

**Speaking Notes for the Secretary for Labour and Welfare
at the Special Meeting of the Finance Committee
on 19 April 2024**

Labour, Manpower Development and Retirement Protection

Chairman and Honourable Members,

Recurrent government spending on labour and manpower development in 2024-25 is estimated to be \$3,350 million, representing an increase of \$540 million (19.4%) over the revised estimate of \$2,810 million last year. It accounts for 0.6% of the total recurrent government expenditure. I will highlight the key areas of work in respect of the relevant areas in the coming year.

Re-employment Allowance Pilot Scheme

2. To encourage the elderly and middle-aged to join the workforce, the Labour Department (LD) will launch a three-year Re-employment Allowance Pilot Scheme. The Scheme will provide re-employment allowance to persons aged 40 or above who have not been at paid employment for three consecutive months or more to incentivise them to rejoin the workforce. Each eligible person will receive a maximum re-employment allowance of \$20,000 during the implementation of the Scheme. The estimated expenditure for re-employment allowance is approximately \$120 million, which is expected to benefit some 6 000 persons.

The “Continuous Contract” Requirement

3. The Labour Advisory Board has reached a consensus on the review of the “continuous contract” requirement (commonly referred to as the “418” requirement) under the Employment Ordinance. Such a requirement will be relaxed by using the aggregate working hours of four weeks as a counting unit and setting the four-week working hour threshold at 68 hours. The Government has reported the review outcome to the Panel on Manpower of the Legislative Council and commenced the relevant legislative amendment work.

Abolition of Mandatory Provident Fund Offsetting Arrangement

4. To tie in with the implementation of the abolition of the mandatory

provident fund offsetting arrangement on 1 May next year, the Government is pressing ahead with the preparatory work, including developing an information technology system for the Government Subsidy Scheme and formulating its operational details.

Collecting Information on the Working Situation of Digital Platform Workers

5. LD has commissioned the Census and Statistics Department to conduct a Thematic Household Survey to collect information on the working situation of local digital platform workers (DPWs) and plans to collect the views of DPWs for the formulation of strategies for protecting DPWs.

Enhancing Occupational Safety and Health

6. LD is highly concerned about the recent fatal work accidents. Apart from commencing immediate on-site investigations, issuing suspension notices to the relevant duty holders and ascertaining the legal liability of duty holders concerned, LD has launched a series of follow-up actions having regard to the nature of the accidents, such as conducting targeted special enforcement operations and setting up Special Task Forces to combat unsafe work activities.

7. LD has also revised the Code of Practice (CoP) for Bamboo Scaffolding Safety, which involves enhancing the stability of bamboo scaffolds and requiring bamboo scaffolders to possess valid safety training certificates before carrying out the relevant work. The newly revised CoP has been gazetted today.

8. On the other hand, to enhance the safety and health protection for workers in confined spaces, LD will revise the relevant CoP following stakeholder consultations. It is expected to complete the revision exercise in the first half of this year.

Pilot Rehabilitation Programme for Employees Injured at Work (Pilot Programme)

9. LD is going to extend the Pilot Programme to cover the “catering and hotel industry” and the “transportation and logistics industry” starting from next month, with the aim of benefiting more injured employees.

Talent Attraction

10. The Government, in face of the labour shortage for various industries, on top of ongoing promotion of local training, has also implemented various talent attraction measures including the launch of Top Talent Pass Scheme (TTPS) since the end of 2022.

11. As at end-March this year, around 110 000 talents have arrived in Hong Kong through various talent admission schemes. Of these, we received over 77 000 applications under the TTPS and approved nearly 62 000. While there is no requirement for TTPS entrants to be employed in the first two years, many of them have already been working in Hong Kong. We understand from last November's follow-up surveys with TTPS entrants having arrived in Hong Kong for more than six months that 54% of the talents arrived in Hong Kong have been in employment, taking up primarily managerial and professional posts with median monthly employment earnings of about \$50,000. Around 25% of the talents have monthly employment earnings of \$100,000 or above. These are obviously higher than the local median monthly employment earnings of \$20,000. In addition, 16% of the incoming talents' spouses have already taken up employment and most of them are engaged in high-skilled jobs. These survey findings illustrate that the arrival of TTPS entrants and their spouses brings about direct economic contribution to Hong Kong. Besides, more than half of them are aged under 40 and many of them settle in Hong Kong with their young children. They will add new impetus to the local labour force and bring about positive impact on Hong Kong's demographic structure.

12. We will review TTPS and other enhanced arrangements of talent admission in the middle of this year to ensure the competitiveness of the measures and their effectiveness in addressing local manpower demands.

13. To alleviate the manpower shortage in skilled trades, the Government decided to launch the "Vocational Professional Admission Scheme". Starting from the 2024/25 admission cohort, non-local students of designated full-time professional Higher Diploma programmes of the Vocational Training Council (VTC) can apply for staying in Hong Kong for one year after graduation under the scheme to seek jobs relevant to their disciplines. This scheme will be piloted for two years. VTC is now conducting publicity and student recruitment.

14. The Hong Kong Talent Engage, established at the end of October last year, provides support and organises activities for incoming talents to proactively attract global talents with diverse backgrounds to come and settle in Hong

Kong. We will organise the Global Talent Summit · Hong Kong on 7 and 8 May to promote Hong Kong's unique advantages as an international talent hub and enhance talent mobility and cooperation among cities in the Greater Bay Area. We have issued invitation to Honourable Members to welcome you all to join the Summit.

Efforts on Training

15. On training, the maximum monthly retraining allowance has increased to \$8,000 in February this year so as to encourage more unemployed and job-seekers to enrol in training and enter the employment market. The Employees Retraining Board (ERB) has also launched the "One-stop Training and Employment Scheme" (the Scheme) in February, and is actively promoting the Scheme to employers and recruiting trainees. ERB is conducting a comprehensive review on its service targets, scope, etc, and will submit a report to the Government in the third quarter of this year.

16. To encourage more young people to participate in the Apprenticeship Scheme and join the relevant trades, each registered apprentice, for a period of three years starting from 2024-25, will be provided with an additional training allowance of \$1,000 per month, and graduated apprentices will be subsidised to undertake upskilling courses of relevant trades. Meanwhile, VTC receives subvention to organise short in-service training courses with a view to meeting the market demand.

Enhancement to Manpower Projection

17. The Labour and Welfare Bureau is conducting the Manpower Projection (MP) to assess the manpower requirements and shortages for key industries driving Hong Kong's economic growth and essential services supporting the city's operation in 2028. Sectoral consultations for the MP exercise have largely been completed. We are consolidating data and information from various sources. Key findings of the exercise are expected to be available in the third quarter of this year, with a view to promulgating a detailed report early next year.

18. Chairman, this concludes my opening remarks. Members are welcome to raise questions.

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