

For information
on 20 January 2015

Legislative Council Panel on Manpower

2015 Policy Address

Policy Initiatives of the Labour and Welfare Bureau

Purpose

The Chief Executive (CE) delivered his 2015 Policy Address on 14 January 2015. This paper sets out the major new and on-going initiatives pertaining to the labour and manpower portfolio to be undertaken by the Labour and Welfare Bureau (LWB) and the Labour Department (LD), as set out in the 2015 Policy Address and Policy Agenda.

Policy priorities / New initiatives

Promoting employment, vocational training and developing manpower

2. People are Hong Kong's most precious resources, providing the impetus for our continued social and economic development. Following the initiatives set out in the population policy action agenda announced in the 2015 Policy Address, we will continue to promote employment and unleash the potential of the local labour force to proactively tackle the challenges brought by our demographic changes. LD will continue to provide employment services that can suit the different employment needs of job seekers. It will also implement employment programmes to enhance the employability of the special needs groups so as to promote their employment. This will help them realise their potential and pave the way for an inclusive society. To achieve this, we will carry out the following new initiatives.

Enhancing the employment support service for elderly job seekers

3. In the face of the demographic challenges arising from an ageing population and a shrinking labour force, promoting a longer working life to enhance employment of elderly people is one of the ways to unleash the potential of the labour force.

4. At present, LD implements the Employment Programme for the Middle-aged (EPM) to encourage employers, through the provision of on-the-job training allowance, to employ job seekers aged 40 or above with employment difficulties in full-time permanent jobs and provide them with on-the-job training. As some elderly persons may only be interested in part-time jobs, LD will extend the EPM to part-time jobs in the second half of 2015 to encourage employers to provide more suitable part-time employment opportunities to elderly persons. The training allowance will be set at 25% of the employee's monthly salary, up to¹ \$3,000, for a period² of three to six months.

5. LD will implement a series of measures to encourage elderly persons to re-join the employment market. We will organise employment briefings to assist elderly persons to better understand the latest situation of the employment market and improve their job search skills; set up a dedicated webpage for elderly persons under the Interactive Employment Service website and enhance the functions of the vacancy search terminals to facilitate elderly persons in obtaining employment information and looking for vacancies; strengthen liaison and cooperation with the non-governmental organisations serving elderly persons; and organise large-scale thematic job fairs for elderly persons and experience sharing sessions on elderly employment for employers.

Encouraging employers to build an elderly-friendly working environment through publicity

6. Along with our employment support services, we also encourage employers to adopt employment practices conducive to fostering an elderly-friendly work environment, thereby attracting more elderly people to remain in or return to the job market.

7. LD will launch various promotional and educational activities, such as issuing publications, staging roving exhibitions, broadcasting promotional message, publishing news supplement as well as conducting regular meetings and exchanges with business executives and human resources managers so as to publicise relevant messages across the community and encourage employers to adopt elderly-friendly employment practices at workplaces.

¹ The ceiling is the same as the one for EPM.

² The period of providing allowance is the same as the one for EPM.

Extending the follow-up period for job seekers with disabilities

8. LD provides personalised employment services to job seekers with disabilities fit for open employment to help them find suitable jobs. To strengthen support for employers and help employees with disabilities adapt to their new job, LD will enhance the post-placement follow-up service provided for job seekers with disabilities by extending the service period from three months to six months.

9. During the follow-up period, placement officers will keep in view the work progress of the employees with disabilities by maintaining closer contacts with them to help them adapt to their work as soon as possible. Placement officers will also provide more intensive support services for employers to assist them better understand the special needs of their employees with disabilities and help both parties build up good working relationship.

Organising inclusive job fairs and implementing the pilot project “Employment Services Ambassador Programme for Ethnic Minorities”

10. LD plans to organise large-scale and district-based inclusive job fairs in 2015-16 to enhance the employment opportunities of the ethnic minorities (EMs). In inviting employers to participate in the job fairs, LD will specifically request employers to provide vacancies suitable for EMs to apply and encourage employers to employ them.

11. In addition, to strengthen the employment services for EM job seekers, LD launched a pilot project named the “Employment Services Ambassador Programme for Ethnic Minorities” in September 2014 to directly employ over ten EM trainees of the Youth Employment and Training Programme (YETP) as Employment Services Ambassadors in the job centres and job fairs of LD for six months.

12. Employment Services Ambassadors for EMs can assist the staff of LD to provide employment services to job seekers, in particular EMs, and approach EM job seekers proactively. The trainees who are engaged as Employment Services Ambassadors can gain working experience to enrich their personal qualifications, thereby facilitating them in seeking employment opportunities in the open market in future. LD will conduct a review based on the operating experience and then consider future arrangements.

Providing retraining courses and support services for different social groups

13. The Employees Retraining Board (ERB) has been providing training

courses and support services for different social groups. In 2015-16, amongst other target groups, ERB will focus on providing training for people aged 50 or above and help them re-join the job market. ERB will conduct market research on such people and retired persons to understand their views on continuing employment as well as employers to understand their opinions on employing people aged 50 or above or retired persons. Subject to research findings, ERB will launch training courses on a pilot basis. In addition, ERB will offer new courses and support services for women, new arrivals, EMs and persons with disabilities. For example, ERB will provide more in-demand programmes under the Modular Certificates Accumulation System to enable trainees to obtain full-time course certificates upon completion of a number of specified half-day or evening courses. This will allow trainees who are unable to pursue full-time courses owing to work or family commitments to make flexible arrangement for further studies and acquire recognised qualifications.

Organising large-scale, district-based and thematic job fairs

14. LD will continue to organise large-scale, district-based and thematic job fairs regularly in collaboration with employers from different sectors and through the two recruitment centres for the retail and catering sectors to expedite the dissemination of vacancy information and shorten the job search process of job seekers so as to help employers fill their vacancies promptly.

15. Rapid developments of the Mainland have recently provided job seekers, including young people, with opportunities for career development. LD will organise in the fourth quarter of 2015 a large-scale job fair including employment and vacancy information on the Mainland. Employers who intend to employ local job seekers to work on the Mainland will be invited to participate in the job fair, which aims at enhancing the understanding of job seekers and young people in employment opportunities on the Mainland.

Establishing a Construction Industry Recruitment Centre (CIRC)

16. Drawing reference to the successful experience in setting up dedicated recruitment centres for the retail and catering sectors, and having regard to the problem of acute shortage of skilled labour faced by the construction industry, the Government will set up a dedicated CIRC to provide local construction workers with career counselling services and conduct on-the-spot interviews and job fairs, thereby facilitating job matching and dissemination of vacancy information to job-seekers.

Manpower shortage in certain industries

17. The Government's policy on labour is to ensure that local workers are accorded priority in employment. The Government remains committed to developing our local manpower as its priority, unleashing the potential and optimizing the deployment of our local workforce. We will continue to closely monitor manpower demand and supply. In sectors facing manpower shortage, we will work together with the industry concerned as well as relevant training bodies to do more to attract new entrants to join the sectors and provide training for them. Approval for importation of labour would be considered only if employers have genuine difficulties in recruiting suitable workers locally. At present, employers in sectors facing manpower shortage can apply for importation of skilled workers on a limited scale under the Supplementary Labour Scheme (SLS) to meet their imminent needs when they experience genuine difficulties in recruiting local workers.

18. The construction industry is facing the acute problems of shortage and ageing of skilled workers. In April 2014, the Government rolled out enhancement measures to SLS specifically for public sector works projects of the construction industry. Having regard to the unique characteristics of the construction industry, the Development Bureau will propose further enhancement measures to increase the flexibility of SLS and will liaise with the Labour Advisory Board accordingly. It will also continue to liaise closely with the stakeholders in the construction industry and the labour sector to address the industry's demand and meet Hong Kong's economic and social development needs.

Studying the feasibility of drawing up a talent list

19. The Government will study, having regard to overseas experiences, the feasibility of drawing up a talent list to attract, in a more effective and focused manner, high-quality talents to support Hong Kong's development into a diversified and high value-added economy.

Safeguarding workers' rights and benefits

20. The Government is committed to safeguarding workers' rights and benefits. We take rigorous enforcement actions against breaches of labour laws. Under the premise of striking a reasonable balance between the interests of employees and the affordability of employers, we also seek to gradually improve the rights and benefits of employees and raise the employment standards in a way commensurate with the pace of Hong Kong's socio-economic developments. In this regard, we are going to implement the following measures this year.

Preparing for the implementation of the revised Statutory Minimum Wage (SMW) rate

21. After conducting comprehensive analyses of various social, economic and employment data and undertaking extensive consultation to take full account of the views of various sectors of the community, the Minimum Wage Commission (MWC) has by unanimous consensus recommended that the current SMW rate of \$30.0 be raised to \$32.5 per hour, an increase of \$2.5 or 8.3%. The CE in Council has accepted the recommendation of MWC and the revised SMW rate will take effect on 1 May 2015 subject to the approval of the Legislative Council (LegCo). LD will organise extensive publicity activities to enhance public awareness of the revised SMW rate such as broadcasting Announcements in the Public Interest on television and radio, publishing leaflets and posters for wide distribution and display, staging seminars and roving exhibitions, publicising through various channels, etc. LD's 24-hour enquiry hotline of 2717 1771 (handled by "1823") will answer public enquiries about the revised SMW rate while in-person consultation service will be provided through a territory-wide network of ten branch offices of the Labour Relations Division. Besides, LD will launch targeted enforcement campaigns to effectively monitor the implementation of the revised SMW rate.

Strengthening the regulation of employment agencies (EAs) which are involved in placement of foreign domestic helpers (FDHs)

22. There are more than 330 000 FDHs in Hong Kong at present. They have made significant contribution to Hong Kong, particularly in releasing women with families to join the workforce.

23. To enhance the protection of FDHs, the Government has stepped up collaboration and information exchanges with the Consulate-Generals of the FDH exporting countries in Hong Kong, and has been organising briefings for FDHs and their employers to ensure that they are aware of their own rights and obligations and the complaint channels. We will also draw up a code of practice to strengthen the regulation of local EAs.

Supporting the Family

Providing paternity leave to eligible male employees

24. The Employment (Amendment) Ordinance 2014 (Amendment Ordinance) on statutory paternity leave was passed by the LegCo on 18 December 2014. Under the Amendment Ordinance, eligible male employees are entitled to three days' paternity leave with pay at four-fifths of their average daily wages. The notice appointing the commencement date of

the Amendment Ordinance was published in the Gazette on 2 January 2015 and sent to LegCo on 7 January 2015. If everything goes smoothly, the statutory paternity leave will become effective on 27 February 2015. Male employees with child born on or after the commencement date of the Amendment Ordinance will be entitled to paternity leave if they fulfil other requirements as stipulated in the law. We will review the implementation of statutory paternity leave one year after its coming into operation.

Enhancing publicity and education efforts to encourage wider adoption of family-friendly employment practices (FFEP)

25. FFEP are good people management measures adopted by employers to help employees balance their roles and responsibilities in work and family. Making the workplace family-friendly is a shared responsibility of the whole society. Employers may adopt different types of FFEP having regard to the size, resources and culture of their organisations.

26. LD has been acting as a facilitator in promoting FFEP. Relevant information has been disseminated to the community through a wide range of publicity channels and various educational and promotional activities to publicise relevant messages across the community and encourage employers to adopt FFEP at workplaces.

27. LD will enhance its publicity and education efforts in this respect by collaborating with employers and employees in individual industry to devise practical guidelines in implementing FFEP for reference of employers in the industries. To encourage more employers to adopt FFEP at workplaces, LD will also publish a series of news supplements by conducting case interviews with various enlightened organisations to share their experiences in implementing FFEP. The series will be compiled into a booklet for wide distribution to related parties to enhance the promotion of FFEP.

Encouraging young people to enrich their global exposures

Enhancing the promotion of the Working Holiday Scheme (WHS)

28. To provide our youths the opportunity to experience foreign culture and customs and broaden their horizons through living and working temporarily overseas while holidaymaking, Hong Kong has established bilateral WHSs with ten economies (including New Zealand, Australia, Ireland, Germany, Japan, Canada, Korea, France, the United Kingdom (UK), and Austria). Youths aged 18 to 30 may apply for working holiday visas with these economies. Save for the UK and Austria which allow our youths to stay for up to 24 months and six

months respectively, the remaining eight partners allow Hong Kong youths to stay in their economies for up to 12 months for holidaying and taking up short-term employment, and/or studying short-term courses (except Ireland which disallows participants to undertake training courses locally in accordance with their standing visa policy).

29. More than 50 000 Hong Kong youths have participated in the schemes and experienced living and working overseas hitherto. LD will enhance the promotion of WHS arrangements between Hong Kong and other economies in the coming year, and will explore the signing of new arrangements with more economies and/or seek to expand the quotas in our existing arrangements with our partners so that more of our youths can enrich their global exposure.

On-going initiatives

30. Apart from the aforementioned policy priorities/ new initiatives, LWB and LD will continue to carry out the following on-going initiatives in areas of assisting low-income earners, vocational training, and promoting and safeguarding employees' welfare, etc.

Conducting discussion on the working hours policy, with a view to building consensus and identifying the way forward

31. The Standard Working Hours Committee (SWHC) has since its establishment comprehensively taken forward its work in four strategic 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 a range of factors; and (d) launching public engagement and building community consensus on different options.

32. SWHC's two working groups on "Working Hours Consultation" and "Working Hours Study" have completed a wide public consultation and a comprehensive working hours survey. With reference to findings in these two aspects, SWHC will continue to conduct discussion on directions of working hours policy.

Implementing the Work Incentive Transport Subsidy (WITS) Scheme

33. The WITS Scheme was launched in October 2011 to help relieve the burden of work-related travelling expenses on low-income earners and promote sustained employment. With the enhancement measures implemented since 2013, applicants may choose to apply for the subsidy on a household or

individual basis. As at the end of 2014, LD had received a total of 227 876 applications, including 152 637 household-based and 75 239 individual-based applications. The income and asset limits for WITS will be adjusted in accordance with the annual adjustment mechanism concurrently with the relevant limits of the Comprehensive Social Security Assistance Scheme (CSSA)³.

34. Having regard to the experience gained in the first three years of operation of the WITS Scheme, LD is conducting a comprehensive review of the Scheme, including its objectives, eligibility criteria, modus operandi and effectiveness.

Funding the Vocational Training Council (VTC) to implement the traineeship scheme in services industries

35. VTC launched the Traineeship Scheme in end-2011 to extend the structured apprenticeship arrangements to services industries. The 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 services industries. Initially, VTC launched the Scheme in the beauty care and hairdressing industries, and then applied this training-cum-work mode to other services industries (i.e. retail and elderly care services) in 2014. As at October 2014, VTC had enrolled 380 trainees under the Scheme. In 2015-16, VTC will continue with the Scheme to train new blood for these services industries.

Implementing employment projects and pilot projects

36. LD will continue to implement YETP, EPM and the Work Orientation and Placement Scheme to encourage employers to offer more employment opportunities for young people, the middle-aged and persons with disabilities and provide them with on-the-job training through the provision of allowances to employers so as to enhance their employability and employment opportunities.

37. On employment support to young people, LD launched six pilot projects under YETP in 2014, offering a total of some 760 on-the-job training places. LD will continue to strengthen its collaboration with employers and various organisations to launch pilot projects so as to enhance the employability and employment opportunities of young people with different backgrounds.

³ The asset limits are pegged to three times the asset limits of the CSSA as adjusted.

Taking stringent 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

38. 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.

39. Extensive publicity and promotional efforts have also been made by LD to remind employers of their statutory obligations of wage payment, urge employees to report breaches of labour laws and pursue wage claims promptly, and publicise its complaint hotline (2815 2200) widely. In 2014, a total of 304 convicted summonses on wage offences were recorded, down 31% from 2013. A total of 48 convicted summonses against company directors and responsible persons for defaulting wage payment were recorded, a decrease of 73% as compared to 2013. In 2014, the highest fine for an individual case was \$300,000. Two employers and one company director convicted of wage offences were sentenced to imprisonment and another company director was sentenced to community service order.

40. Since the implementation of SMW on 1 May 2011, the state of law compliance has been satisfactory. From 1 May 2011 to 31 December 2014, labour inspectors conducted over 149 000 workplace inspections on establishments of low-paying sectors such as catering, retail, cleaning service, and security industries. Including reported cases, 169 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-2014, 37 convicted summonses of 10 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.

41. The Employment (Amendment) Ordinance 2010 (the Amendment Ordinance) came into operation on 29 October 2010. A criminal offence was introduced to 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-2014, 179 convicted cases involving 326 convicted summonses under the Amendment Ordinance were recorded. Of the convicted summonses, 129 involved

company directors and responsible persons. The highest fine for a single case was \$300,000. Two employers and two company directors were sentenced to imprisonment, whereas another two employers and four company directors were awarded community service orders. 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

42. Safeguarding the employment opportunities of local workers has always been a priority task of the Government. In 2014, LD mounted 178 joint operations with other law enforcement departments to raid targeted establishments to combat illegal employment.

43. Apart from enforcement actions, LD has adopted proactive strategies, including intelligence collection by labour inspectors during their workplace inspections and launching publicity programmes through various channels such as advertising in newspapers and public transport carriers, issuing press releases and distributing 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

44. With the commencement of a number of mega works projects and a large number of maintenance works projects for old buildings, and in anticipation of the continuous construction boom, there are increasing job opportunities in the construction industry. The number of construction workers increased by 43% from over 55 000 in 2010 to 80 000 in the first half of 2014. In view of these challenges, LD will enhance accident prevention and enforcement measures to strive to ensure work safety in the construction industry.

45. Apart from conducting over 50 000 routine site inspections each year, LD will from time to time launch special enforcement operations to deter work practices contravening work safety requirements, with focus on high-risk processes such as lifting operations, work-at-height, electrical work, sea-based construction works, etc.. LD will take immediate enforcement actions upon discovery of breaches of safety legislation. LD launched a number of special

enforcement operations in 2014, with a total of 500 Suspension Notices (SNs) (348 in 2013) and 716 Improvement Notices (INs) (590 in 2013) issued, and 745 prosecutions to be initiated (652 in 2013). As regards the enforcement figures for the construction industry as a whole (inclusive of the figures for special enforcement operations) in 2014, LD issued a total of 930 SNs (669 in 2013) and 1 395 INs (1 218 in 2013), with 2 177 prosecutions initiated (1 988 in 2013).

46. LD also strives to prevent accidents owing to systemic deficiencies from the source, including: through enhancing liaison with major works project proponents; urging the contractors concerned to, in respect of high-risk processes, strengthen their site safety management systems; strengthen the participation of professional resident site staff in monitoring work safety; and step up safety audits of major works projects so as to eliminate potential work hazards. On work safety for sea-based construction works, LD organized a seminar in collaboration with the Construction Industry Council and the Marine Department (MD) in December 2014, and produced relevant safety posters to raise safety awareness on work over water. In addition, LD and MD launched several joint enforcement operations in end 2014 / early 2015 to deter work practices contravening safety requirements for sea-based works. We will continue with these publicity and enforcement efforts in 2015. LD will also tackle systemic risks by strengthening the analysis of underlying systemic risks of serious construction accidents, instituting targeted inspections and enforcement actions, organizing seminars on thematic work safety (e.g. lifting operation, work-at-height, electrical work, etc.), and formulating codes of practice on work safety.

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

47. LD will, in conjunction with the Occupational Safety and Health Council (OSHC), continue to enhance the work safety standard of the repair, maintenance, alteration and addition sector in 2015 through providing small and medium enterprises (SMEs) with safety management audits, safety training and subsidies for fall arresting devices. OSHC will launch publicity activities to promote safety-conscious contractors, with a view to enhancing the occupational safety culture of the industry continuously through market forces. In addition, LD in collaboration with OSHC has launched a “Mobile Platform Sponsorship Scheme for SMEs” since 2013 to subsidise SME contractors in their purchase of mobile working platforms conforming to safety standards, with a view to minimizing the risk of workers falling from work areas a few metres above ground or substandard ladders. As at end-December 2014, over 1 700 applications were received. OSHC approved over 1 580 applications,

benefiting around 17 300 workers. We are considering widening the scope of the sponsorship scheme to cover those working platforms for light-duty work in restrictive environment.

48. As for the work safety of workers 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 will receive subsidies for purchasing slip resistant shoes, cut resistant gloves and heat resistant gloves.

49. 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 “Safety Award Schemes”, roving exhibitions, promotional visits, broadcast of Announcements in the Public Interest on television and radio, radio programmes, fun days and experience sharing workshops, etc.

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

Conclusion

51. The Government will continue to work closely with both employers and employees as well as different sectors of the community in implementing the various labour and manpower initiatives.

Labour and Welfare Bureau
Labour Department
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