

For information on  
27 January 2014

**Legislative Council Panel on Manpower**  
**2014 Policy Address**  
**Policy Initiatives of the Labour and Welfare Bureau**

**Purpose**

The Chief Executive delivered his 2014 Policy Address on 15 January 2014. This paper expounds on the major new and on-going initiatives of the Labour and Welfare Bureau (“LWB”) and the Labour Department (“LD”) in the labour and manpower domain, as set out in the 2014 Policy Address and Policy Agenda.

**New Initiatives**

*Explore with employers and various organisations how pilot projects can be launched under the Youth Employment and Training Programme (YETP) to provide young people with appropriate pre-employment training, work attachment, on-the-job training and employment support services*

2. The Government attaches great importance to and spares no effort in facilitating youth employment. To provide young people with appropriate pre-employment training, work attachment, on-the-job training and employment support services, LD will explore with employers and various organisations how different pilot projects can be launched under YETP.

3. In the first quarter of 2014, in collaboration with the Vocational Training Council (VTC), LD will launch two pilot projects. The first one is the “Achieve the poTEENTial” which targets at young people who are younger (aged 15-19) and less-experienced. They will be provided with occupational and on-the-job training, and assisted in ascertaining their career aspiration and entering the job market. This project is expected to provide about 300 on-the-job training places each year. Another project is entitled “Service Industries Traineeship Scheme – Retail” which will apply the mode of training-cum-work to the service industries and is expected to provide 180 on-the-job training places in 2014-15.

4. To cope with the pressing demand for care personnel in the social welfare sector and provide the younger generation with more employment options and a foundation for career development in care services, the Government introduced a “first-hire-then-train” pilot scheme through the Lotteries Fund last year. Under the scheme, young people are recruited to provide care services at residential care homes for the elderly and are provided with subsidies to pursue a two-year part-time course offered by the Open University. After completing the course, they could be promoted to a higher position. As the youth’s response to the pilot scheme is positive, the Government will allocate additional resources to expand the pilot scheme and cover rehabilitation services, providing an additional 1 000 places for young people who graduate at Secondary 5 or Secondary 6 level in the coming few years.

5. The Government will continue to closely keep in view the manpower needs of different industries and the career interests of young people. We will actively explore with various organisations, including the Employee’s Retraining Board (ERB), VTC, training bodies and employers/ employer associations with manpower needs, to ascertain how our collaboration may be strengthened and to come up with training and employment support programmes to cater for the employment needs of young people.

***Promote the Working Holiday Scheme (WHS) arrangements with other jurisdictions so that more of our young people can enrich their global exposure***

6. To provide our youths the opportunity to experience foreign culture and customs for broadening their horizons through living and working temporarily overseas while holidaymaking, Hong Kong has already established nine bilateral WHS arrangements with New Zealand, Australia, Ireland, Germany, Japan, Canada, South Korea, France and the United Kingdom (UK). Youths aged 18 to 30 may apply for working holiday visas with the contracting countries. Save for the scheme with the UK where youths from Hong Kong may stay in the country for a maximum period of 24 months, participants in the other eight schemes can stay in the contracting countries for up to 12 months, during which they are allowed to take up short-term employment and/or study short term courses.

7. So far more than 30 000 Hong Kong youths have participated in the schemes and experienced overseas livelihood. LD will continue to explore with more suitable jurisdictions to establish similar schemes in the coming year, so that more of our young people can enrich their global exposure.

## **On-going Initiatives**

### **I. Helping Low-income Families**

*Implementing the enhanced Work Incentive Transport Subsidy (WITS) Scheme and commencing a comprehensive review in 2014, with the aim to strengthen support for workers at grassroots level by providing relief for their work-related travelling expenses*

8. With the enhancement measures of the WITS Scheme taking effect from the claim months of 2013, applicants may choose to apply on an individual or household basis. Individual-based applications may be submitted from July 2013 onwards. As at the end of 2013, LD received 23 436 individual-based applications. This accounted for 56% of the 42 016 applications received from July to December 2013, or 16% of the 142 898 applications received in the period spanning October 2011 to December 2013. The income and asset limits for WITS will be adjusted concurrently with those of the Comprehensive Social Security Assistance Scheme under the annual adjustment mechanism. LD will continue to widely publicise the new limits which will take effect from the claim month of February 2014.

9. We will commence in October 2014 a comprehensive review of the WITS Scheme, including its objectives, eligibility criteria, modus operandi and effectiveness.

### **II. Vocational Training and Manpower Development**

*Funding VTC to implement the pilot traineeship scheme in services industries, which aims to provide young people aged 15 or above with in-service training and relevant vocational education, and planning to expand the scheme's coverage from the existing beauty care and hairdressing industries to other services industries, including the elderly care services industry*

10. Subsequent to the release of the 2011-12 Policy Address, VTC launched the Pilot Traineeship Scheme (the Pilot Scheme) in end 2011 to extend the structured apprenticeship arrangements to services industries. With beauty care and hairdressing industries as the starting point, the Pilot Scheme provides on-the-job training and vocational education to youngsters aged 15 or above, so that they can learn and work at the same time and accumulate the requisite knowledge and skills for starting their career in these selected industries. As of October 2013, VTC had enrolled 301 trainees under the Pilot Scheme. In a review conducted by VTC at end 2013, trainees and employers generally

expressed satisfaction with the Scheme.

11. In view of the manpower shortage in the elderly care services and retail industries, VTC will extend the Pilot Scheme to the retail industry (i.e. the “Service Industries Traineeship Scheme – Retail” as referred to in paragraph 3 above) and the elderly care services industry in 2014. This will provide youngsters with more training opportunities and help meet the manpower requirements of these industries. Apart from the 180 training places for the retail industry, VTC will also provide 180 on-the-job training places for the elderly care services industry in 2014-15.

***Increasing the allowances payable to employers under various employment projects***

12. To enhance employment support to young people, the middle-aged and persons with disabilities, LD has increased the allowance payable to employers under YETP, the Employment Programme for the Middle-aged (EPM) and the Work Orientation and Placement Scheme (WOPS) with effect from June 2013 to encourage employers to offer more job openings to young people, the middle-aged and persons with disabilities, and provide them with on-the-job training for enhancing their employability and employment opportunities. To encourage participation in workplace attachment training and pre-employment training under YETP, LD has increased the attachment allowance and training allowance payable to trainees with effect from June and September 2013 respectively. For details of the enhancement measures, please refer to the **Annex**.

13. LD will continue to promote these specialised employment programmes through various channels so as to attract more employers and job seekers to participate in the employment projects.

***Setting up a new job centre in Tung Chung***

14. At present, LD operates a network of 12 job centres (including the “Employment in One-stop” (EOS)) throughout the territory to provide job seekers with a comprehensive range of free employment services. To strengthen the employment services for residents living in the remote districts, LD will set up a new job centre in Tung Chung.

15. The Tung Chung Job Centre will be located in the shopping arcade of Yat Tung Estate. We are now pressing ahead with the preparatory work for its setting up. It is estimated that the Job Centre will commence operation in the first half of 2014. The Centre will provide job referral services and the latest employment information, and organise employment briefings and recruitment

days to help job seekers find work. To facilitate job search, we will make available for public use such facilities as vacancy search terminals, fax machines, telephones, computers with resume-building software and employment resources corner. Job seekers with employment difficulties may also enrol on the specialised employment programmes of LD to enhance their employability. LD will proactively contact employers in the district and strengthen collaboration with them. Job fairs will be staged in the job centre and job seekers can make job applications or attend job interviews on the spot so as to increase their chances of getting employed.

***Reviewing the effectiveness of the one-stop employment and training centre in Tin Shui Wai to integrate and enhance the existing employment and training/retraining services of LD, the Social Welfare Department (SWD) and ERB***

16. A pioneer one-stop employment and training centre named EOS was set up by LD in Tin Shui Wai in December 2011 to integrate and enhance the employment and training/ retraining services provided by LD, SWD and ERB. Apart from providing a wide array of employment services and programmes, various enhanced features were introduced at EOS, including the use of a needs assessment tool to analyse the employment needs of individual job seekers for providing tailor-made services and the provision of case management and employment support services to job seekers with employment difficulties by registered social workers. To facilitate job seekers in obtaining employment and training/retraining services in one stop, an ERB Service Centre was also set up in the same building.

17. We are monitoring the operation of EOS and will assess its effectiveness in early 2014 based on operational experiences and relevant data and information collected, including users' satisfaction, etc. We expect to complete the review by the second quarter of 2014.

### **III. Employee's Welfare**

***Taking forward the work of the Standard Working Hours Committee (SWHC) on promoting informed and in-depth public discussion of the working hours policy, with a view to building consensus and identifying the way forward***

18. The Government set up SWHC in April 2013. Comprising members drawn from the business and labour sectors, academia, community and Government, SWHC is tasked to follow up on the Government's policy study on standard working hours, and promote informed and in-depth public discussion on working hours with a view to building consensus and identifying the way

forward.

19. SWHC is taking forward its work in four major areas, namely: (a) enhancing public understanding; (b) collection of relevant information, including working hours statistics and further research into the working hours regimes of other places; (c) adoption of an evidence-based approach for discussion on the basis of an array of relevant factors; and (d) launching public engagement and building community consensus on different options. Two working groups have been formed to specifically take charge of wide public consultation and comprehensive working hours surveys. These two working groups strive to complete their work by the end of this year, and submit reports to SWHC for deliberation and formulation of its ensuing work.

***Consulting stakeholders on the continuous contract requirement under the Employment Ordinance (EO) on the basis of the review conducted by LD***

20. There have been calls in recent years for reviewing the continuous contract requirement (i.e. an employee employed by the same employer for four weeks or more and working for 18 hours or more each week) under the EO so as to give employees in part-time or short-term employment benefits on par with full-time employees. Making reference to the statistical data on employees with short employment contract or working hours collected in a special topic enquiry commissioned by the Census and Statistics Department; the relevant regulations, measures and experiences in other places; the actual operation of the existing legislation, etc., LD has conducted a review of the continuous contract requirement under the EO and put forward various approaches to taking forward the matter.

21. The Government has recently consulted the Labour Advisory Board (LAB) and this Panel on several possible approaches to dealing with the continuous contract requirement. The subject is complex and involves considerable operational issues. We will continue to deliberate the subject in LAB with a view to forging a consensus between employers and employees.

***Organising publicity campaigns to promote compliance with the Statutory Minimum Wage (SMW) and conducting a new round of SMW rate review***

22. The overall employment market has remained stable since the introduction of SMW in May 2011. Employment earnings of low-income employees have continued to improve noticeably. The implementation of the new SMW rate of \$30 since 1 May 2013 has been smooth. LD has launched territory-wide publicity activities to promote public awareness of the SMW provisions and assist employers and employees in understanding their respective obligations and entitlements under the SMW system. To promote compliance

with SMW, we will continue to organise publicity campaigns through various channels such as conducting briefings, staging roving exhibitions, displaying posters, distributing leaflets, and broadcasting new television and radio Announcements in the Public Interest etc.

23. Adopting an evidence-based approach, the Minimum Wage Commission is also proceeding with the work on a new round of review of the SMW rate. It is expected that the Commission will submit a report on its recommendation to the Chief Executive in Council by the end of this year.

***Taking enforcement action against wage offences, including breaches of the SMW provisions, and offences of wilful defaults of Labour Tribunal (LT) or Minor Employment Claims Adjudication Board (MECAB) awards***

24. LD continues with its rigorous enforcement against wage offences through speedy investigation into reported offences, conducting trade-targeted campaigns to detect offences, strengthening intelligence gathering and evidence collection, and taking out prompt prosecution. Apart from prosecuting the companies, the directors and other responsible persons of the companies will also be prosecuted having regard to the evidence available.

25. Extensive publicity and promotional efforts have also been made by LD to remind employers of their statutory obligations, urge employees to report breaches of labour laws and pursue wage claims promptly, and publicise its complaint hotline (2815 2200) widely. In 2013, a total of 443 convicted summonses on wage offences were recorded, down 16% from 2012. Altogether 177 convicted summonses against company directors and responsible persons for defaulting wage payment were recorded, up 54% from 2012. In 2013, the highest fine for an individual case was \$80,000. One employer convicted of wage offence was sentenced to three months' immediate imprisonment. Two company directors were sentenced to four months' imprisonments, suspended for 24 months. Two other company directors were sentenced to community service orders of 150 hours.

26. Since the implementation of SMW on 1 May 2011, the state of law compliance has been satisfactory. From 1 May 2011 to 31 December 2013, labour inspectors of LD conducted over 108 600 workplace inspections on establishments of low-paying sectors such as catering, retail, cleaning service, and security industries. Including reported cases, 164 cases involving suspected violations of the Minimum Wage Ordinance were detected. Follow-up actions on all these cases confirmed that the employees in most of the cases had received SMW or recovered the shortfall in wages. Wilful offenders were prosecuted if there was sufficient evidence. As at end-2013, 35 convicted summonses of 9 cases against employers for under-payment of SMW were

recorded. The industries involved included elderly homes, security companies, import and export trades, and personal services. The highest fine for an individual case was \$25,000.

27. The Employment (Amendment) Ordinance 2010 came into operation on 29 October 2010. A criminal offence was introduced to the EO against employers who wilfully and without reasonable excuse fail to pay any sum under an LT or MECAB award which are wages and entitlements attracting criminal sanction under the EO. As at end-2013, 129 convicted cases involving 237 convicted summonses under the Ordinance were recorded. Of the convicted summonses, 98 involved company directors and responsible persons. The highest fine for a single case was \$300,000. In addition, three company directors and two employers were awarded community service orders of 100 hours to 200 hours. LD is taking active investigation and prosecution action on other suspected cases of default awards.

***Adopting an intelligence-based and proactive strategy in combating illegal employment***

28. Safeguarding the employment opportunities of local workers has always been a priority task of the Administration. In 2013, LD mounted 210 joint operations with other law enforcement departments to raid targeted establishments to combat illegal employment.

29. Apart from enforcement action, LD has adopted proactive strategies, including intelligence collection by labour inspectors during their workplace inspections and launching publicity programmes through various channels such as advertisements in newspapers and public transport carriers, press releases and publicity leaflets, to remind the public of the serious consequences of employing illegal workers. LD has also widely publicised its complaint hotline (2815 2200) to encourage the public to report illegal employment activities. The Government will continue to strengthen publicity and enforcement efforts to combat illegal employment.

***Intensifying systematic prevention and enforcement measures to ensure construction safety in anticipation of the increase in the number of new works projects and expected growth in building renovation and maintenance works***

30. With the commencement of a number of mega works projects and the anticipated continued growth in the construction industry in the coming years, the construction workforce has been on the rise. The number of construction site workers increased by around 60% from over 50 000 in 2009 to around 80 000 in 2013. In addition, the ageing of buildings and the mandatory requirements for inspection of old buildings resulted in growth in repair,



maintenance, alteration and addition (RMAA) works. In view of these challenges, LD would enhance accident prevention and enforcement measures to ensure work safety in the construction industry.

31. LD will strengthen the monitoring of work safety of mega works projects, and will from time to time launch special enforcement operations to ensure compliance with safety legislation, especially the effective implementation of safety management systems in respect of high risk processes such as tunnelling works and the operation of heavy plant and machinery. To tackle systemic safety issues in a more effective manner, LD will continue to urge contractors and site management staff to incorporate safety consideration in work method statements and designs, through involvement at the design, tendering and preparatory stages as well as participation in the different stages of project implementation. LD has strengthened the coordination with the Development Bureau, relevant works departments and other public works project clients to ensure more effective control of the risks of work hazards by contractors. The measures include strengthening the participation of professional resident site staff in monitoring work safety and stepping up site safety audits of mega works projects.

32. More than half of the fatal construction accidents in the recent years were related to falling from height. LD has stepped up inspection and enforcement work in this regard. LD will take immediate enforcement action without prior warning once breaches of the safety legislation are detected. Regarding work-at-height safety, LD issued 1 208 Suspension Notices/Improvement Notices in 2013, and would initiate a total of 866 prosecutions. A number of fall-from-height fatal construction accidents involved workers falling from workplaces of just 2 to 3 metres above ground. LD in collaboration with the Occupational Safety and Health Council (OSHC) launched a “Mobile Platform Sponsorship Scheme for Small and Medium Enterprises (SMEs)” last year. As at end 2013, over 1 000 applications were received and 821 of such applications have been approved. LD will put more efforts in minimizing work-at-height hazards this year.

***Launching safety enhancement initiatives and large-scale promotional programmes to raise the standard and awareness of stakeholders in the construction and catering industries on occupational safety and health***

33. LD will, in conjunction with OSHC, continue to enhance the work safety standard of RMAA sector in 2014 through providing SMEs with safety management audits, safety training and subsidies for fall arresting devices. At present, a total of 72 SMEs have participated in the RMAA safety accreditation scheme. Thirteen of them have successfully passed the safety audit as accredited safe enterprises. When the number of accredited contractors reaches

a critical mass capable of providing competitive RMAA service to tenants/owners later this year, OSHC will, in collaboration with property management companies, launch large-scale publicity activities to promote these safety-conscious contractors to owners' corporations and tenants. We hope to enhance the occupational safety culture of the industry continuously through market forces.

34. As for the work safety of practitioners in the catering industry, OSHC will continue to launch the "Outstanding OSH Restaurant - Pilot Scheme on Catering Safety Accreditation" this year. Participating enterprises may take part in the "Accreditation Scheme for Catering Establishments with 5S Good Housekeeping" to enhance the safety and cleanliness of workplaces. Accredited restaurants would receive subsidies for purchasing slip resistant shoes and cut resistant gloves.

35. Besides, LD will continue to organise large-scale promotional and publicity programmes to enhance occupational safety and health awareness in the construction and catering industries. These programmes include roving exhibitions, promotional visits, broadcast of Announcements in the Public Interest on television and radio, radio programmes, fun days and experience sharing workshops, etc.

36. LD will also tailor-make simple and easy-to-understand promotional leaflets for ethnic minority workers, and organise site visits and talks in collaboration with workers' unions and trade associations to enhance their safety awareness.

#### **IV. Supporting the Family**

##### ***Legislating for three days' paid paternity leave (PL) for working fathers with newborn children to help them take up their family responsibilities***

37. LD has conducted a study on legislating for PL and reported the findings to LAB and this Panel. Having gained the support of LAB and consulted this Panel, the Government has decided to legislate for paid PL. The Department of Justice, LWB and LD are pressing ahead with drafting the Bill on PL. The Bill is expected to be introduced into the Legislative Council in the current legislative session for early enactment.

***Promoting family-friendly employment practices (FFEP) and encouraging wider adoption of such practices to help employees achieve better work-life balance***

38. LD is dedicated to encouraging employers to adopt “employee-oriented” good people management measures and implementing FFEP in order to help employees balance their roles and responsibilities in work and family. While the EO already provides for various kinds of leave so that employees can cater for their personal and family needs, we encourage employers to grant their employees benefits beyond the statutory requirements and provide flexible and varied work arrangements and support, having regard to the size, resources and culture of their organisations as well as the needs of their employees.

39. Making the workplace family-friendly is a shared responsibility of the whole society. As one of the facilitators in promoting FFEP, LD will continue disseminating relevant information to the community and encourage more employers to adopt different types of FFEP through a wide range of publicity channels and various promotional activities such as publications, large-scale seminars, thematic exhibitions, promotional video, advertisements on public transport, newspaper articles as well as regular meetings and exchanges with business executives and human resources managers.

**Conclusion**

40. The Government will continue working closely with both the employer and employee sides, as well as different sectors of the community, in implementing the various labour and manpower initiatives.

**Labour and Welfare Bureau  
Labour Department  
January 2014**

**Enhancement Measures under the Youth Employment  
Training Programme, the Employment Programme for the Middle-aged  
and the Work Orientation and Placement Scheme**

The Labour Department (LD) has increased the allowance payable to employers under the Youth Employment and Training Programme (YETP), Employment Programme for the Middle-aged (EPM) and the Work Orientation and Placement Scheme (WOPS) with effect from June 2013. LD has also increased the attachment allowance and training allowance payable to YETP's trainees with effect from June and September 2013 respectively. Details of the enhancement measures are set out below:

(a) YETP

- (i) With effect from June 2013, the training allowance payable to employers who engage young people according to the programme requirements and provide them with on-the-job training<sup>1</sup> has been increased from \$2,000 per month to \$3,000 per month for each employee engaged for an on-the-job training period of six to 12 months.
- (ii) To encourage young people to participate in workplace attachment training under YETP, the allowance payable to the trainees who complete the one-month attachment has with effect from June 2013 been increased from \$2,000 to \$3,000.
- (iii) To encourage young people to participate in pre-employment training under YETP the training allowance payable to the trainees who have an attendance rate of 80% or above in a training course has with effect from September 2013 been increased from \$30 to \$50 per day.

(b) EPM

With effect from June 2013, the training allowance payable to employers who engage middle-aged persons with employment difficulties according

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<sup>1</sup> The salary of the concerned post should meet the statutory minimum wage requirement and is not less than \$6,000 per month. Should the working hours of the post be shorter such that the monthly salary is less than \$6,000 per month, the on-the-job training allowance payable to the employer will remain at \$2,000 per month.

to the programme requirements and provide them with on-the-job training<sup>2</sup> has been increased from \$2,000 per month to \$3,000 per month for each employee engaged for an on-the-job training period of three to six months.

(c) WOPS

With effect from June 2013, an employer who employs a person with disabilities with employment difficulties, and provides him/her with training, support and a mentor in the first two months of work adaptation period, will be paid an allowance up to a maximum of \$5,500 per month<sup>3</sup>. After these two-month work adaptation period, the employer can continue to receive an allowance offered under WOPS which is equivalent to two-thirds of the monthly salary of the employee (subject to a ceiling of \$4,000 per month) for a maximum period of six months.

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<sup>2</sup> Same as Footnote 1 above.

<sup>3</sup> The salary of the concerned post must not be less than the statutory minimum wage rate. Eligible employers are entitled to an allowance equivalent to the amount of actual salary paid to the employee with disabilities minus \$500 per month during the first two months of employment, subject to a ceiling of \$5,500.