

For information on  
15 March 2007

## **LegCo Panel on Manpower**

### **Preparatory Work for Introducing a Statutory Minimum Wage for the Cleansing and Guarding Services Sectors if the Wage Protection Movement Fails to Yield Satisfactory Results**

#### **Introduction**

As requested by Members at the meeting of the Legislative Council (LegCo) Panel on Manpower held on 18 January 2007, this note provides a plan for the preparatory work to be undertaken for introducing a statutory minimum wage for the cleansing and guarding services sectors should the Wage Protection Movement (WPM) eventually fail to yield satisfactory result.

#### **Background**

2. In his 2006-07 Policy Address delivered on 11 October 2006, the Chief Executive pointed out that the Administration would conduct an overall review of the WPM for cleaning workers and security guards two years after its implementation (i.e. October 2008). He has made it clear that if the review finds that the WPM fails to yield satisfactory result, the Administration would set out to prepare for the introduction of legislation for a minimum wage for the cleansing and guarding services sectors.

3. To ensure that no time would be lost in putting in place a statutory minimum wage should the voluntary compliance approach fail to work, the Government would be prepared to start the preparatory work leading to the introduction of a statutory minimum wage for the cleansing and guarding services sectors before the final review is completed. Thus, between now and October 2008, whilst the Government will continue to strenuously promote the WPM and closely monitor its progress, preparatory work for the necessary legislation (such as the drafting of bills) will also be set in train.

#### **Work Plan**

4. Against this background, it is proposed that between now and October 2008, the preparatory work for putting in place a statutory minimum wage should cover the following areas :

- (a) The definition of cleaning workers and security guards in the draft legislation.
- (b) Whether, and if so, what special measures should be introduced for the vulnerable groups (such as youths without working experience, people with disabilities, recipients of Comprehensive Social Security Allowance etc.).
- (c) The definition of a statutory minimum wage.
- (d) The mechanism for setting and adjusting the minimum wage level.
- (e) Enforcement and penalty in relation to the implementation of a statutory minimum wage.
- (f) How best to implement a statutory minimum wage for the cleansing and guarding services sectors in the light of the practical experience of the WPM and the best practices in other jurisdictions.
- (g) The content of the draft legislation.

5. The Labour Department would keep the LegCo Panel on Manpower informed of developments at future meetings.

6. Whilst the Administration is prepared to take forward the preparatory work for a statutory minimum wage for the cleansing and guarding services sectors ahead of the final review of the WPM to be conducted in October 2008, it must be stressed that this must not detract from the Administration's overall efforts in pressing ahead with the movement over the next 20 months. Nor should this pre-empt the outcome of the final review. Sufficient time has to be allowed for employers to join the WPM and for the voluntary compliance approach to be fully tested. Our experience in implementing the mandatory wage protection for government service contractors indicates that it would take some time for the existing service contracts to comply with the requirements of the WPM. Furthermore, as the WPM is a major exercise involving a large number of employers, entities and stakeholders, it would need time for the message to filter through and the culture change to materialise.

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