

For information
on 8 November 2019

Legislative Council Panel on Manpower

The Chief Executive's 2019 Policy Address Policy Initiatives of the Labour and Welfare Bureau

Purpose

This paper elaborates on the major initiatives pertaining to the labour and manpower portfolio as set out in the Chief Executive's 2019 Policy Address and Policy Address Supplement.

Policy Priorities / New Initiatives

2. The Government accords high priority to promoting the employment of local workers and protecting the rights and benefits of workers. The Labour and Welfare Bureau (LWB) and Labour Department (LD) will continue to pursue suitable measures to improve protection and benefits for employees, as well as promote the awareness of occupational safety and health (OSH) to protect the well-being of workers. We will also continue to provide diversified employment and recruitment services for job seekers and employers with different needs, and enhance the quality of our local workforce in the long run. To deliver these objectives, we will take forward the new initiatives set out in paragraphs 3 to 15 below.

Pilot Rehabilitation Programme for Employees Injured at Work

3. The Government recognises that timely and well co-ordinated rehabilitation services are critical to early recovery and return to work for employees injured at work. The Chief Executive committed in the Policy Address last year to look into new measures to speed up recovery of injured employees and facilitate their early return to work. LD has completed the study. The Chief Executive announced in the Policy Address this year a proposal to introduce a three-year pilot rehabilitation programme for employees injured at work (Pilot Programme) targeting at injured employees from the construction industry. The Pilot Programme will adopt a case management approach to provide private treatment and rehabilitation services for eligible injured employees in a timely and well co-ordinated manner to facilitate their early

recovery and return to work. Moreover, we propose to commission the Occupational Safety and Health Council (OSHC) to administer the Pilot Programme through legislative amendments.

4. The programme will be launched on a pilot basis so that the relevant work can commence expeditiously. The experience gained can also help the Government refine the programme details. The Pilot Programme will target at injured construction employees as they constitute the highest percentage of injured employees taking prolonged sick leave among various industries in recent years, and most of them sustained musculoskeletal injuries at work. The Government proposes to commission OSHC to administer the Pilot Programme, since we consider that work injury rehabilitation has considerable synergy with the current work of OSHC in promoting OSH. Apart from receiving rehabilitation services, injured employees also need to heighten their awareness of work injury prevention in order to avoid reinjuries resulting in chronic conditions. The working environment of their workplaces and the OSH management standards may also need to be improved. Hence, OSH promotion and effective rehabilitation work are complimentary to each other.

5. The Government will earmark sufficient funds for private treatment and rehabilitation services to be received by injured employees under the Pilot Programme, while employers are to shoulder part of the treatment and rehabilitation expenses to fulfill their statutory responsibility under the Employees' Compensation Ordinance. We expect that the Pilot Programme can help injured employees recover and return to work early, avoid their work injuries turning into chronic conditions, help reduce work injury payouts of employers arising from delayed treatment of their employees, and maintain employers' productivity, thereby bringing benefits to both employers and employees. In the long run, subject to the effectiveness of the Pilot Programme, we would explore the possibility of extending the Pilot Programme to cover other injured employees and having employers finance the programme. We would consult the views of employers at an appropriate time.

6. The Labour Advisory Board (LAB) discussed the design and proposed mechanics of the Pilot Programme at its meeting on 16 October 2019 and supported the Pilot Programme. LD will consult the Legislative Council (LegCo) Panel on Manpower (the Panel), rehabilitation professional bodies, relevant employer and employee groups, as well as other stakeholders on the Pilot Programme.

Promoting Employment

Providing Retention Allowance to the Elderly, Young People and Persons with Disabilities

7. LD will launch a pilot scheme to encourage the elderly aged 60 or above, young people and persons with disabilities to undergo and complete on-the-job training (OJT) under its employment programmes through the provision of a retention allowance, thereby stabilising employment. These employees, to be engaged under the Employment Programme for the Elderly and Middle-aged (EPEM), the Youth Employment and Training Programme and the Work Orientation and Placement Scheme, will be offered a retention allowance of \$3,000 if they stay in the OJT posts for three months. Thereafter, the employee will receive an additional allowance of \$1,000 for each ensuing month when he/she stays in the same job until his/her completion of the six to 12-month OJT. If the relevant employee takes up a part-time OJT post, he/she will be entitled to half the amount payable to a full-time employee. Subject to the length of the OJT period, the maximum amount of retention allowance that a full-time employee may receive is \$12,000.

Enhancing Protection of Employees

Adjusting Upwards the Current Jurisdictional Limit of the Minor Employment Claims Adjudication Board on the Claim Amount per Claimant

8. The Minor Employment Claims Adjudication Board (MECAB) has jurisdiction to handle employment claims with a claim amount not exceeding \$8,000 per claimant. We proposed to the Panel in June this year to increase the jurisdictional limit to \$12,000 per claimant. As the Panel has suggested that a further upward adjustment can be considered, we are analysing the latest trends of various relevant statistics and examining how to adjust the above jurisdiction limit of MECAB to an appropriate level for taking forward this new initiative.

Setting up a Dedicated Foreign Domestic Helpers Division

9. At present, there are more than 390 000 foreign domestic helpers (FDHs) serving local families. With an ageing population, we expect that the number of FDHs would continue to increase. To attract more FDHs to come to work in Hong Kong, we need to strengthen the protection of the labour rights of FDHs. At the same time, we have to take into account the interests of FDH employers and increase their awareness of their statutory employment rights and obligations.

10. LD will set up a dedicated FDH division to strengthen support for FDHs and protection of their labour rights. The major responsibilities include: enhancing promotion and education for FDHs and employers (for example, setting up information kiosks, producing publicity materials and short videos, etc.) to assist both parties to understand their respective rights and obligations; providing support services for FDHs and employers (for example, organising briefings and sharing sessions to answer their enquiries on the spot, etc.); supporting the implementation of FDH policy measures; and exploring new source countries of FDHs. Through the work above, we hope to strengthen protection for FDHs and support for employers, so as to promote more cordial employment relationships and maintain Hong Kong as an attractive place for FDHs to work.

Improving Employment Benefits

Extending Statutory Maternity Leave and Preparing a New Reimbursement System

11. The Chief Executive announced in the Policy Address last year the proposal to extend statutory maternity leave (ML) from the current 10 weeks to 14 weeks with the additional four weeks' ML pay to be reimbursed by the Government to employers, subject to a cap of \$36,822 per employee.

12. We have consulted LAB and the Panel on the proposal and are now working in full steam on the drafting of the enabling legislation. The Government aims at introducing the enabling bill into LegCo early next year, with a view to securing its passage in mid-2020. In tandem, LD will prepare a new system for reimbursing the proposed additional four weeks' ML pay to employers after the passage and implementation of the relevant legislation to extend the statutory ML. The Government expects the initiative on disbursement to be launched by the end of 2021.

Manpower Development

Further Expansion of the Course Scope of Continuing Education Fund

13. With the additional funding injection of \$10 billion in May 2018, a series of enhancement measures of Continuing Education Fund (CEF) were introduced since April 2019. These include doubling the subsidy ceiling to \$20,000 per applicant and the expansion of the scope of CEF courses. The enhancement measures have been implemented smoothly, with increase in numbers of newly registered courses and claims for CEF subsidy. In the light of

the latest development of technology and diversity in learning modes, the Government will further expand the scope of CEF courses, following the established CEF course requirements, to cover eligible online courses provided by local course providers and registered on the Qualifications Register, with a view to providing the public with more diversified channels of continuing learning. We expect to implement the new initiative by the first half of 2020, and estimate that by then the number of CEF courses would be over 10 000 for applicants to choose from.

Safeguarding OSH

Refining the Continuing Professional Development Programmes for Registered Safety Officers

14. According to OSH legislation, employers of specified industries (including the construction industry) are required to engage a registered safety officer (RSO) to assist them in implementing safety management systems and devising appropriate measures with a view to protecting employees' OSH. In keeping with the development of the industries concerned as well as changes in their OSH risks, LD proposes to refine the requirements of the Continuing Professional Development Programmes for RSOs through amending the relevant Guidance Notes, in order to further enhance their professional competence.

Strengthening Protection of Construction Workers' OSH

15. With the commencement of a number of major infrastructure projects and the continuing increase of building refurbishment and maintenance works, the number of construction workers has been increasing in recent years. The number of construction workers in 2018 was about 118 000, which represents an increase by almost 40% in five years. It has posed great challenges to the OSH of the construction industry. The number of fatal industrial accidents and the accident rate per 1 000 workers in the construction industry have been the highest among all industries in recent years. Enhancing the OSH of construction workers has always been LD's highest priority. LD plans to roll out the following measures –

- (a) collaborating with the property management sector to strengthen the current referral mechanism for renovation and maintenance works carried out in individual units of estates, targeting particularly at works involving relatively high risks such as erection or dismantling of truss-out scaffold. This will enable LD to conduct more targeted safety inspections in a timely manner;

- (b) launching a “Construction Safety Ambassador Pilot Scheme” and inviting construction workers to become construction safety ambassadors. The ambassadors will be encouraged to pay attention to the safety condition of construction sites and to report unsafe working conditions to LD for follow-up; and
- (c) refining the current statutory notification mechanism to notify LD of specified construction works by expanding its scope to cover construction works with shorter durations or engaging fewer workers but involving relatively high risks. This will facilitate early inspection by LD according to the risk level of these works.

Other Initiatives

16. Apart from the abovementioned policy priorities/ new initiatives, LWB and LD will continue to carry out the following tasks and initiatives set out in paragraphs 17 to 27 below to, among other things, enhance the retirement protection of employees, promote employment, provide vocational training, enhance employees’ benefits, and promote OSH.

Abolition of Using Employers’ Mandatory Contributions under the Mandatory Provident Fund System to Offset Severance Payment and Long Service Payment

17. The Chief Executive announced in the Policy Address last year the enhanced arrangements for the abolition of using employers’ mandatory contributions under the Mandatory Provident Fund (MPF) System to offset severance payment and long service payment (the “offsetting” arrangement). The actual operation of the abolition will touch on various policy areas and involve complicated legislative amendments. The relevant Government bureaux and departments have already embarked on the preparatory work for the implementation of the enhanced arrangements for abolishing the “offsetting” arrangement, and are working with different stakeholders, including the Mandatory Provident Fund Schemes Authority, to thrash out the operation details and arrangements of the related supporting measures such as the Designated Saving Accounts for employers and the Government subsidy scheme, etc. The Government has also commenced the preparatory work for drafting the enabling legislation, including examining the necessary amendments to be made to various relevant legislation such as the Mandatory Provident Fund Schemes Ordinance and the Employment Ordinance, etc.

18. The Government will strive to introduce the enabling bill into LegCo in 2020 with a view to securing its passage by 2022 or earlier, and implementing the abolition of the “offsetting” arrangement two years after the passage of the enabling legislation and in tandem with the full implementation of the centralized platform of the eMPF under the MPF System.

Promoting Employment

Enhancing Employment Support for Elderly Job Seekers

19. To encourage employers to hire the elderly and provide them with the required OJT at the initial stage of employment, LD launched in September 2018 the enhanced EPEM, under which employers engaging job seekers aged 60 or above are offered a higher amount of OJT allowance payable for a longer period. Employers engaging job seekers aged 60 or above who are unemployed or have left the workforce are offered a monthly OJT allowance of up to \$4,000 per employee for a period of six to 12 months under EPEM. As for employers engaging each unemployed job seeker aged 40 to 59, the maximum amount of OJT allowance remains \$3,000 per month for a period of three to six months. At the same time, LD implements various measures to support the employment of elderly and middle-aged job seekers, such as staging large-scale job fairs for the elderly and middle-aged, setting up special counters in job centres and organising district-based job fairs on part-time employment as well as employment briefings for them, establishing a dedicated webpage for them on the Interactive Employment Service website, etc. to facilitate their access to updated employment information and search for suitable job vacancies. Moreover, to promote friendly working environment for the elderly, LD will continue to, through various promotional activities, raise public awareness of the potential labour force of elderly workers and encourage employers to adopt friendly employment practices for the elderly.

Promoting Family-friendly Employment Practices

20. The Government is dedicated to promoting “employee-oriented” good human resource management (GHRM) and family-friendly employment practices (FFEPs), with a view to helping employees keep a balance between their work and family/personal life. Through extensive promotion by different channels, LD will continue to disseminate relevant information to the community and encourage employers to adopt progressive and practicable GHRM policy and FFEPs that are suitable for enterprises, having regard to individual circumstances such as business characteristics and scale of enterprises as well as the needs of their employees.

Providing Vocational Training

Providing Retraining Courses and Support Services for Different Social Groups

21. The Employees Retraining Board (ERB) has been providing different social groups with training courses and support services which cater for their needs. From 2019-20, ERB has enhanced the training support for ethnic minorities, including expanding the dedicated language and industry-specific training courses, and allowing more flexibility in the education attainment criteria for course enrolment. ERB has also stepped up the support for mature persons aged 50 or above in 2019 by launching a series of “Post-50” promotion campaign and special programmes to assist them to rejoin the employment market. Moreover, ERB has been entrusted by the Government to launch a one-off “Love Upgrading Special Scheme” in October 2019. Employees affected by the recent economic downturn may enroll to upgrade their skills and pursue self-enhancement, with a view to rejoining the employment market as soon as possible. The Scheme imposes no restriction on the trade or education attainment of learners. It provides comprehensive training which lasts for two to three months, covering “Vocational Skills” of 19 trades, as well as “Innovation and Technology” and “Generic Skills”. A special training allowance of up to \$4,000 per month would be provided to each learner during the training period.

Safeguarding Employees’ Rights and Benefits

Strengthening Case Processing of Employees’ Compensation Claims

22. LD will continue to strengthen the case processing of employees’ compensation claims for safeguarding the rights and benefits of employees injured at work. The “Claims Support Services”¹ has been enhanced in 2019 to help employers and employees resolve disputes relating to work injury claims with a view to facilitating early settlement. From January to September 2019, LD has commenced the “Claims Support Services” for 1 707 cases in dispute. Moreover, in consultation with relevant stakeholders on enhancing the follow-up procedures for sick leave relating to work injury, LD will launch a pilot scheme

¹ The “Claims Support Services” aims to, through dedicated follow-up, early intervention, proactive contact and arrangement of meetings, facilitate communication between employers and employees and clarification of issues under dispute so as to assist these parties to resolve their differences in a timely manner.

on paper medical clearance² in the fourth quarter of this year. In parallel, LD has strengthened its investigation and prosecution efforts against breaches of the Employees' Compensation Ordinance.

Formulating Sector-specific Working Hours Guidelines

23. LD will continue to engage its 11 industry-based tripartite committees (TCs)³ (comprising representatives of LD, employers and employees) in formulating for these sectors working hours guidelines with suggested sector-specific working hours arrangements, overtime compensation arrangements and good working hours management measures for reference and adoption of employers and their employees. Owing to the different operational characteristics, the variety of job types and complex working hours arrangements among and within individual sectors, LD is making its best efforts to narrow down differences and seek consensus on the content of the guidelines. Depending on the progress of discussions by the respective TCs, we would endeavour to release the guidelines progressively in 2020.

Promoting OSH

Formulating Risk-based OSH Strategies

24. OSH strategies should evolve with the time and should be in keeping with the risk situation in order to generate the best impact. LD will keep OSH risks of different industries under review, and closely monitor their OSH performance as well as changing risk situations of different work processes, so as to adjust our OSH strategies, including adjusting the approach, focus and intensity of our work in a timely manner, and formulating targeted promotion and education as well as enforcement efforts to enhance the overall OSH performance of Hong Kong.

² The pilot scheme will enable early screening of those cases that do not require assessment by the Employees' Compensation Assessment Board so that the employees will not be required to attend the follow-up procedures in person and LD will issue the "Certificate of Compensation Assessment" direct for settling the claims, thereby speeding up the case processing.

³ These TCs cover catering, cement and concrete, cleaning services, construction, elderly homes, hotel and tourism, logistics, printing, property management, retail and theatre.

Increasing Penalties of OSH Legislation to Strengthen Deterrent Effect

25. With a view to raising the deterrent effect of penalties for OSH offences, LD consulted key stakeholders on our preliminary legislative amendment proposal earlier this year, including LAB and its Committee on OSH, the Committee on Construction Safety of the Construction Industry Council, the Panel as well as several key employer and employee organisations from the construction industry, etc. Both employer and employee organisations generally support the proposal to raise the penalty level of OSH legislation and enhance the deterrent effect. Employer organisations however have serious reservations about pegging the maximum fine for extremely serious offences with the convicted company's turnover without setting a cap⁴. We will analyse and consider the views received for refining the legislative amendment proposal. We expect to complete the legislative amendment exercise concerned and bring the amended legislation into full operation before mid-2022.

Enhancing Work-at-height Safety

26. "Fall of person from height" is the most common cause of fatal industrial accidents. LD has been promoting work-at-height safety through inspection and enforcement, publicity and promotion, as well as education and training. For inspection and enforcement, LD will continue to conduct regular inspections, special enforcement operations, and in-depth surprise inspections targeting at work sites with poor safety performance. In respect of promotion and publicity, as well as education and training, LD will continue to engage workers' unions, trade associations and other stakeholders to strengthen the promotion of work-at-height safety through different channels, including the promotion of various sponsorship schemes related to work-at-height safety to small and medium-sized companies. In addition, LD will continue to produce animated "Work Safety Alert" to re-enact accidents in a vivid and easy-to-understand manner, and to highlight the preventive measures, so as to avoid recurrence of similar accidents and heighten the impact of our promotion. Furthermore, LD will continue to promote the online OSH complaint platform to facilitate employees and members of the public in reporting OSH problems to LD for timely follow-up and prevention of accidents.

⁴ In respect of extremely serious cases, LD's preliminary proposal is to set the maximum fine at 10% of the turnover of the convicted company or \$6 million, whichever is the greater, and the maximum imprisonment term at three years.

Launching Large-scale OSH Promotional Programmes

27. The construction industry and the food and beverage services industry have always recorded the highest numbers of industrial accidents. LD therefore organises large-scale promotion and publicity activities targeting at these two industries. LD will continue to collaborate with OSHC, trade associations, workers' unions and related organisations to organise the respective "Safety Award Scheme" for the construction and catering industries. The Schemes aim to enhance the safety awareness of relevant personnel of the industries and to recognise and reward enterprises, management, workers, etc. with good safety performance.

Conclusion

28. The Government will continue working closely with employers and employees as well as different sectors of the community in implementing the various labour and manpower initiatives outlined above.

Labour and Welfare Bureau
Labour Department
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