

For information
on 17 March 2011

Legislative Council Panel on Manpower

Progress of preparation for the implementation of statutory minimum wage

Purpose

This paper briefs Members on the progress of the preparatory work undertaken by the Labour Department (LD) for the implementation of statutory minimum wage (SMW).

Background

2. The Minimum Wage Ordinance (Cap. 608) (MWO) was passed by the Legislative Council (LegCo) on 17 July 2010. It establishes an SMW regime which provides a wage floor to forestall excessively low wages, but without unduly jeopardising our labour market flexibility, economic growth and competitiveness or causing significant adverse impact on employment opportunities for vulnerable workers. With the approval by LegCo for relevant subsidiary legislation on the SMW level and commencement date on 5 January 2011, the initial SMW rate at \$28 per hour will come into force on 1 May 2011. The whole legislative process under the MWO has been completed when LegCo also approved the remaining subsidiary legislation relating to the special arrangement provided for persons with disabilities earlier this month.

Preparation for the implementation of SMW

Publicity and promotion

3. LD is working at full steam to prepare for the implementation of SMW. We have drawn up a set of draft general reference guidelines on SMW for employers and employees to illustrate the provisions and application of the MWO. We have consulted this Panel and the Labour Advisory Board on the draft guidelines and issued these to over 300 stakeholder groups for comment.

LD is working expeditiously to finalise the general reference guidelines so that these can be ready for wide distribution within this month. Given the great varieties in the mode of employment, the draft reference guidelines have included some common examples to illustrate the application of the MWO. In addition, given the particular circumstances of individual sectors, LD is working with industry-based Tripartite Committees, related employers' associations, trade unions and stakeholder groups to discuss and formulate industry-specific guidelines on SMW.

4. On the publicity front, LD has been organising a range of promotional activities to enhance employers' and employees' understanding of the MWO. Up to February 2011, about 8 000 participants attended 49 briefings on the MWO conducted by LD officers, 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 and human resources practitioners, etc. We have also published leaflets 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 have been placed. New television and radio announcements of public interest have also been broadcast. To continue to step up our promotional efforts, we will broadcast promotional messages and carry out other publicity activities on various public transports, place newspaper supplements, conduct talks and roving exhibitions, and display banners for outdoor publicity, etc.

5. In parallel, LD has launched targeted publicity and promotional activities to apprise persons with disabilities and their employers of their rights and obligations under the relevant provisions of the MWO, details of the productivity assessment mechanism, and the transitional arrangement available for serving employees with disabilities to opt before 1 May 2011. These activities include mailing leaflets directly to about 150 000 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 placing advertisements and feature articles in publications of trade unions, employers' associations and non-government organisations, etc.

Consultation and conciliation services

6. SMW is novel to Hong Kong and it will take time for the community, especially employers and employees, to get used to it. Right before or after its implementation, both employers and employees may need to clarify terms in their existing employment contracts in order to avoid dispute over the computation of SMW. Employees suspecting their employment rights to be infringed may make enquiries with or seek assistance from LD. We have provided training to the staff of “1823 Call Centre” (or Labour Department’s special telephone hotline 2717 1771) and LD for answering public enquiries on the MWO and providing conciliation service in this regard. Both hotlines operate round the clock.

Enforcement work

7. To tie in with the implementation of the MWO, LD will ensure 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. 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 the 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 and thoroughly investigated. We will make every effort to take out prosecution against offenders who are wilful and where there is sufficient evidence.

Employment support

8. Along with the implementation of SMW, LD will continue to implement 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 to help job seekers with special needs and employment difficulties secure employment. Under these programmes, financial incentives are offered to employers for providing the youths, the middle-aged and the persons with disabilities with on-the-job training and employment opportunities. We will step up our efforts, if necessary.

Way forward

9. We will keep up our efforts to prepare for the launching of SMW and closely monitor its implementation.
10. Members are invited to note the content of this paper.

Labour and Welfare Bureau
Labour Department
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