

For information
on 20 October 2005

LegCo Panel on Manpower

Policy Initiatives of the Economic Development and Labour Bureau

Introduction

This paper elaborates on the new and on-going initiatives relating to the labour portfolio of the Economic Development and Labour Bureau in the 2005-06 Policy Agenda.

2005-06 Policy Agenda

New Initiatives

2. We will implement the following new initiatives :

(a) Set up a job centre each in Yuen Long and North District

- To strengthen our employment service for job-seekers, particularly those living in remote areas of the New Territories, the Labour Department (LD) will set up a new job centre each in Yuen Long and North District in 2006, bringing the total number of its job centres to 12.
- The new job centres, like the existing ones, will provide a full range of employment service including dissemination of up-to-date vacancy information, job referrals, job matching, employment briefings, job fairs, job-hunting facilities, etc.
- With the setting up of the two new Job Centres, job-seekers living in these two remote districts will find it more convenient to search for jobs.
- The establishment of two new job centres will involve a one-off capital cost of about \$7.8 million and an annual recurrent expenditure of around \$8 million.

(b) Improve the Youth Pre-employment Training Programme (YPTP) for young people aged 15 to 19 to enhance its vocational training value

- Launched in 1999, the YPTP provides young school leavers aged 15 to 19 with a wide range of employment-related training under four modules : (A) leadership, discipline and team building; (B) job-search and interpersonal skills; (C) elementary/intermediate computer application; and (D) job-specific skills training. At present, trainees are only allowed to attend one course in each module.
- After the modular training, a trainee may undergo a one-month workplace attachment to gain some work experience and an allowance of \$1,000 will be paid to him/her.
- Starting from the Programme Year 2005/06, we will introduce the following improvement measures :
 - to cater for the diverse training needs of individual trainees and help enhance their employability, the restriction on each trainee to select only one course in each of the four modules will be relaxed to allow trainees to take a maximum of five courses from a mix of options.
 - to encourage more trainees, particularly those living in remote areas, to take up workplace attachment, we will increase the workplace attachment allowance from \$1,000 to \$2,000.

(c) Relax the scheme rules for the Special Incentive Allowance Scheme for Local Domestic Helpers (LDHs) to further promote the LDH market

- The Special Incentive Allowance Scheme for Local Domestic Helpers (LDHs), launched in June 2003, is administered by the Employees Retraining Board (ERB). Qualified LDHs¹ who are willing to work across districts or during “unsocial hours (from 5pm to 9am)” are eligible for a daily allowance of \$50 for 144 days within one year. The maximum amount an LDH may claim is \$7,200. A total of \$60 million has been set aside to benefit 8 000 LDHs.

¹ Those who (1) have completed the LDH training offered by ERB; (2) are in possession of a competency card; and (3) take up a job through the referral of ERB’s Integrated Scheme for LDHs.

- As at end-September 2005, there were some 5 600 approved applications, representing 70% of the 8 000 places on offer.
- We will extend the claim period from one year to two years. Whilst the ceiling of 144 days and \$7,200 will remain unchanged, the extended period will give eligible LDHs more flexibility to make claims. All expired cases could also be re-activated for one more year if their ceiling of \$7,200 has yet to be reached.
- We will extend the “unsocial hours” to cover weekends, i.e. all day of Saturday and Sunday. It is expected that more LDHs would be covered by the Scheme.

(d) Increase the maximum penalty for wage offences

- To increase the deterrent effect on wage offences and to reinforce our efforts in tackling wage offences, we propose to increase the maximum penalty for such offences under the Employment Ordinance (EO) from a fine of \$200,000 and imprisonment for one year to a fine of \$350,000 and imprisonment for three years.
- The amendment bill is expected to be introduced into the Legislative Council soon.

On-going Initiatives

3. Apart from the above new initiatives, we will continue to implement the following initiatives:

- (a) Strengthening tripartite cooperation among the Government, employers and employees to maintain harmonious labour relations and help resolve employment issues
- This year, we have implemented a number of measures to strengthen tripartite cooperation. These include:
 - working together with industry-based tripartite committees to produce guidebooks on good people management practices and labour laws of special interest to the respective industries;

- arranging sharing sessions on commendable human resource management practices by enlightened employers for various tripartite committees;
 - organising a large-scale seminar to promote good people management practices in the catering industry; and
 - producing promotional materials to remind both employers and employees in different industries of their statutory responsibilities and rights, such as payment of wages.
- In 2006, we will, in collaboration with industry-based tripartite committees, continue to foster effective communication between employers and employees so as to enhance labour management cooperation at the industry level.
- (b) Continuing with the Youth Work Experience and Training Scheme (YWETS) and integrating it with the YPTP to provide young people aged 15 to 24 with training and employment opportunities
- The YPTP provides youths aged 15 to 19 with a comprehensive range of employment-related training and workplace attachment whereas the YWETS provides youths aged 15 to 24 with work experience through on-the-job training.
 - The two programmes complement each other and, together, they provide a one-stop service to youths. Joint application has been introduced since July 2003 and a mechanism is in place to stream applicants to appropriate schemes according to their age and previous training in YPTP.
 - Through the “revolving door” mechanism, trainees may move between the two schemes at different stages during the programme year. If there is a need, case managers of YWETS trainees may refer them to take up appropriate YPTP training. As for YPTP, trainees will undergo on-the-job training under YWETS when they are ready for employment.
 - These two schemes have been well received by young people and the community at large. We will continue to offer the schemes in 2006.

- (c) Continuing with the Re-employment Training Programme (RTP) to help place middle-aged unemployed into jobs
- The RTP, launched in May 2003, aims to encourage employers to take on job-seekers aged 40 or above and offer them on-the-job training. For each participant engaged, the employer will receive a monthly training allowance of \$1,500 for up to three months.
 - As at end-September 2005, the RTP has achieved about 15 000 placements, mainly as security guards, cleaners and labourers.
 - The LD will continue this programme in 2006 to help place more middle-aged job-seekers into employment.
- (d) Continuing with the Work Trial Scheme (WTS) for unemployed persons having special difficulty in finding jobs
- The WTS, launched in late June 2005, aims to enhance the employability of job-seekers who have special difficulties in finding jobs. During the one-month trial period, scheme participants will work in real jobs offered by participating organisations.
 - On satisfactory completion of the work trial, each scheme participant will receive an allowance of \$5,000, of which \$500 is to be contributed by the participating organisation and the remainder by the LD.
 - As at end-September 2005, 159 job-seekers have been placed into work trials. We will continue the WTS in 2006.
- (e) Continuing with the Work Orientation and Placement Scheme (WOPS) for the disabled
- The WOPS was launched in April 2005 to provide disabled job-seekers with pre-employment training and encourage employers to take on people with disabilities.
 - For each disabled person engaged, the employer will receive a monthly allowance from the LD equivalent to half-month's wage of the employee (subject to a ceiling of \$3,000) for up to three months.

- Mentors appointed by employers to help the disabled employees settle smoothly into their new jobs will be given a one-off cash award of \$500.
 - As at end-September 2005, the Scheme recorded 208 disabled participants in its pre-employment training programme and helped place 197 disabled job-seekers into employment.
 - We will continue the WOPS in 2006.
- (f) Stepping up enforcement action and publicity to combat illegal employment
- The Government continues to spare no effort in protecting the employment opportunities for local workers by combating illegal employment. In the first nine months of 2005, the LD mounted 144 joint operations with the Police and the Immigration Department to raid targeted establishments, a number already exceeding the yearly total (104) in 2004. A total of 191 employers were arrested for employing illegal workers, up 39.4% as compared to the same period last year. The number of suspected illegal workers arrested was 448.
 - On the publicity front, the LD has produced a new poster and two new leaflets to warn against the employment of illegal workers, particularly in the interior decoration trades. The leaflets highlight the sentencing guideline of immediate imprisonment of three months laid down by the Court of Appeal in September 2004 and an employer's statutory obligations to take out all practical steps to ensure that their employees are lawfully employable. The poster and leaflets have been widely distributed to owners' incorporations, mutual aid committees, contractors of minor building maintenance works, property management companies, trade unions and households in districts with clusters of old residential buildings.
 - The LD has also widely publicized its complaint hotline (2815 2200) through newspaper advertisements, press releases, posters and leaflets as well as the body of a public bus to encourage reporting of illegal employment activities.

- The LD will continue to strengthen intelligence collection and cooperation with relevant law enforcement departments in combating illegal employment.
- (g) Extending some of the temporary jobs in the public sector to meet operational needs
- Since 2000, the Government has created a number of temporary jobs in the public sector to help the unemployed enter/re-enter the labour market and meet operational needs. In early 2005, the Government decided to extend some 11 600 temporary jobs in the public sector. The departments/agency involved include the Agriculture, Fisheries, and Conservation Department, Food and Environmental Hygiene Department, Home Affairs Department, Leisure and Cultural Services Department, Social Welfare Department, Tourism Commission and Hospital Authority.
 - The bulk of these jobs will expire by end-March 2006. The departments/agencies concerned are considering the need to extend these jobs on operational grounds.
- (h) Stepping up enforcement action against wage offences
- We have continued with our rigorous enforcement against wage offences and have adopted in 2005 a tactical approach in deterring wage offences by launching more targeted operations through intelligence collection and analysis as well as planning and investigation. This resulted in 439 convicted summonses on wage offences in the first nine months of 2005.
 - The LD has recently adjusted its enforcement strategies with a view to effectively clamping down on wage offences. If the employer is a limited company, we will, apart from prosecuting the company, consider prosecuting the directors and other responsible persons of the company as well.
 - We will make every effort to take out prosecution action if there is sufficient evidence and if the employees are willing to testify in court.
 - The courts have attached great importance to wage offence and have been imposing heavier penalty on employers defaulting

wage payments. In 2005, a company director and two employers were given imprisonment sentences for defaulting wage payments. One employer was also fined \$120,000 for committing wage offences. In addition, two employers who committed wage offences were sentenced to jail after they failed to pay the court as ordered. These verdicts should have sent a strong message to the community on the seriousness of defaulting wage payments.

- The LD has also adopted a proactive and pre-emptive approach to forestall problematic establishments from evading their wage liabilities. We will conduct consultation sessions and pay visits to the establishments to forewarn the management of their liabilities under the EO and the serious consequences of non-compliance. Such proactive action will help deter employers from committing wage offences.
- On the publicity front, we will continue to step up our promotional efforts to remind employers of their statutory wage payment obligations and to urge employees to protect their rights by pursuing wage claims promptly and coming forward as prosecution witnesses. Among other things, we will produce two newly-designed leaflets on tackling wage offences for distribution to employers and employees respectively.

Members' Views

4. We welcome Members' views on the above initiatives.

Economic Development and Labour Bureau
Labour Department
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