

# SLW's speaking notes on labour, manpower development and retirement protection policy areas tabled at LegCo Finance Committee special meeting

Following are the speaking notes of the Secretary for Labour and Welfare, Mr Chris Sun, on labour, manpower development and retirement protection policy areas tabled at the special meeting of the Legislative Council Finance Committee today (April 19):

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 (about 19.4 per cent) over the revised estimate of \$2,810 million last year. It accounts for 0.6 per cent 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

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 a 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 the re-employment allowance is approximately \$120 million, which is expected to benefit some 6 000 persons.

## "Continuous contract" requirement

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

To tie in with the implementation of the abolition of the Mandatory

Provident Fund offsetting arrangement on May 1 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 working situation of digital platform workers

The 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

The 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 the duty holders concerned, the 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.

The 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.

On the other hand, to enhance the safety and health protection for workers in confined spaces, the 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

The 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

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

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 the 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 the TTPS entrants having arrived in Hong Kong for more than six months that 54 per cent of the talents arrived in Hong Kong had been in employment, taking up primarily managerial and professional posts with median monthly employment earnings of about \$50,000. Around 25 per cent of the talents had 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 per cent of the incoming talents' spouses had already taken up employment and most of them were engaged in high-skilled jobs. These survey findings illustrate that the arrival of the TTPS entrants and their spouses brings about direct economic contribution to Hong Kong. Besides, more than half of them were aged under 40 and many of them settled 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.

We will review the 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.

To alleviate the manpower shortage in skilled trades, the Government decided to launch the Vocational Professionals 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. The VTC is now conducting publicity and student recruitment.

Hong Kong Talent Engage, established at the end of October last year, provides support and organises activities for incoming talent to proactively attract global talent with diverse backgrounds to come and settle in Hong Kong. We will organise the Global Talent Summit · Hong Kong on May 7 and 8 to promote Hong Kong's unique advantages as an international talent hub and enhance talent mobility and co-operation among cities in the Guangdong-Hong Kong-Macao Greater Bay Area. We have issued invitations to Honourable Members to welcome you all to join the Summit.

#### Efforts on training

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" in February, and is actively promoting the Scheme to employers and recruiting trainees. The 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.

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, the VTC receives subvention to organise short in-service training courses with a view to meeting the market demand.

#### Enhancement to Manpower Projection

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.

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