buildings under an operating lease arrangement. The leases typically run for an initial period of two to three years. None of the leases includes contingent rental.

**11. TAXATION**

The Board has been granted exemption from taxation under Section 88 of the Inland Revenue Ordinance.

**12. FINANCIAL RISK MANAGEMENT**

Financial instruments consist of rental, utility and other deposits, interest receivable, time deposits, cash and cash equivalents and accrued charges. The Board is exposed to various financial risks which are discussed below:

**a) Interest rate risk**

The Board's exposure to market risk for changes in interest rates relates primarily to the bank balances and time deposits. Floating-rate interest income is charged to income and expenditure account as incurred.

The Board's interest rate profile as monitored is set out in (i) below.

**OCCUPATIONAL DEAFNESS COMPENSATION BOARD  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2013**

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**12. FINANCIAL RISK MANAGEMENT (Continued)**

**a) Interest rate risk (Continued)**

i) Interest rate profile

	<u>2013</u> HK\$	<u>2012</u> HK\$
Time deposits	588,000,000	571,300,000
Cash and cash equivalents	2,122,210	1,791,528
	<u>590,122,210</u>	<u>573,091,528</u>
Effective interest rate	0.50% - 1.40%	1.00% - 1.95%

ii) Sensitivity analysis

As at 31 March 2013, it is estimated that a general increase/decrease of 20 basis points in interest rates, with all other variables held constant, would increase/decrease the Board's surplus for the year and accumulated surplus by approximately HK\$1,180,244 (2012: HK\$1,146,183).

The sensitivity analyses above have been determined based on the exposure to interest rates at the end of the reporting period. The analysis is prepared assuming the financial instruments outstanding at the end of the reporting period were outstanding for the whole year. A 20 basis points (2012: 20 basis points) increase or decrease in interest rates is used when reporting interest rate risk internally to key management personnel and represents management's assessment of the reasonably possible change in interest rates. The analysis is performed on the same basis for 2012.

**b) Fair value**

All financial instruments are carried at amounts approximate their fair values.

**OCCUPATIONAL DEAFNESS COMPENSATION BOARD**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 MARCH 2013**

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**13. POSSIBLE IMPACT OF NEW STANDARDS, AMENDMENTS AND INTERPRETATIONS ISSUED BUT NOT YET EFFECTIVE, FOR THE YEAR ENDED 31 MARCH 2013**

Up to the date of issue of these financial statements, the HKICPA has issued the following amendments, new standards and Interpretations which are not yet effective for the year ended 31 March 2013.

Amendments to HKFRS	Annual Improvements to HKFRSs 2009-2011 Cycle <sup>1</sup>
Amendments to HKFRS 7	Disclosures - Offsetting Financial Assets and Financial Liabilities <sup>2</sup>
Amendments to HKFRS 9 and HKFRS 7	Mandatory Effective Date of HKFRS 9 and Transition Disclosures <sup>3</sup>
Amendments to HKFRS 10, HKFRS 11 and HKFRS 12	Consolidated Financial Statements, Joint Arrangements and Disclosure of Interests in Other Entities: Transition Guidance <sup>1</sup>
Amendments to HKFRS 10, HKFRS 12 and HKAS 27	Investment Entities <sup>2</sup>
HKFRS 9	Financial Instruments <sup>3</sup>
HKFRS 10	Consolidated Financial Statements <sup>1</sup>
HKFRS 11	Joint Arrangements <sup>1</sup>
HKFRS 12	Disclosure of Interests in Other Entities <sup>1</sup>
HKFRS 13	Fair Value Measurement <sup>1</sup>
HKAS 19 (as revised in 2011)	Employee Benefits <sup>1</sup>
HKAS 27 (as revised in 2011)	Separate Financial Statements <sup>1</sup>
HKAS 28 (as revised in 2011)	Investments in Associates and Joint Ventures <sup>1</sup>
Amendments to HKAS 1	Presentation of items of Other Comprehensive Income <sup>4</sup>
Amendments to HKAS 32	Offsetting Financial Assets and Financial Liabilities <sup>2</sup>
HK(IFRIC) - Int 20	Stripping Costs in the Production Phase of a Surface Mine <sup>1</sup>

<sup>1</sup> Effective for annual periods beginning on or after 1 January 2013

<sup>2</sup> Effective for annual periods beginning on or after 1 January 2014

<sup>3</sup> Effective for annual periods beginning on or after 1 January 2015

<sup>4</sup> Effective for annual periods beginning on or after 1 July 2012

The Board is in the process of making an assessment of what the impact of these new and revised HKFRSs is expected to be in the period of initial application. So far the Board has concluded that the adoption of them is unlikely to have a significant impact on the financial statements.