立法會 Legislative Council

LC Paper No. CB(2)2210/13-14 (These minutes have been seen by the Administration)

Ref: CB2/PL/MP

Panel on Manpower

Minutes of meeting held on Tuesday, 17 June 2014, at 4:00 pm in Conference Room 2 of the Legislative Council Complex

Members: Hon WONG Kwok-kin, BBS (Deputy Chairman)

present Hon LEUNG Yiu-chung

Hon Tommy CHEUNG Yu-yan, SBS, JP

Hon CHAN Kin-por, BBS, JP

Dr Hon LEUNG Ka-lau Hon CHEUNG Kwok-che Hon IP Kwok-him, GBS, JP Hon CHAN Yuen-han, SBS, JP

Hon LEUNG Che-cheung, BBS, MH, JP

Dr Hon KWOK Ka-ki Hon KWOK Wai-keung Hon SIN Chung-kai, SBS, JP Hon POON Siu-ping, BBS, MH

Hon TANG Ka-piu

Dr Hon CHIANG Lai-wan, JP Hon CHUNG Kwok-pan

Members : Hon LEE Cheuk-yan (Chairman)

absent Hon Albert HO Chun-yan

Hon LEUNG Kwok-hung

Public Officers attending

: Item IV

Miss Mabel LI Po-yi, JP

Assistant Commissioner for Labour

(Development)

Ms Stephanie HO Sau-fun Senior Labour Officer

(Statutory Minimum Wage)

Labour Department

Item V

Mr David LEUNG, JP

Deputy Commissioner for Labour (Occupational Safety and Health)

Dr Raymond LEUNG Lai-man, JP Occupational Health Consultant Labour Department

Mr LI Chi-leung

Assistant Commissioner for Labour

(Occupational Safety)

Attendance by invitation

: Item IV

Session 1

Institution of Dining Art

Mr Kevin YAU

First Vice Chairman

Individual

Ms LAM Chui-lin

Member of Eastern District Council

The Hong Kong Federation of Trade Unions Rights and Benefits Committee

Mr WONG Pit-man Committee Member

The Federation of Hong Kong and Kowloon Labour Unions

Mr JIM Ho-wai Administrative Officer

Hong Kong Federation of Restaurants & Related Trades Ltd.

Mr Simon TAM
Chief Executive Officer

Hong Kong Professionals And Senior Executives Association

Mr YEUNG Wai-sing
Executive Committee Member

Kwai Chung Estate Labour Rights Concern Group

Miss Vincci WONG Representative

Kwai Chung Community Working Union

Mr LEUNG Kam-wai Representative

Individual

Mr WONG Yun-tat Member of Kwai Tsing District Council

婦女就業致癌關注組

Miss LAI Tsz-shan

Hong Kong Catering Industry Association

Mr Tony TAM Vice President

Association of Restaurant Managers

Mr LEUNG Kui-tang Vice-Chairman

New People's Party

Mr CHENG Chit-pun Community Development Officer

Hong Kong Confederation of Trade Unions

Mr POON Man-hon Policy Researcher

Lok Ma Chau China-Hong Kong Freight Association

Mr Stanley CHAING Chairman

Civic Party

Mr Andy YU Kowloon West District Developer

Democratic Party

Mr Ricky OR Yiu-lam Central Committee Member

Session 2

Manpower Concern Group

Mr WONG Kwai-sang

Democratic Alliance for the Betterment and Progress of Hong Kong

Mr NGAN Man-yu Deputy Spokesperson on Manpower

Hong Kong Taxi Owners' Association Limited

Mr WONG Po-keung Chairman

Liberal Party

Mr Harris YEUNG Member

Individual

Mr Peter SHIU Member of Eastern District Council

Hong Kong & Kowloon Vermicelli & Noodle <u>Manufacturing Industry Merchants' General Association</u>

Mr FUNG Bing-hau Life President

Individual

Mr Andrew SHUEN Pak-man

Individual

Miss Amanda Queiroz

<u>Labour Party</u>

Mr Ming LAM Representative

Clerk in : Miss Betty MA

attendance Chief Council Secretary (2) 1

Staff in : Ms Rita LAI

attendance Senior Council Secretary (2) 1

Ms Kiwi NG

Legislative Assistant (2) 1

Miss Lulu YEUNG Clerical Assistant (2) 1

Action

(In the absence of the Chairman, the Deputy Chairman took the chair.)

I. Confirmation of minutes of previous meeting

(LC Paper No. CB(2)1741/13-14)

The minutes of the special meeting held on 27 February 2014 were confirmed.

II. Information paper(s) issued since the last meeting

2. <u>Members</u> noted that no information paper had been issued since the last meeting.

III. Date of next meeting and items for discussion

(LC Paper Nos. CB(2)1773/13-14(01) and (02))

Regular meeting in July 2014

- 3. <u>Members</u> agreed that the following items proposed by the Administration be discussed at the next regular meeting at 4:30 pm on 15 July 2014 -
 - (a) Review on the effectiveness of the Employment in One-stop at Tin Shui Wai; and
 - (b) Severance payment and long service payment ceilings.

(*Post-meeting note*: The Panel meeting originally scheduled for 15 July 2014 was re-scheduled to Thursday, 17 July 2014 at 10:45 am.)

Item for discussion in the 2014-2015 session

4. The Deputy Chairman informed members that Mr KWOK Wai-keung had earlier written in requesting the discussion of his proposed Members' Bill entitled "Minimum Wage (Amendment) Bill 2014". The Deputy Chairman further informed members that the Panel Chairman suggested that the subject be followed up by the Panel at a meeting early in the 2014-2015 session and be included in the "List of outstanding items for discussion". Members agreed.

(*Post-meeting note*: The above-mentioned letter dated 11 June 2014 from Mr KWOK Wai-keung was issued to members vide LC Paper No. CB(2)1849/13-14(01) on 23 June 2014.)

IV. Review of statutory minimum wage rate (LC Paper Nos. CB(2)1773/13-14(03) and (04))

- 5. At the invitation of the Deputy Chairman, <u>Assistant Commissioner</u> for <u>Labour (Development)</u> ("AC for L(D)") briefed members on the review of the Statutory Minimum Wage ("SMW") rate as detailed in the Government's paper.
- 6. <u>Members</u> noted the updated background brief entitled "Statutory minimum wage rate" prepared by the Legislative Council ("LegCo") Secretariat.

Views of deputations

- 7. At the invitation of the Deputy Chairman, representatives of 21 organisations and five individuals presented their views on the subject of review of the SMW rate.
- 8. Mr Kevin YAU presented the views of Institution of Dining Art ("IDA") as detailed in its submission [LC Paper No. CB(2)1773/13-14(05)].

- 9. <u>Ms LAM Chui-lin, Member of Eastern District Council</u> ("EDC") objected in principle to the implementation of SMW. She highlighted to members that the increase in the SMW rate had resulted in further upward adjustment of the property management fees which were unaffordable to most owners of the private residential flats in the Eastern District, in particular the elderly property owners. She was of the view that the wage level should be determined by the market force and adjusted in accordance with the inflation rate.
- 10. Mr WONG Pit-man presented the views of The Hong Kong Federation of Trade Unions Rights and Benefits Committee ("HKFTU/RBC") as detailed in its submission [LC Paper No. CB(2)1846/13-14(01)].
- 11. <u>Mr JIM Ho-wai</u> presented the views of The Federation of Hong Kong and Kowloon Labour Unions as detailed in its submission [LC Paper No. CB(2)1773/13-14(06)].
- 12. <u>Mr Simon TAM</u> presented the views of Hong Kong Federation of Restaurants & Related Trades Ltd. as detailed in its submission [LC Paper No. CB(2)1773/13-14(07)].
- 13. Mr YEUNG Wai-sing presented the views of Hong Kong Professionals And Senior Executives Association ("HKPSEA") as detailed in its submission [LC Paper No. CB(2)1773/13-14(08)].
- 14. Miss Vincci WONG of Kwai Chung Estate Labour Rights Concern Group was concerned that the increase in the SMW rate had not been able to catch up with the inflation rate because of the two-year review cycle and the time lag between data collection and determination of the SMW rate. Miss WONG pointed out that the increase of the SMW rate per hour from \$28 to \$30 (i.e. 7.1%) could not offset the cumulative inflation of over 13% during the period from 2011 to 2013. High rental, instead of the implementation of SMW, was the real cause for the rising inflation in recent years according to the figures released by the Census and Statistics Department ("C&SD"). To maintain a reasonable living standard for the grassroots employees, she was of the view that the next SMW rate should at least be revised to \$38 per hour and that the review should be conducted on an annual basis.

- 15. Mr LEUNG Kam-wai of Kwai Chung Community Working Union considered that certain principles should be followed in the review of the SMW rate, including review on a yearly basis, setting the rate above the poverty line and the level of the Comprehensive Social Security Assistance as well as taking into consideration the inflation rate and the basic household expenditure. Mr LEUNG held the view that the next SMW rate should at least be revised to \$38 per hour.
- 16. Mr WONG Yun-tat, Member of Kwai Tsing District Council said that he also represented Neighbourhood and Worker's Service Centre. Mr WONG was of the view that the implementation of SMW had helped improve the livelihood of grassroots workers. In his view, the next SMW rate should be revised to \$38 per hour. He called on the Government to conduct the review of the SMW rate on an annual basis and consider providing wage supplement to employees with disabilities so as to enable them to also receive wage at a level equivalent to the SMW rate.
- 17. <u>Miss LAI Tsz-shan of 婦女就業致癌關注組</u> said that following the implementation of SMW, there had been an acute shortage of manpower and significant increase in workload in the telebet department of the Hong Kong Jockey Club ("HKJC") owing to difficulties in staff recruitment and retention. She appealed to the Government to conduct a review of the need to establish an SMW regime.
- 18. Mr Tony TAM, Mr LEUNG Kui-tang and Mr FUNG Bing-hau presented the views of Hong Kong Catering Industry Association ("HKCIA"), Association of Restaurant Managers ("ARM") and Hong Kong & Kowloon Vermicelli & Noodle Manufacturing Industry Merchants' General Association respectively as detailed in their joint submission [LC Paper No. CB(2)1812/13-14(01)]. Mr FUNG added that the implementation of SMW had changed the salary structure in different trades and industries. Many workers chose to take up jobs with a more favourable working environment, resulting in difficulties in staff recruitment and retention in certain industries with less favourable working environment. He held the view that the wage differentials in different industries should be determined by the market force.
- 19. <u>Mr CHENG Chit-pun</u> presented the views of New People's Party as detailed in its submission [LC Paper No. CB(2)1773/13-14(09)].

- 20. Mr POON Man-hon presented the views of Hong Kong Confederation of Trade Unions as detailed in its submission [LC Paper No. CB(2)1812/13-14(02)].
- 21. Mr Stanley CHAING of Lok Ma Chau China-Hong Kong Freight Association ("LMCC-HKFA") pointed out that the transport industry suffered considerably from the knock-on effect induced by the implementation of SMW on the pay hierarchy and the ripple effect. While not objecting to protecting the livelihood of low-income workers, Mr CHAING expressed concern that regular review of the SMW rate would indiscriminately raise the wage level. He, therefore, opposed to the biennial review of the SMW rate and stressed that wage increase should be adjusted based on individual workers' performance.
- 22. Mr Andy YU presented the views of Civic Party as detailed in its submission [LC Paper No. CB(2)1865/13-14(01)].
- 23. Mr Ricky OR Yiu-lam presented the views of Democratic Party as detailed in its submission [LC Paper No. CB(2)1846/13-14(02)].
- 24. Mr WONG Kwai-sang of Manpower Concern Group said that even though there was an increase in the wage level following the implementation of the revised SMW rate in 2013, there had been significant increase in workload for staff in the telebet department of HKJC owing to difficulties in staff recruitment and retention. As a result, it had caused serious health problem of employees concerned. He was of the view that consideration should be given to setting a manpower ratio when conducting a review on the SMW rate.
- 25. Mr NGAN Man-yu of Democratic Alliance for the Betterment and Progress of Hong Kong was of the view that the operation of the SMW regime had been smooth and stable since its implementation in 2011. It had brought about positive impact on releasing the female labour force and had helped protect the livelihood of low-skilled workers. Notwithstanding this, Mr NGAN called on the Government to address the concerns arising from the implementation of SMW, including reduction in working hours and engagement of part-time staff in some labour-intensive industries and problem of false self-employment. He held the view that the review of the SMW rate should be conducted on an annual basis and appealed to the Minimum Wage Commission ("MWC") to consider the various views of stakeholders and obtain the consent of employee representatives employer and sitting on **MWC** recommending the next SMW rate.

- 26. Mr WONG Po-keung presented the views of Hong Kong Taxi Owners' Association Limited as detailed in its submission [LC Paper No. CB(2)1773/13-14(11)].
- 27. Mr Harris YEUNG of Liberal Party expressed concern about the knock-on effect and the ripple effect on the retail and catering sectors after the implementation of SMW. Mr YEUNG pointed out that the implementation of SMW had resulted in upward pressure on the prices of products and services in labour-intensive and low-paid industries where staff costs constituted a large proportion of the total operating costs. Moreover, many small and medium enterprises ("SMEs") faced difficulties in staff recruitment as workers had chosen to work in industries with more favourable working conditions, which led to manpower shortage in those industries with less favourable working conditions. Mr YEUNG was of the view that the SMW rate should remain unchanged so as alleviate the pressure of SMEs in running their business.
- 28. Highlighting to members that both the external and local economic outlooks were not that promising, Mr Peter SHIU, Member of EDC was concerned that further increase in the SMW rate would undermine the business environment and competitiveness of Hong Kong. Particularly, it would bring about significant increase in the operating costs of labour-intensive industries, including the retail and catering industries. Mr SHIU cautioned that should there be economic downturn, further increase in the SMW rate would aggravate the unemployment situation.
- 29. Mr Andrew SHUEN Pak-man expressed disappointment about little regard in the community had been given to the adverse impact brought about by the implementation of SMW on the business environment especially SMEs. Mr SHUEN was concerned about the impending succession gap in some industries where the technical skills were used to pass on to employees who were first engaged as apprentices, in the light of the difficulties in recruiting new entrants to these industries.
- 30. <u>Miss Amanda Queiroz</u> said that the Lion Rock Institute considered that the implementation of SMW had discouraged employers to engage more workers and therefore was detrimental to job seekers belonging to the young people, the elderly and the vulnerable groups in Hong Kong. Specifically, she was concerned that young people were not provided with opportunities to receive on-the-job training and accumulate working experience.

- 31. Mr Ming LAM of Labour Party pointed out that according to the figures released by C&SD, instead of closure of SMEs and rise in unemployment, there was an increase in profit margin of SMEs and size of working force after the implementation of SMW. High rental and charges for public utilities, instead of SMW, had been the real causes for the rising inflation in recent years. Mr LAM held the view that the next SMW rate should be increased to \$38 per hour.
- 32. <u>Members</u> noted that the following four organisations not attending the meeting had provided the Panel with written submissions -
 - (a) Hong Kong Buildings Management And Security Workers General Union;
 - (b) Federation of Hong Kong Industries;
 - (c) Momentum 107; and
 - (d) The Association for Hong Kong Catering Services Management Ltd.

Discussions

33. In response to the views of deputations, <u>AC for L(D)</u> said that stakeholders held different views on the impact of SMW and the SMW rate. MWC was reviewing the SMW rate and had commenced a six-week public consultation from early April 2014 to invite views from various sectors of the community on the review of the SMW rate. MWC would also conduct assessment on the possible impact under different SMW test levels, including impact on employees, employers, economy, employment and inflation so as to recommend an appropriate SMW rate. MWC would submit to the Chief Executive in Council its recommendation report on the SMW rate before the end of October 2014.

Impact of SMW implementation and uprating

34. Noting that a majority of deputations representing the employer groups in the catering sector had urged for maintaining the SMW rate at the present level of \$30 per hour, Mr POON Siu-ping was concerned that it would be difficult for employees in the catering sector to improve their livelihood and therefore they might not be willing to continue working in the sector. Mr POON invited views from deputations concerned which had expressed reservations about an SMW uprating because of difficulties in running business.

- 35. In response, Mr Kevin YAU of IDA elaborated on the difficulties faced by SMEs in the catering sector with reference to the decrease in the business volume in the past two months and the pressure induced by an SMW uprating on the staff cost. Expressing the view that it was unfair to employers that employees would indiscriminately benefit from the further increase in the SMW rate, Mr YAU considered that the SMW rate should be frozen. Mr LEUNG Kui-tang of ARM pointed out that in general employers in the catering sector had reduced the manpower so as to offset the increase in operating costs and thereby affecting the service quality directly. Mr LEUNG informed members that the profit margin of the catering sector had decreased from 5% in the past to around 1-2% at present. He cautioned that should the economy turn downwards, it would be more difficult for SMEs in the catering sector to survive.
- 36. Mr KWOK Wai-keung noted with concern that employers in the catering sector had reduced the manpower requirement so as to offset the increase in wage cost after the implementation of SMW. The increase in workload would inevitably create difficulties in staff recruitment and retention. In his view, employers in the catering sector should consider improving the remuneration packages for their employees so as to address the manpower shortage problem. Noting that some deputations representing the employer groups had proposed to freeze the SMW rate, Mr KWOK invited views from these deputations on his observation.
- 37. Mr LEUNG Kui-tang of ARM said that the existing wage level in the catering sector was indeed higher than the SMW rate. He was concerned about the ripple effect brought about by any further increase in the SMW rate and held the view that the wage level should be determined by the market force. Mr Stanley CHAING of LMCC-HKFA shared a similar view and informed members that the wage level in the transport industry had been raised in the past few years in order to retain the employees. Mr CHAING reiterated that while agreeing to safeguarding the livelihood of low-income grassroots workers by means of SMW, he did not agree to regard SMW as the wage adjustment mechanism.
- 38. Mr Tony TAM of HKCIA was of the view that wage increase would depend on the profit level of business. He drew members' attention to the operating difficulties faced by SMEs in the catering sector and pointed out that there was little room in raising the wage level further. Moreover, there was concern about the need to raise the wage level of other higher income employees because of the ripple effect. Mr YEUNG Wai-sing of HKPSEA considered that it was incumbent upon the

Government to provide sufficient statistical data relating to the SMW regime, including impact on grassroots workers and labour market changes, so as to facilitate the deliberation on review of the SMW rate. Mr WONG Pit-man of HKFTU/RBC drew members' attention to the fact that the wage level of employees in the catering sector had stood at the pre-2003 level prior to the introduction of the SMW rate in 2011. Hence, SMW had safeguarded the basic living standard of grassroots workers. It was imperative for employers to retain the employees by improving the remuneration and working environment.

- 39. Mr CHUNG Kwok-pan pointed out that while the increase in staff cost would normally be transferred to prices of products and services, the additional staff cost of property management and cleaning services arising from the increase in the SMW rate would have to be absorbed by the users who were mainly the middle-class or the small property owners. He was concerned that the middle class was those who were mostly affected adversely by an increase in the SMW rate.
- 40. <u>Ms LAM Chui-lin, Member of EDC</u> echoed that since the implementation of SMW, as opposed to large enterprises, small property owners found it unaffordable to meet the higher wage and additional fringe benefits to hire security guards for property management. In her view, the affordability of small property owners should be taken into consideration when reviewing the SMW rate.
- 41. Miss CHAN Yuen-han considered that as a result of lack of diversified economic development in Hong Kong, a majority of grassroots workers were confined to a few work types such as security guards and cleaners. Given that these workers did not have much bargaining power in wage negotiation, improvement to their livelihood at times of inflation would largely rely on SMW uprating. While understanding the difficulties faced by employers in the catering sector, Miss CHAN, however, remained of the view that increase in staff costs following the implementation of SMW should not be blamed for causing difficulties in business operation. Instead, the high rental had posed pressure to business operation. She was concerned that it would be difficult to retain the employees if their wages were not adjusted upward to cope with inflation.
- 42. <u>Mr Stanley CHAING of LMCC-HKFA</u> reiterated that while the implementation of SMW did not have direct impact on the operation costs of the transport industry, the knock-on effect induced by the implementation of the initial SMW rate had indirectly led to a substantial

increase in the overall wage cost in the industry. To his understanding, there was worry about the impact of an uprating SMW on the transport industry.

43. Mr CHEUNG Kwok-che was concerned about the impact of the implementation of SMW on the employment of persons with disabilities. He sought information on the number and percentage of employees with disabilities receiving the SMW rate. In response, AC for L(D) said that the number of employees receiving the SMW rate, including both able-bodied employees and those with disabilities, were covered in the 2013 Annual Earnings and Hours Survey ("AEHS") conducted by C&SD. Moreover, C&SD was conducting a survey covering employees with disabilities. The relevant survey findings would be made public in due course.

Coverage of the SMW rate

- 44. Mr TANG Ka-piu expressed concern about the Government's overestimation of the number of employees who could benefit from the implementation of SMW. According to MWC's estimation, based on the findings of the 2011 AEHS, around 327 200 employees would be covered by the revised SMW rate of \$30 per hour, accounting for 11.7% of all employees in Hong Kong. The estimation was later revised in 2012 to about 223 100 employees, or 7.9% of all employees would be covered under the SMW rate if the rate was to be revised to \$30 in 2013. However, as shown from the 2013 AEHS Report, there were only 98 100 employees with an hourly wage at \$30 during the reference period of May to June 2013. Pointing out that the number of employees receiving the SMW rate was remarkably less than the estimated number and the adverse impact on business operation should accordingly be less significant as expected, Mr TANG held the view that it was attributable to the time lag between data collection for AEHS and the implementation of the revised SMW rate. He asked the Government to take this into account in reviewing the next SMW rate.
- 45. <u>AC for L(D)</u> explained that estimation was based on the latest available data. She said that when recommending the revised SMW rate of \$30 per hour, MWC estimated that the coverage would be about 223 100 employees, taking into account the trend of pay rise up to mid-2012. As regards 98 100 employees with an hourly wage at \$30 for the period of May to June 2013, this was the survey result of the 2013 AEHS.

Adjustment criteria for the SMW rate

- 46. Referring to a pay increase of 4.71% for the civil servants in the lower and middle salary bands to be effected retrospectively from April 2014, Mr TANG Ka-piu expressed disappointment that the SMW rate was revised from \$28 in 2011 to \$30 in 2013, which represented an average yearly increase of 3.5% only and was lagged behind the inflation rate. He was of the view that controversies involved in the review of the SMW rate could be minimised if the Government considered adjusting the rate automatically in accordance with the inflation rate and movement of the Consumer Price Index ("CPI") compiled by C&SD. Mr CHEUNG Kwok-che shared a similar view and added that the adjustment of the next SMW rate should not be less than the cumulative inflation rate in the past two years.
- 47. Mr KWOK Wai-keung said that the Hong Kong Federation of Trade Unions had urged for setting the SMW rate at a level which could enable an employee to support his family, instead of merely providing a wage floor with a view to forestalling excessively low wages. Mr KWOK enquired about the consideration factors taken into account in the review for the next SMW rate.
- 48. Mr POON Siu-ping noted with concern that it was crystal clear that deputations representing the employer groups and those representing the labour sector held divergent views. While the former urged for freezing the SMW rate, the latter had requested for an increase of the SMW rate to catch up with the inflation rate and an annual review. As it was stipulated in the Minimum Wage Ordinance (Cap. 608) that the SMW rate had to be reviewed at least once in every two years without precluding more frequent rate review if there was evidence supporting the need, Mr POON held the view that the Government should seriously consider making legislative amendment to the effect that the review of SMW rate should be conducted on an annual basis. Mr POON added that he had raised a question concerning the SMW regime at the Council meeting of 22 May 2013. Noting that MWC would make reference to an Array of Indicators in reviewing the SMW rate, including labour demand and supply, inflation, Gross Domestic Product and price forecasts and unemployment rate, Mr POON enquired about the most critical consideration factor in the deliberation of the subject.

49. Responding to members' concerns, <u>AC for L(D)</u> said that MWC was conducting its review of the SMW rate and did not have any preconceived stance on the revised SMW rate. In conducting the review, MWC would make reference to an Array of Indicators and also take into account other relevant considerations that could not be totally quantified. Taking the latest economic performance and forecasts in the Array of Indicators as an example, reference would be made to the Composite CPI and CPI(A) as released by C&SD on a monthly basis. After completing the review, MWC would make recommendation on the SMW rate.

V. Hong Kong's occupational safety and health performance in 2013

(LC Paper Nos. CB(2)1773/13-14(14) and (15))

- 50. At the invitation of the Deputy Chairman, <u>Deputy Commissioner</u> for Labour (Occupational Safety and Health) ("DC for L (OSH)") and <u>Assistant Commissioner</u> for Labour (Occupational Safety) ("AC for L (OS)") briefed members on Hong Kong's OSH performance in 2013 as detailed in the Government's paper. <u>AC for L (OS)</u> added that there were three fatalities involving container handling in the first half of 2014, including two cases that happened at container terminals and one case that happened at sea.
- 51. <u>Members</u> noted the updated background brief entitled "Occupational safety performance in Hong Kong" prepared by the LegCo Secretariat.

Container handling industry

52. Noting the high fatality of industrial accidents in the construction industry over the years, Mr POON Siu-ping was concerned about the effectiveness of counter-measures taken by the Government to safeguard construction workers' OSH. In respect of the three fatalities involving container handling in the first half of 2014, Mr POON raised concern about the maintenance of machinery concerned and enquired about the measures taken by the Government to prevent the recurrence of similar accidents.

53. In response, <u>AC for L (OS)</u> advised that the Government had examined critically the circumstances and causes of the accidents, which were mainly systemic issues related to operation and maintenance of container handling plant and machineries, including risk assessment as well as communications among different responsible persons undertaking container handling in the work process. The Labour Department ("LD") had communicated with the industry stakeholders and container terminal operators concerned and urged them to make necessary improvements so as to ensure safe operation in container terminals. LD would closely monitor the situation.

Waste recycling industry / railway construction

- 54. Referring to Annex 1 to the Government's paper in respect of the industrial accidents in all workplaces in 2013, Mr KWOK Wai-keung expressed concern that there was an increase of 11.8% in the industry section for electricity, gas and waste management and that two fatalities were involved. On the other hand, noting that the progress of the five new railway projects under construction was behind schedule, Mr KWOK was concerned whether project deadlines would be met at the expense of safe work practices. Under such circumstances, he enquired about the counter-measures to be taken by LD to curb the rising trend of industrial accidents so as to further protect workers' occupational safety.
- 55. DC for L (OSH) advised that the two fatalities concerned took place at waste management and treatment yards. It had been a challenge for LD to take enforcement action against non-compliance with the requirements under OSH legislation in the industry given its small-scale operation scattering over different locations. Apart from protecting OSH of employees concerned through inspection and enforcement, LD, in conjunction with the Environmental Protection Department, had been exploring with the Occupational Safety and Health Council the feasibility of developing a scheme similar to the "OSH Star Enterprise Safety Accreditation Scheme" for the renovation and maintenance industry. Under the "OSH Star Enterprise Safety Accreditation Scheme", premium discounts would be offered to accredited renovation and maintenance contractors when procuring employees' compensation insurance from the Employees' Compensation Insurance Residual Scheme. It was hoped that the provision of financial incentive would encourage the recycling industry operators to adopt safe work practices and comply with the statutory requirements for OSH, with a view to addressing the OSH issue at source.

56. With regard to the work safety issues relating to the five new railway projects, <u>AC for L (OS)</u> advised that apart from conducting inspections and taking enforcement actions, LD held regular meetings with the MTR Corporation Limited to urge the contractors concerned to make improvements to site safety as necessary, in particular safety measures in undertaking tunnelling works and blasting. While improvements had been noted in this respect, <u>AC for L (OS)</u> advised that there was still room for improvement in some high-risk processes, such as work-at-height and lifting operations. LD would continue to closely monitor the safety performance of the contractors concerned.

Occupational safety under hot or inclement weather

- 57. In the light of the forthcoming hot summer from June to September and the typhoon season, <u>Mr POON Siu-ping</u> was concerned about the preventive measures adopted by employers to safeguard the OSH of employees when performing outdoor work, in particular those in the container handling industry.
- 58. DC for L (OSH) responded that in the light of a number of reported cases on work injury that were suspected to be related to heat stroke during the summer of 2011, LD had consulted the Panel and since then enhanced its efforts in heat stroke prevention and conducted large-scale inspections to workplaces in the hot months in the past couple of years. Specifically, LD had adopted a two-tier inspection mode whereby occupational safety officers ("OSOs"), who were provided with a checklist for heat stress assessment at workplaces, conducted inspections to workplaces of high-risk to heat stroke such as construction sites, container yards and outdoor cleansing workplaces, and assessed the risk of heat stress. OSOs would take immediate enforcement actions against inadequate preventive measures for heat stroke, including initiating prosecution or issuing warnings and improvement notices. If OSOs had doubt about certain cases, they would refer these cases to LD's occupational hygienists for in-depth study with the aid of appropriate equipment. DC for L (OSH) advised that the two-tier inspection mode was proved to be effective and the number of reported cases on heat stroke at work had decreased from 25 cases in 2011 to less than 20 cases in 2012 and 2013. The Government would continue to work in this direction.

- 59. <u>AC for L (OS)</u> said that the Government attached great importance to the work arrangements under adverse weather conditions for the container handling industry. LD conducted meetings with the management of container terminal operators in 2013 and urged them to draw up in advance appropriate work arrangements in times of typhoons and rainstorms. Notably, the industry had improved their "Guidelines on work arrangements under adverse weather conditions" for employees, clearly stipulating relevant preparation to be completed and the work procedures to be taken before and after the typhoon signal no. 8 was hoisted respectively.
- 60. There being no other business, the meeting ended at 6:35 pm.

Council Business Division 2
<u>Legislative Council Secretariat</u>
20 August 2014