

For information
on 19 October 2021

Legislative Council Panel on Manpower

The Chief Executive's 2021 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 2021 Policy Address and Policy Address Supplement.

Policy Priorities / New Initiatives

2. The Government is committed to promoting the employment of local workers, protecting the employment rights and benefits of workers, and attracting high-quality talents to come to Hong Kong. To deliver these objectives, we will take forward the new initiatives below.

Refinement of the Government Subsidy Scheme for the Abolition of the "Offsetting" Arrangement under the Mandatory Provident Fund System

3. We propose to refine the Government subsidy scheme while maintaining roughly the same amount of Government's financial commitment as well as the 25-year subsidy period, so as to focus more on supporting micro, small and medium-sized enterprises and provide more targeted assistance to help employers adapt to the policy change. Under the refined subsidy scheme, the calculation of subsidy will be simpler and easier to understand. As the calculation of subsidy will be delinked from the balance of their Designated Savings Accounts (DSAs), employers can ascertain in advance the amount of subsidy to be received. For the initial years after the abolition, we will set a low "capped amount" to be shouldered by employers so that they will receive greater support, and have more time to save up in their DSAs and get prepared to shoulder their severance payment/long service payment liabilities in the long run. For details, please see the relevant Legislative Council (LegCo) Brief (File Reference: LD OPD/12-2/1(C): https://www.legco.gov.hk/yr20-21/english/brief/ldopd1221c_20211008-e.pdf).

4. 'We are pressing ahead with law drafting and the preparatory work, and will introduce the bills for abolition of "offsetting" into LegCo in the next legislative year.

Promoting Occupational Safety and Health

5. The Labour Department (LD) will introduce targeted preventive and enforcement measures to strengthen promotion of employees' occupational safety and health (OSH). LD will promote the adoption of Construction Design and Management (CDM) by different stakeholders of the construction industry in planning and designing construction projects, so as to eradicate or mitigate OSH risks that may arise during construction and maintenance of these projects. In respect of enforcement, LD is actively pursuing amendments to OSH legislation to raise OSH penalties. Following the two consultations completed in 2019 and 2021, LD is refining the amendment proposals in the light of comments from different stakeholders. LD will complete the drafting work as soon as possible, with a view to introducing the Amendment Bill to LegCo within the current term Government.

6. Besides, as fall-from-height work accidents attributed to the use of ladders happen at times, especially at small-scale repairs and maintenance works, LD will collaborate with the Occupational Safety and Health Council (OSHC) as well as the property management and construction industries to launch the Promoting the Use of Light-Duty Platform Scheme. Under the Scheme, contractors and workers of small-scale repair and maintenance works will be provided light-duty working platforms free of charge, and will be encouraged not to use ladders for above-ground works.

Pilot Rehabilitation Programme for Employees Injured at Work

7. LD is preparing for the launch of a three-year Pilot Rehabilitation Programme for Employees Injured at Work in 2022, targeting injured employees from the construction industry. A case management approach will be adopted to provide private out-patient rehabilitation treatment services for the participating injured employees in a timely and well-coordinated manner to facilitate their early recovery and return to work. LD is conducting a tender exercise to engage a service provider to operate the Pilot Programme.

Managing Risks of Cardiovascular and Cerebrovascular Diseases at Workplace Setting

8. According to the study report completed by OSHC early this year on workplace deaths caused by cardiovascular and cerebrovascular diseases, most of the cases involved risks factors relating to personal lifestyle, e.g. overweight, unhealthy diet, prolonged smoking and physical inactivity. Construction workers and security guards constitute a larger proportion of the cases. LD together with OSHC as well as the Department of Health and employer and employee organisations of the concerned industries have formed a steering committee to promote the implementation of health-friendly measures at workplace, in order to encourage property management employees and construction workers to properly manage their risks of contracting cardiovascular and cerebrovascular diseases.

Review of the Code of Practice for Employment Agencies

9. LD promulgated the Code of Practice for Employment Agencies (CoP) in January 2017 to regulate employment agencies (EAs) and promote the professionalism and service quality of the industry. LD plans to commence a review of the CoP at the end of this year, covering its effectiveness in regulating and cracking down unscrupulous EAs, and whether there is any room for improvement in implementation. LD would collect views on the CoP from various sectors of the community, including feedbacks from employers and job seekers, views of the EAs, etc. It would analyse and sum up the experience in implementing the CoP having regard to changes and development in the community, with a view to making recommendations for improvement.. The review is expected to take about half year.

Review of the Continuous Contract Requirement under the Employment Ordinance (Cap. 57)

10. Under the Employment Ordinance, an employee engaged under a continuous contract is defined as one who has been employed by the same employer for four weeks or more and worked 18 hours or more each week. LD will review the continuous contract requirement, and prudently and thoroughly explore how to strike a reasonable balance between the benefits of employees and the affordability of employers, bearing in mind the overall interests of Hong Kong. We are examining the subject which is targeted for discussion at the Labour Advisory Board next year.

Talent List

11. The Government has completed review on the first Talent list promulgated in 2018, determining to add two new professions of “professionals in compliance in asset management” and “financial professionals in Environmental, Social and Governance”, expand the fields of some existing professions to include experts of “arts technology”, “medical and healthcare sciences”, “microelectronics” and “integrated circuit design”, and refine the requirements for dispute resolution professionals specialising in resolving international commercial disputes, with a view to complementing Hong Kong’s future policy direction of focused efforts on developing finance, arts and culture, innovation and technology and dispute resolution services. With the updated Talent List, we will step up efforts in attracting targeted high-quality talents to come to Hong Kong through the Quality Migrant Admission Scheme.

Ongoing Initiatives

12. 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 13 to 18 below to, among other things, promote employment, enhance protection of employees, enable employees to receive retraining and further promote OSH.

Greater Bay Area Youth Employment Scheme

13. The Government launched the Greater Bay Area (GBA) Youth Employment Scheme in January 2021 to encourage and support Hong Kong university graduates to work in the Mainland cities of GBA and to grasp the career development opportunities in the area. With the business sector’s active support, 417 enterprises offered 3 494 job vacancies for eligible graduates to apply. About half of the vacancies were innovation and technology posts. Graduates responded positively and made over 20 000 job applications. As at 30 September, 1 073 graduates reported duty. The Government will closely monitor the implementation of the Scheme. We will actively follow up with the participating enterprises and graduates, and render appropriate support. A survey is being conducted to collect their views for evaluating the Scheme’s effectiveness and map out the way forward.

Review of the Statutory Minimum Wage Rate

14. Since the implementation of the Statutory Minimum Wage (SMW) in May 2011, the employment earnings of grassroots employees have improved. In May to July 2021, the average monthly employment earnings of full-time employees¹ in the lowest decile group rose cumulatively by 74.6% compared with the pre-SMW period (i.e. February to April 2011), translating into an increase of 28.7% in real terms after discounting inflation. This shows that the earnings of grassroots workers have witnessed an appreciable and real improvement since the implementation of SMW. The Minimum Wage Commission has commenced the preparatory work for a new round of the review on the SMW rate and is required to submit its recommendation report to the Chief Executive in Council by 31 October 2022.

Employees Retraining

15. Commissioned by the Government, the Employees Retraining Board (ERB) launched the Love Upgrading Special Scheme from October 2019 to provide training and allowance to employees affected by the economic downturn. ERB had completed three tranches with a total quota for 40 000 trainees. The fourth tranche has also been launched in July 2021 to benefit 20 000 additional trainees. ERB will also continue to assist the unemployed and underemployed by providing around 140 000 places yearly through its regular training courses.

Risk-based OSH Strategies

16. LD will continue to keep close tabs on the OSH risk levels of various industries and the changes. Pursuant to the risk-based principle, LD will formulate and adjust the strategies of inspection and enforcement, publicity and promotion, as well as education and training in a timely manner, so as to actively promote the OSH culture, prevent accidents from happening and enhance OSH performance of various industries.

17. As the number of fatal industrial accidents and the accident rate per 1 000 workers of the construction industry have been the highest among all industries, LD will continue to undertake a series of targeted measures to enhance OSH of construction workers. These measures include conducting special enforcement operations, safety audit inspections and in-depth surprise inspections, targeting at work sites with high risk processes or poor safety performance; and stepping up participation in site safety management committee meetings of public

¹ Excluding government employees and live-in domestic workers to whom SMW is not applicable.

work projects to get apprised of their latest risk situation and to adjust the inspection strategy accordingly in a more focused manner. As far as small-scale repair and maintenance work is concerned, LD will deploy staff to step up area patrols to carry out timely inspections to such works, so as to curb high-risk work activities including unsafe above-ground work.

18. In respect of publicity and promotion, LD will continue to collaborate with OSHC, major trade associations and workers' unions as well as organisations concerned to organise promotional campaigns, including seminars, talks and sponsorship schemes, to enhance the OSH awareness of employers and employees of different industries. In order to disseminate to workers more effectively fall-from-height risk and its serious consequences, LD will continue to adopt focused promotion strategies. LD's efforts include disseminating the safety messages through websites and mobile applications popular amongst construction workers, sponsoring workers' unions and related organisations to organise talks at construction sites, and producing a new series of TV and Radio Announcements in the Public Interest to explain the risks of some simple above-ground works easy to escape the attention of employers and employees, and promote safe working methods.

Conclusion

19. 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
October 2021