

**English version of draft speaking note for SEDL
(Special Finance Committee; 26 March 2003)**

The government has been very concerned about the employment situation. In the face of high unemployment, the Financial Secretary has allocated an additional \$270 million in the Budget this year to ease unemployment with a view to helping 18 000 people secure jobs.

2. In 1999, the Labour Department launched the “Youth Pre-employment Training Programme” offering 12 000 pre-employment training places each year. Last July, we launched the “Youth Work Experience and Training Scheme” (YWETS) to provide on-the-job training for young people between the age of 15 and 24. It will provide 10 000 on-the-job training places in two years. So far, over 8 600 trainees have already secured employment through YWETS. Besides, the Labour Department implemented the “Re-employment Pilot Programme for the Middle-aged” in 2001 and more than 5 000 people were successfully placed. Early this year, we announced that we would launch two new programmes in April 2003 to assist the middle-aged unemployed, namely, the “Re-employment Training Programme for the Middle-aged” and the “District Employment Programme for the Middle-aged”. Additional funding of \$50 million has now been earmarked to increase the capacity of the “Re-employment Training Programme for the Middle-aged” from 2 000 to 12 000. In addition, \$26 million will be allocated to implement an attachment training scheme for 2 000 university graduates to enhance their employability. Through these programmes, the government will be providing employment support services on all fronts to people of different educational levels and age groups and with different needs. This clearly demonstrates the importance that the government attaches to the issue and its commitment to tackling unemployment.

3. Apart from additional funding to help the unemployed re-enter the labour market, we will also step up inspection and enforcement to combat illegal employment to protect the job opportunities of our local workforce. With enhanced enforcement effort, the number of illegal workers prosecuted soared to 8 609 in 2002, representing an increase of 56% over the figure in 2001. The number of employers prosecuted also rose to 383, 24% higher than that of 2001.

4. On the protection of employees’ rights and benefits, we will strengthen enforcement action against employers breaching the wage provisions. At the end of last year, the Labour Department set up the new

Employment Claims Investigation Unit through internal redeployment of resources. The Unit is tasked to investigate suspected wage offences so that we can promptly prosecute employers breaching the law. In the past five months, 121 summonses relating to wage offences were heard, representing an increase of 64% over the 74 summonses recorded in the corresponding period of the preceding year. As for summonses convicted, the number was 103, an increase of 84% over the corresponding period of the preceding year (56).

5. We believe that stepping up prosecution on wage offences could raise employers' awareness of their obligation to pay wages on time, as late payment of wages is a criminal offence which carries heavy penalties.

6. To combat underpayment of wages to foreign domestic helpers (FDHs) and overcharging FDHs of commission by local employment agencies, a special task force comprising representatives from the Labour Department, Immigration Department and Police has been set up to clamp down on such illegal practices.

7. We will also adopt a proactive approach in combating abuse of the Protection of Wages on Insolvency Fund. To this end, we set up in last November an inter-departmental task force comprising representatives of the Labour Department, Official Receiver's Office, Commercial Crime Bureau (CCB) of the Police and Legal Aid Department. Since the setting up of the task force, the Labour Department has referred 10 cases involving suspected abuses of the Fund to the CCB and relevant departments for follow up action.

8. As regards occupational safety and health, our safety performance continued to show improvement last year. We believe that all parties concerned, including the Government, employers, contractors, employees, trade unions and safety and health professionals, must join hands to build a safety management culture.

9. Despite the reduction in the number of accidents, there is no ground for complacency. With drive and determination, we will continue to promote safety and health at work, through the three-pronged strategy of enforcement, publicity and education.

10. Looking ahead, our major tasks include the amendment of the Construction Sites (Safety) Regulations to hold sub-contractors criminally liable for safety offences, as in the case of the principal

contractors. This will help to improve the safety performance of the sub-contractors. Moreover, to make the best use of resources, we will target our enforcement and promotional efforts at the accident-prone trades and work processes, for example, working-at-height and scaffolding work, with a view to enhancing safety awareness in the industries.

11. Apart from bringing much suffering and distress to the victims and their families, occupational injuries will also affect our production and operating costs. Therefore, we must try and collaborate with all parties concerned to help employers and employees reduce hazards in the workplace.