

香 港 建 造 商 會
Hong Kong Construction Association

**Bills Committee on Occupational Deafness (Compensation)
(Amendment) Bill 2009 Meeting on Tuesday, 28 July 2009**

The Hong Kong Construction Association Ltd's Views

The Hong Kong Construction Association Ltd. (HKCA) welcomes the initiatives of the Government in putting forward the current Amendment Bill that on the one hand lower the Levy collected from construction contracts from 6.3% to 5.8% whilst on the other hand increases the payout subsidies to those in needs. The longer term effect will be a gradual reduction of the overall existing fund reserves level upon it coming into effect.

The payment levels under Occupational Deafness (Compensation) Bill (ODCB) had been upwardly adjusted four times since 1995 for good reasons. Whilst we are in support of the proposed Bill in returning part of the surplus to the society, it would be prudent to consider the long term viability / stability of the Fund before any further improvement in payouts or reduction in levy be made. Any disproportionate payouts liabilities may deplete the Fund quickly and negate the effect of reducing the cost to the society at large since the levy arising from cost of construction will find its way back to the consumers.

A competitive and prosperous economy could be achieved by having a low yet stable levy-system that caters the needs of both the community and the economy. We believe the current Bill is a step in the right direction to balance the demand of the disadvantaged community and the social cost paid by the Hong Kong economy. It is hoped that better protections and improved safe working environment will reduce workers' injuries and subsequently compensations. In any event, HKCA strongly advocate the need to maintain a reasonable expenditure within the limits of revenue and continue in striving to achieve a fiscal balance yet to avoid deficits.