

For information
on 17 May 2011

Legislative Council Panel on Manpower

Progress of implementation of statutory minimum wage

Purpose

This paper briefs Members on the progress of implementation of statutory minimum wage (SMW).

Background

2. The Minimum Wage Ordinance (Cap. 608) (MWO), with the initial SMW rate of \$28 per hour, has taken effect from 1 May 2011. The introduction of SMW represents a significant milestone and breakthrough in protecting our grassroots workforce, the culmination of years of discussion among all stakeholders and the fruit of mutual understanding, compromise and endeavour.

Implementation of SMW

Publicity and promotion

3. The Labour Department (LD) has been organising extensive publicity activities to promote the MWO. LD has issued the “*Statutory Minimum Wage: Reference Guidelines for Employers and Employees*” to assist employers and employees across the board in better understanding the provisions and practical application of the MWO so as to facilitate their compliance with the law. In addition, industry-specific guidelines covering nine industries have been drawn up in consultation with the concerned industry-based Tripartite Committees and stakeholders to address their particular mode of operation or pay arrangements. The nine industries include catering, retail, property management/security/cleaning services, hotel/tourism, logistics, and real estate.

4. Since the passage of the MWO and up to the end of April 2011, some 16 000 participants attended 86 briefings on the MWO conducted by LD, including large-scale seminars for employers, employees and the public at large as well as talks targeted at various groups such as Incorporated Owners, Owners Committees, Mutual Aid Committees, property management companies, human resources practitioners, etc. We have published concise guides and posters on SMW for wide distribution and display. Advertisements through electronic information panels, cabin banners, seat-backs and cabin bodies on various public transports and newspaper supplements have been placed. Television and radio announcements of public interest as well as a set of mini-programmes on television have also been broadcast. To maintain the momentum in our public education-cum-promotion campaigns, we will continue to upload a series of interviews on SMW onto the “news.gov.hk” website, broadcast promotional messages on various public transports and at the lobbies of commercial buildings, conduct talks and roving exhibitions, and display banners for outdoor publicity, etc.

Special arrangement for persons with disabilities under the SMW regime

5. SMW applies to employees with disabilities and able-bodied employees alike. Special arrangement is also provided under the MWO so that persons with disabilities may choose to undergo a productivity assessment. The right to invoke the assessment is vested in the employees with disabilities, not the employers. LD has launched targeted publicity and promotional activities to apprise persons with disabilities their rights and benefits under the MWO. These activities include mailing leaflets directly to over 110 000 persons with disabilities; inserting promotional message in electricity and water bills; conducting seminars for persons with disabilities, rehabilitation organisations, parent groups, employers of persons with disabilities, etc; putting up posters and relevant messages as well as distributing leaflets through the offices and websites of rehabilitation organisations and relevant government departments; broadcasting radio announcements of public interest and a mini-programme on television; disseminating relevant message through various public transports; and placing advertisements and feature articles in publications of trade unions and non-government organisations, etc.

6. To facilitate persons with disabilities in undergoing the productivity assessment, LD conducted an open recruitment of approved assessors in March 2011. The first batch of 205 assessors has been granted approval, and verification and approval of more assessors is also underway. Persons with disabilities who wish to conduct productivity assessment may select any assessor from the register of approved assessors available at the homepage and relevant offices of LD.

Consultation and conciliation services

7. LD's 24-hour enquiry hotline 2717 1771 (handled by the 1823 Call Centre) operates round the clock to answer public enquiries on the MWO. Through a network of 10 branch offices across the territory, the Labour Relations Division (LRD) of LD also provides in-person consultation and conciliation services on the MWO to employers and employees in need to help both parties resolve their differences through communication. During the past half year or so, the enquiry hotline handled a total of some 40 000 telephone enquiries relating to SMW. From January to 10 May 2011, LRD handled 920 consultations in person in relation to SMW.

Enforcement work

8. To tie in with the implementation of the MWO, LD ensures compliance with the law through conducting proactive workplace inspections to establishments of various trades and mounting targeted enforcement campaigns for low-paying sectors. Labour Inspectors during workplace inspections will explain to employers and employees the requirements of the MWO and distribute leaflets on SMW for their reference. The employment conditions of the workers will also be enquired and follow-up actions will be taken as and when required. Should irregularities be detected, we will require employers to take appropriate measures to ensure their compliance with the MWO including prompt payment of any wages falling short of SMW to employees. We will also enhance the publicity of LD's complaint hotline (2815 2200) to encourage employees to report breaches. All complaints received will be promptly investigated. We will take strict enforcement action against wilful breaches of the law.

9. During 1 to 10 May 2011, Labour Inspectors conducted 1 015 inspections mainly to the establishments in the low-paying sectors including retail, security, catering, cleaning, etc. Of these inspections, there were 15 cases where the workers suspected that their wage level was below SMW. Labour Inspectors immediately advised the parties concerned on the provisions of the MWO in order to safeguard the rights of the employees. In the same period, LD's complaint hotline received one complaint about suspected non-compliance of the MWO on which prompt follow-up action was undertaken.

Employment support

10. Along with the implementation of SMW, LD has enhanced its employment support services to assist job seekers to find new employment.

We have set up a dedicated employment hotline (2127 4916) with effect from April 2011 to provide employment assistance for needy workers displaced as a result of the implementation of SMW. Where appropriate, we will refer the displaced job seekers to join our specialised employment programmes. Up to 10 May 2011, the employment hotline received 6 cases with employment assistance offered.

11. In addition, we will organise in May and July 2011 large-scale job fairs specifically for the low-paying sectors that are more likely to be affected by the implementation of SMW in order to gather the latest job vacancy information. Job seekers can make applications on-the-spot and hence save their time in job search. From now on till the end of July 2011, mini-job fairs will also be organised for employers of the catering and retail industries at the two industry-based recruitment centres every working day to offer job seekers on-the-spot job interviews. Since the implementation of SMW and up to 10 May 2011, LD received on average over 3 000 vacancies per day. This is comparable to the situation prior to the SMW implementation, reflecting the large number of employment opportunities available in the labour market.

12. LD will continue to operate its various specialised employment programmes (including the Youth Pre-employment Training Programme and Youth Work Experience and Training Scheme for the youths, the Employment Programme for the Middle-aged and the Work Orientation and Placement Scheme for persons with disabilities) with a view to helping job seekers with special needs and employment difficulties secure employment. We will closely monitor the actual impact of SMW on the employment market and continue adopting multi-pronged measures to facilitate the employment of vulnerable groups. We will enhance the employment programmes so as to strengthen our employment support to job seekers, in particular those from the vulnerable groups, where appropriate.

Way forward

13. We will continue to closely monitor the implementation of SMW and take necessary actions as appropriate.

14. Members are invited to note the content of this paper.