

For information on
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Legislative Council Panel on Manpower

Overview of Labour Department's efforts in labour administration in 2008

Introduction

This paper briefs Members on the Labour Department (LD)'s efforts in various programme areas in labour administration in 2008.

Overall performance

2. LD adopts a proactive and pragmatic approach in facilitating employment on all fronts, safeguarding employees' rights and benefits, and fostering harmonious employer-employee relations. Details of LD's efforts in various programme areas in labour administration in 2008 are given below.

Employment Services

Vacancy and placements figures

3. In 2008, LD posted a total of 671 770 private sector vacancies, representing an increase of 20% over the corresponding figure of 559 815 vacancies in 2007. The major sources of vacancies included the business services and catering sectors, each contributing around 13% of the total number of vacancies.

4. In the first three quarters of 2008, the number of vacancies posted each month was higher than that of the corresponding month in 2007. However, as the adverse impact of the global financial tsunami became increasingly apparent since September 2008, the number of vacancies posted in the fourth quarter of 2008 fell by 4.8% on a year-on-year basis, reversing the upward trend in the earlier quarters.

5. In 2008, LD achieved 146 308 placements, up 8% over the corresponding figure in 2007.

Job fairs

6. To respond speedily to the recruitment needs of employers and offer more convenient services to job seekers, LD organises large-scale job fairs in shopping malls and community halls at different locations over the territory. In 2008, a total of 10 large-scale job fairs were organised, offering about 16 000 vacancies and attracting over 22 000 job seekers.

7. To cater for the needs of employers and job seekers in the vicinity, LD also organises mini-job fairs at its Job Centres. In 2008, 197 mini-job fairs were held, attracting some 25 400 job seekers.

Interactive Employment Service (“iES”) website

8. Round-the-clock employment services are available from the iES website (www.jobs.gov.hk). In 2008, iES registered a record of 940 million page views, representing an average page view of 2.57 million per day. It has been one of the most popular government websites.

9. In December 2008, iES introduced a new dedicated web page to display vacancies offered by employers who were interested in recruiting employees who lost their jobs in recent closure or redundancy exercises.

Employment services for employees affected by the economic downturn

10. LD closely monitors the employment situation and proactively renders support to employees whose employment has been jeopardised by the economic turmoil. In major closure or redundancy cases, LD would set up a hotline for enquiries and special counters at Job Centres to provide priority job referral and job matching services to the affected employees. LD would appeal to employers to provide suitable vacancies and inform the affected employees of such vacancies to facilitate their job search. LD would also provide the affected employees with intensive and customised placement support and refer them to the Employees Retraining Board for retraining services where appropriate.

11. In 2008, LD set up special counters and offered priority placement services to 3 420 employees affected by redundancy or business closure.

Employment assistance to young people

12. LD administers the Youth Pre-employment Training Programme (YPTP) and the Youth Work Experience and Training Scheme (YWETS) to provide a full range of pre-employment and on-the-job training to young people aged 15 to 24 with educational attainment below the degree level. In the 2007/08 Programme running from September 2007 to August 2008, YPTP trained 5 100 young people and YWETS helped 5 700 young people secure employment.

13. To strengthen employment support for youths at risk, YPTP and YWETS jointly launched in the 2008/09 Programme a special training project codenamed “Targeted Career Training Mission” in collaboration with non-government organisations operating youth outreaching services. The project provides participating youths with flexible and tailor-made training in terms of training duration, course timetable and class size. Both programmes also actively organise tailor-made training-cum-employment projects to meet the recruitment needs of employers and interests of trainees in a timely and fit-for-purpose manner. Major projects in the pipeline include a pilot “Construction Industry Youth Training Scheme” formulated by YWETS in collaboration with the Construction Industry Council Training Academy.

14. To promote youth employment, LD also operates two “Youth Employment Start” (Y.E.S.) to enhance the employability of young people, facilitate their access to the latest labour market information, and help them secure firm footing in the labour market for sustainable development. Y.E.S. provides career assessments, career guidance, value-added training, and support services for the self-employed. The target users of Y.E.S. are young people aged 15 to 29, including graduates of YPTP and YWETS, school leavers, young job seekers, young people seeking alternative employment and self-employed youths. By the end of 2008, the two Y.E.S.s together provided services to 63 636 young people.

Transport Support Scheme (TSS)

15. TSS was first launched on a pilot basis in June 2007 to provide time-limited transport subsidy to needy job seekers and low-income employees in remote districts with a view to encouraging them to look for jobs and stay in employment. In July 2008, LD implemented a range of relaxation measures which included relaxing the income threshold and lengthening the subsidy period. Eligible persons living and working in the same designated remote district could also apply to join the Scheme.

16. From the implementation of the relaxed TSS on 2 July 2008 until 31 December 2008, a total of 17 718 new applications were received, representing 189% of the 9 363 applications received under the one-year pilot TSS between June 2007 to end-June 2008. By the end of 2008, the funds disbursed under TSS totalled \$58 million, and the total financial commitment for the approved cases has reached \$203 million. As at 9 February 2009, the commitment for approved cases has surged to \$212 million, representing 58% of the total funding of \$365 million for running the TSS.

Labour Relations

Promoting harmonious labour relations

17. LD endeavors to maintain close relationship with enterprises and employees' groups. It adopts a practical approach to assist both employers and employees to eliminate their discrepancies through communication and resolve contradictions with mutual understanding. In 2008, the Labour Relations Division (LRD) handled a total of 20 743 labour disputes and claims, a drop of 5% over 21 822 cases in 2007. It was the lowest level since 1998. In the same year, the settlement rate of labour disputes and claims handled was 72.7%, an increase of one percentage point over 71.7% in 2007. This was an all-time high since 1994.

18. The financial tsunami which occurred in September 2008 has adversely impacted on the economy of Hong Kong, triggering a series of business closures, insolvencies and redundancies. For instance, between October 2008 to January 2009, the number of labour disputes handled registered a 64% increase over the same period in the preceding year (from 33 to 54). LD closely monitors the labour relations scene and renders timely assistance to employers and employees. In many cases, LD's early intervention has helped defuse many potential labour disputes.

Ex gratia payment from the Protection of Wages on Insolvency Fund (PWIF)

19. The PWIF provides ex gratia payment to employees who are owed wages and other termination benefits by their insolvent employers. By providing a safety net for employees affected by closure of business, the PWIF has played a pivotal role in maintaining good labour relations and social stability. In face of deteriorating external economic environment, the PWIF received a total of 6 448 applications in 2008, an increase of 33% over the figure of 4 836 in 2007.

20. The PWIF registered a surplus of \$370.8 million in 2008, and its reserve peaked at \$1,489.5 million at the end of the year. LD together with the PWIF Board will continue to monitor the financial position of the PWIF closely.

Improvement measures on the enforcement of Labour Tribunal (LT) awards

21. Although the modes of execution of LT awards are part of the whole system for seeking civil remedies, the Administration is concerned about some employers failing to effect payment to their employees as awarded by LT. LD has all along taken various measures to assist the affected employees. In 2008, the Labour and Welfare Bureau (LWB) and LD rigorously explored feasible improvement measures to further enhance the enforcement of LT awards.

22. After consulting the Labour Advisory Board and the Legislative Council (LegCo) Panel on Manpower on the options floated by stakeholders and thorough examination with relevant bureaux and departments, we put forth in July 2008 three viable enhancement measures, namely, making non-payment of LT awards a criminal offence, empowering the LT to order defaulting employers to pay additional sums to the employees, and to disclose financial details. The proposals received general support from Members. Although the three measures all entail complicated legal issues and implementation details, LWB and LD are working closely with the Department of Justice and the Judiciary on legislative amendments. We aim to introduce to LegCo a bill which makes non-payment of LT awards a criminal offence in the 2008-09 session.

Promoting good people management practices

23. On the promotional front, LD organised various activities such as talks, briefings and roving exhibitions for employers, employees and human resources professionals with a view to promoting better understanding of the Employment Ordinance (Cap. 57) (EO) and good people management practices in 2008. A wide range of publications covering different themes were also produced for free distribution to members of the public.

24. LD also organised a number of seminars for human resources practitioners to facilitate sharing and discussion on topics including labour relations, good people management practices and relevant legislation such as the Mandatory Provident Fund Schemes Ordinance (Cap. 485) and Race Discrimination Ordinance (Cap. 602).

25. LD has been actively promoting family-friendly employment practices (FFEP) with a view to assisting employees to maintain a balance between work and family responsibilities. Twenty issues of newspaper supplements were published between July and November 2008 to showcase exemplary examples on the adoption of FFEP as well as other good people management measures. The supplements will further be consolidated into a booklet for distribution. We will continue to promote FFEP through various activities and channels such as roving exhibitions and our network of 18 Human Resources Managers' Clubs formed in various trades and industries.

Strengthening tripartite cooperation

26. Nine Tripartite Committees (TCs) have been set up for the catering, construction, theatre, logistics, property management, printing, hotel and tourism, cement and concrete as well as retail industries. They provide an effective forum for members to discuss labour issues of mutual concern in a frank and cordial atmosphere. In 2008, LD continued to work closely with the TCs to promote tripartite cooperation among employers, employees and the Government. In collaboration with these committees, we arranged experience-sharing sessions and produced publications to meet the specific needs of respective industries.

Rights and Benefits

Combating wage offences

27. LD takes a very serious view on wage offences and has continued its rigorous enforcement action against wage offences. We prosecute employers and company responsible persons who have contravened wage provisions under the EO wherever there is sufficient evidence.

28. In keeping with its rigorous enforcement efforts, LD secured 958 convictions on wage offences in 2008, similar to the figure of 960 convicted summonses in 2007. In 2008, 199 convicted summonses on wage offences were secured against the company responsible persons, an increase of 58% over the figure of 126 in 2007.

29. LD continued to strengthen its educational and promotional efforts to remind employers of their statutory obligations to pay wages on time. As for employees, they are encouraged to lodge wage claims promptly and to serve as prosecution witnesses in wage default cases. We will continue to tackle wage offences rigorously to protect the rights of employees.

Combating illegal employment

30. In 2008, LD continued its rigorous enforcement actions against illegal employment so as to protect the employment opportunities of the local workers. We strengthened the collection of intelligence and jointly with the Police and the Immigration Department (ImmD), launched operations targeting at employers engaging illegal workers. In the year, LD launched 186 joint operations with the Police and the ImmD, representing an increase of 9.4% as compared to 170 joint operations in 2007.

31. On the publicity front, LD continued to launch intensive publicity to remind employers of the serious consequences of employing illegal workers through press releases, advertisements on public transport, distribution of free souvenirs and calendar cards etc. We also widely publicised LD's Complaint Hotline (2815 2200) to encourage members of the public to provide intelligence on illegal employment activities.

Extending the coverage of the Pneumoconiosis (Compensation) Ordinance to include cancerous mesothelioma

32. Cancerous mesothelioma is a rare cancerous form of tumour which has a strong association with occupational exposure to asbestos. As cancerous mesothelioma and pneumoconiosis share a common cause and some common characteristics, LD proposed to amend the Pneumoconiosis (Compensation) Ordinance (Cap. 360) (PCO) to extend its coverage to make cancerous mesothelioma compensable, and to provide to eligible cancerous mesothelioma sufferers the same compensation and benefits as those for pneumoconiotics. The legislative proposal was passed at the LegCo sitting on 9 April 2008 and has taken effect from 18 April 2008. The title of the PCO has also been amended to become the "Pneumoconiosis and Mesothelioma (Compensation) Ordinance" to reflect the extension of its coverage to include mesothelioma.

Wage Protection Movement and Statutory Minimum Wage

33. Since the mid-term review of the Wage Protection Movement for cleaning workers and security guards (WPM) conducted in October 2007, LD continued promotion of the WPM in full gear in January to October 2008. However, as the outcome of the voluntary and non-statutory WPM was unsatisfactory as shown in the concluding overall review in October 2008, the Government honoured its commitment and undertook to introduce a statutory minimum wage (SMW). Following thorough consideration of the views of the business community and the labour sector on the relative merits of a SMW

regime confined to the cleaning and security sectors and an across-the-board regime, the Government has decided in favour of the latter since cleaning workers and security guards are not the only low-paid jobs and there is considerable worker mobility among different types of low-paid jobs.

34. At present, legislating for SMW is a three-pronged task. First, we need to prepare and draft the legislation. The major areas to be covered in the legislation include coverage of employees; introduction of special measures, if required, for persons with disabilities; definition of an SMW; mechanism for setting and adjusting the minimum wage level; as well as enforcement and penalty in relation to the implementation of an SMW. LD will continue to meet with representatives of labour unions, employer associations, rehabilitation groups and other stakeholders in order to understand their concerns. We aim to introduce the Minimum Wage Bill into LegCo in the 2008-09 legislative session.

35. Second, we are working closely with relevant government departments to enhance the collection of wage and other data to provide the necessary quantitative information to facilitate an informed deliberation of an optimal initial SMW rate.

36. Third, LWB is preparing for the establishment of a Provisional Minimum Wage Commission (MWC), members of which will be drawn from the labour sector, business community, academia and relevant government departments, to advise the Government on the appropriate level of the initial minimum wage. The Provisional MWC is expected to deliberate on the basis of relevant statistical data as well as extensive consultations. It will become a statutory body upon the enactment of the SMW legislation.

Conclusion

37. Looking ahead, LD will keep up its efforts on all fronts to provide quality services to the community. We shall embrace the challenge of the likely-to-be protracted financial tsunami with enhanced efforts to trawl for vacancies from the private sector, facilitate dissemination of job information, and provide job matching and other employment support services. LD will also keep up its efforts to foster labour relations, protect employees' rights and benefits and combat illegal employment.