

For information on
18 October 2007

Legislative Council Panel on Manpower

Policy Initiatives of the Labour and Welfare Bureau for 2007-08

Purpose

The Chief Executive announced his 2007-08 Policy Address on 10 October 2007. This note elaborates on the new initiatives relating to the labour and manpower portfolio under the Labour and Welfare Bureau in the 2007-08 Policy Address and Policy Agenda and also gives an account of the latest position of the major initiatives in the 2006-07 Policy Agenda.

2007-08 Policy Address and Policy Agenda

2. Promoting employment is the key to assist people with working ability to achieve self-reliance and alleviate poverty. We will facilitate employment in a holistic manner, strengthen training and enhance the competitiveness of our labour force in support of our economic development.

New Initiatives

(a) “One Stop” Employment Service

3. We will study how best to put in place a “one-stop” employment service through streamlining, integrating and enhancing the existing employment and training/retraining services of the Labour Department (“LD”), Social Welfare Department (“SWD”) and Employees Retraining Board (“ERB”), and to launch a pilot to try out the “one-stop” model in 2008-09. The aim is to better assist the unemployed and realise the objective of “from welfare to self-reliance”.

(b) Relax the eligibility criteria of the Employees Retraining Scheme (“ERS”) to cover people aged between 15 and 29 and those with education level at sub-degree or below

4. At present, training places under the ERS are mainly offered to the unemployed and displaced workers who are aged 30 or above and have no more than junior secondary education. The above relaxation would help to ensure that more unemployed persons and local workers who currently do not have access to the ERS would be provided with much-needed training and retraining opportunities. This would better equip them to adapt to the ongoing economic restructuring and enhance their employability.

5. Pending the ERB’s consultation with its training bodies and the necessary preparatory work, the relaxation is expected to be implemented before end-2007. To tie in with the relaxation, the ERB will increase the number of training courses and training places, as well as strengthen the training content and step up measures to assure course quality.

6. The relaxation is one of the first steps to expand and enhance the training and retraining services of the ERB. The ERB is currently undertaking a strategic review on its future role and responsibilities. More concrete plans on how the ERB will expand the scope and enhance the quality of its training and retraining services, including the optimum use of the Employees Retraining Levy, will be examined and drawn up under the strategic review.

(c) Create 3,000 three-year positions for young people in 2008-09 in partnership with non-governmental organisations (“NGOs”) to enhance their work experience and employability

7. To help tackle youth unemployment and to equip young job-seekers with the relevant work experience so as to improve their employability in the open labour market, 3 000 three-year positions for youths will be created in NGOs for various welfare service units subvented by the SWD.

(d) Enhance occupational safety and health through setting up a central investigation mechanism in the LD to encourage workers to report malpractices in workplaces and stepping up the monitoring of the performance of mandatory safety training course providers

8. Hong Kong’s safety performance has been improving in recent years. However, in the year 2006, the number of occupational injuries showed a slight increase. Certain sectors (e.g. catering and construction) have also persistently registered a higher than average accident/injury rate.

9. To enhance occupational safety and health, the LD will set up a Central Inspection Team (“CIT”) to deal independently with investigation of complaints from workers against unsafe work conditions in their workplaces and to conduct surprise inspections to randomly selected workplaces of different geographical areas. Not only could this provide enhanced deterrence, this could also help prevent possible collusion between Occupational Safety Officers of LD’s district offices and the contractors/proprietors concerned. With this central investigation mechanism, workers might be more willing to come forward and report malpractices, if any, without fear of reprisals from the contractors/proprietors.

10. The LD will also step up inspections and monitoring of the mandatory safety training course providers, especially those that are the subject of frequent complaints. This could provide the basis for enhanced disciplinary actions against under-performed or unscrupulous course providers.

(e) Conduct a review on the definition of continuous employment under the Employment Ordinance (“EO”) in the light of recent developments in the labour market

11. At present, irrespective of their duration of employment and hours of work per week, all employees covered by the EO are entitled to certain rights and benefits such as payment of wages, restriction on deductions from wages, granting of statutory holidays, protection against anti-union discrimination, employment protection in respect of unreasonable and unlawful dismissal, etc.

12. Employees engaged under a “continuous contract”¹ are further entitled to other employment benefits under the EO such as rest days, paid statutory holidays and annual leave, sickness allowance, severance payment and long service payment, subject to their fulfilling the respective qualifying requirements as specified in the EO.

13. In recent years, there have been concerns about the growing number of employees who are not engaged under a continuous contract and hence not eligible for the benefits that are otherwise available. To take forward the review of the definition of continuous contract under the EO, the LD has commissioned the Census and Statistics Department (“C&SD”) to conduct a special topic enquiry in 2006 for the purpose of obtaining updated information on the profile of employees who are not working under a continuous contract. The LD will brief the Labour Advisory Board (“LAB”) when the survey results are available.

¹ An employee who has been employed continuously by the same employer for four weeks or more and has worked for at least 18 hours in each week is regarded as being employed under a continuous contract.

Progress of On-going Initiatives

(f) Wage Protection Movement

14. We will continue to promote the Wage Protection Movement for cleaning workers and security guards (“WPM”) and secure the support of different sectors in the community. A mid-term review will be conducted on the WPM in October 2007 to gauge its progress. If the mid-term review shows that the progress is unsatisfactory, we will further promote the movement as well as proceed immediately with the preparatory legislative work on a statutory minimum wage. An overall review of the WPM will be conducted in October 2008. If the voluntary movement has failed, we will introduce a bill on a statutory minimum wage for security guards and cleaning workers as early as possible in the 2008-09 legislative session.

15. As at end-September 2007, there were 1 041 participating entities from a wide cross-section of the business community, including chambers of commerce, employer groups and trade groups. A number of them are owners corporations (“OCs”) or companies in property management/guarding services and cleansing services. Others include entities from the tourism, entertainment, retail, banking, finance, manufacturing and transportation sectors. The list is available at the WPM dedicated website (<http://www.labour.gov.hk/eng/service/protection/index.htm>).

16. According to the information provided by participating entities thus far, over 33 000 cleaning workers and security guards are being directly employed by these entities or by their cleansing and guarding services contractors and sub-contractors. Together with some 30 000 cleaning workers and security guards who have benefited under the wage requirement applicable to service contractors of government departments, public bodies and other related bodies, we estimate that at this stage a total of some 63 000 (i.e. 35%) such workers out of the 180 000-strong cleaning workers and security guards enjoy wage protection.

17. To support the WPM, LD’s free employment service for vacancies for cleaning workers and security guards will only be extended to those vacancies offering wages not lower than the average market rates as published in the C&SD’s Quarterly Report of Wage and Payroll Statistics with effect from 27 October 2006. Since then, the wage level of close to 3 000 vacancies has been increased to at least the relevant market averages upon persuasion by the LD. This shows that the advent of the WPM has brought immediate benefits to some workers.

18. Publicity flyers were issued alongside water bills in July to October this year to reach out directly to over two million property owners/tenants. LD officers also attended 27 seminars on the Building Management (Amendment) Ordinance to brief representatives of OCs on the WPM during the summer. Over the coming months, the LD will continue to promote the WPM through various means, including:

- screening television and radio Announcements in the Public Interest through various media channels;
- distributing leaflets and posters to different stakeholders;
- arranging outdoor advertisements, for example, on tramcars and buses, and by roadside banners; and
- organising exhibitions at different venues, including all nine Property Management Advisory Centres of the Hong Kong Housing Society across the territory;

in an effort to secure the support of different sectors (especially employers and property owners) in the community.

19. In the meantime, we are collecting data for conducting the mid-term review of the WPM for discussion at the LAB. We will brief the Manpower Panel as soon as possible.

(g) The pilot Transport Support Scheme (“TSS”)

20. The LD has launched the pilot TSS on 25 June 2007 to provide time-limited transport subsidy to needy job seekers and low-income employees living in four remote districts, namely Islands, North, Tuen Mun and Yuen Long. Under the TSS, an eligible applicant may receive two types of allowances, viz. Job Search Allowance (of up to \$600) and Cross-district Transport Allowance (of \$600 per month for up to six months, i.e. at a maximum of \$3,600). These allowances are not meant to cover all transport costs incurred in job-hunting and working but to provide an incentive to eligible applicants to find jobs and work across districts.

21. The LD has engaged 10 NGOs with rich experience in providing training and employment assistance to establish a network of 25 service centres to implement the TSS.

22. As at end-September 2007, the LD recorded 4 071 applications under the Scheme. Altogether, 2 961 claims for Job Search Allowance and Cross-district Transport Allowance, totalling some \$1.6 million, have been received.

23. A review will be conducted at the end of the one-year pilot. We will decide on the way forward in the light of operational experience and the views/suggestions from the Legislative Council and the community.

(h) Opening two Youth Employment Resource Centres (“YERC”) before end-2007 to provide one-stop advisory and support services on employment and self-employment to young people aged 15 to 29

24. Through partnership with NGOs, the LD will set up two YERCs in Langham Place in Mongkok and Metroplaza in Kwai Fong respectively by end-2007 to provide one-stop advisory and support services on employment and self-employment to young people aged 15 to 29.

25. The YERCs will provide self-administered assessment kit for young people to gauge their interests, capabilities and aptitudes in order to facilitate their consideration of possible employment options appropriate to their circumstances and attributes. Career Consultants of the LD will provide in-depth career counselling and case management services to those with difficulties in career choices. Job search facilities and services, recruitment seminars and employment-related training workshops will be offered to young people to enhance their employability.

(i) Implementing the Youth Pre-employment Training Programme (“YPTP”) and the Youth Work Experience and Training Scheme (“YWETS”) to enhance the employability of young people aged 15 to 24

26. The YPTP and YWETS provide “through-train” pre-employment training and placement assistance to youths aged 15 to 24 with a view to enhancing their employability and competitiveness. For the 2006-07 Programme running from September 2006 to August 2007, YPTP trained 6 500 young people and YWETS helped 7 100 secure employment.

27. To encourage young people to receive pre-employment training so as to enhance their employability, trainees with an attendance rate higher than 80% of a modular training course of YPTP or the Induction Course of YWETS during the 2007-08 Programme are entitled to a transport allowance.

28. Through partnership with training bodies and employers, the LD will continue to develop new training courses and tailor-made training-cum-employment projects to suit trainees’ interests and employers’ recruitment needs.

(j) Implementing the Special Incentive Allowance Scheme for Local Domestic Helpers (“LDH”) to promote the LDH market

29. The Special Incentive Allowance Scheme, launched in June 2003 and administered by the ERB, aims at addressing the mismatch in supply and demand of the LDH market arising from geographical locations and working hours. Qualified LDHs² who are willing to work across districts or during “unsocial hours” (i.e. from 5 pm to 9 am on weekdays and during the weekend) are eligible for a daily allowance of \$50. The maximum amount an LDH may claim is \$7,200.

30. As at end-September 2007, a total of 11 203 applications were approved. Most of the recipients of the allowance are women with lesser skills. Over the years, both the number of registered vacancies and the number of vacancies filled have increased. The Scheme is thus conducive to promoting the LDH market.

(k) Taking stronger enforcement action against wage offences

31. The LD will continue with its proactive strategy to tackle wage defaults at source. It will keep up with its rigorous enforcement through launching more targeted operations and strengthening its capacity in intelligence gathering and evidence collection. The LD has also enhanced promotional efforts to remind employers of their statutory wage payment obligations, urge employees to protect their rights by pursuing wage claims promptly, and publicise its complaint hotline (2815 2200). This has resulted in 673 convicted summonses on wage offences in the first nine months of 2007, an increase of 24% over the same period of 2006.

32. The LD will make every effort to take out prosecution if there is sufficient evidence. If the employer is a limited company, it will, apart from prosecuting the company, consider prosecuting the directors and other responsible persons of the company as well for wage offences. In the first nine months of 2007, four company directors and an employer were given jail sentences for defaulting wage payments. These sentences show that the Court attaches great importance to wage offences.

33. In recent years, building maintenance/rehabilitation works have been on the increase. As these works are managed by OCs rather than professional project managers, the LD has initiated proactive monitoring over such works so

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

as to prevent possible wage disputes. With the assistance of the Urban Renewal Authority and the Housing Society, the LD is distributing a tailor-made leaflet which highlights the salient points of effective tender and contract management. Emphasising dispute prevention, it aims to arouse the awareness of OCs at the earliest possible moment when they plan to commission contractors to provide building maintenance and rehabilitation services. The LD has also established a contact points system whereby these OCs can approach the respective Labour Relations Offices for advisory service when such needs arise.

(l) Promoting family-friendly employment practices such as flexible work arrangements, family leave benefits and employee support schemes

34. The LD will, in collaboration with the business sector and NGOs, continue to organise various promotional activities to disseminate information on family-friendly employment practices, including roving exhibitions at different locations throughout the territory to increase public awareness on the subject.

35. The LD will also promote enlightened family-friendly employment practices among employers and human resources practitioners through its network of 18 Human Resources Managers Clubs formed in various trades and industries.

(m) Familiarising stakeholders with the new medical functions of registered Chinese medicine practitioners (“CMP”) in relation to employee benefits under labour laws

36. The LD will organise talks for registered CMPs to familiarise them with their new medical functions under the Certification for Employee Benefits (Chinese Medicine) (Miscellaneous Amendments) Ordinance 2006 (the Amendment Ordinance). Such talks will focus on the good practices in maintaining medical records, the guidelines on the issuance of sick leave certificates and the associated legal responsibilities of a registered CMP under labour laws. To encourage participation, such talks will count towards the partial fulfilment of the continuing education requirement of the Chinese Medicine Practitioners Board of the Chinese Medicine Council.

37. The LD will organise briefing sessions for undergraduates taking Chinese medicine programmes in local universities for early familiarisation with the medical functions of registered CMPs under labour laws. Briefings and talks for human resources personnel and insurers will also be arranged to ensure the smooth implementation of the Amendment Ordinance.

(n) Taking stronger enforcement action and conducting more publicity to combat illegal employment

38. We are determined to protect the employment opportunities for local workers. In the first nine months of 2007, the LD mounted 131 intelligence-led operations with other law enforcement departments to raid targeted establishments to combat illegal employment. Altogether, 133 employers were arrested for employing illegal workers. The number of suspected illegal workers arrested was 267.

39. The LD has launched a new series of publicity programmes to warn the public against employment of illegal workers. These programmes include advertisements in public transport like MTR, KCR and trams, as well as distributing posters to all trade unions and District Council members. The LD has also widely publicised its complaint hotline (2815 2200).

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