

Chapter 1

Highlights of Year 2011

- 1.1** Hong Kong's labour market conditions continued to exhibit an across-the-board and notable improvement in 2011. The total employment hit successive record highs, and saw a remarkable expansion of 2.9 per cent for 2011 as a whole over the previous year, the highest since 2000. In tandem with such sustained robust growth in labour demand, unemployment rate remained at relatively low levels throughout the year. At 3.4 per cent in 2011, it declined visibly by 0.9 percentage point from 4.3 per cent in 2010. We will continue to closely monitor the employment market situation and enhance our services on all fronts, especially in netting suitable vacancies from the market and rendering assistance to job seekers. In the year, we launched a new series of enhanced measures to provide employment support for job seekers and to better help the less competitive find work.

Employment Services

Enhanced Employment Services

- 1.2** The Labour Department set up a pioneer one-stop employment and training centre called "Employment in One-stop" in Tin Shui Wai in December 2011 to provide employment and training services to needy job seekers, including unemployed able-bodied recipients of Comprehensive Social Security Assistance. This new initiative aims at streamlining, integrating and enhancing the existing employment and training/retraining services provided by the Labour Department, the Social Welfare Department and the Employees Retraining Board. Apart from providing a wide array of employment services and programmes, various enhanced features are introduced at the new centre, such as the use of a needs assessment tool to analyse the employment needs of individual job seekers for the provision of tailor-made services, and the provision of case management and employment support services to those with special employment difficulties.



"Employment in One-stop" was set up in Tin Shui Wai in December 2011 to provide one-stop employment and training services for needy job seekers

- 1.3** To help job seekers enter the labour market and respond speedily to the recruitment needs of employers, the Labour Department organises employment promotion activities at various locations across the territory. A total of 12 large-scale job fairs, 334 mini-job fairs and 10 district-based employment promotion activities were organised in the year.



The North District Recruitment and Training Expo held in September

- 1.4** The Labour Department adopts a proactive approach in providing employment assistance. In major business closure or redundancy cases, we set up enquiry hotlines and special counters at our job centres and the Employment in One-stop to provide special employment services to affected employees. In 2011, the Labour Department recorded 904 086 vacancies from the private and public sectors and achieved 177 047 placements.

Strengthening Employment and Training Support for the Youth

- 1.5** The Labour Department spared no effort in enhancing the employability of young people through the provision of comprehensive youth employment and training support services. Apart from administering the Youth Pre-employment Training Programme and Youth Work Experience and Training Scheme and operating two Youth Employment Resource Centres, the second phase of "Action S5", a special employment project which rendered assistance to vulnerable young people aged 15 to 24 with acute employment difficulties, was launched in 2011.

Work Incentive Transport Subsidy Scheme

- 1.6** To relieve the burden of work-related travelling expenses on low-income households with employed members so as to promote sustained employment, the territory-wide Work Incentive Transport Subsidy Scheme started receiving applications from October 2011. As at the end of 2011, the Labour Department granted subsidy payment to 10 437 applicants.

Labour Relations

Promoting harmonious Labour Relations

1.7 In 2011, the Labour Department continued to adopt a proactive and pragmatic approach in helping employers and employees resolve their conflicts through communication, mutual understanding and flexible adjustments. In the year, we handled a total of 86 labour disputes and 18 086 claims. The success rate of conciliation was at a high level of 71.7 per cent. The average waiting time for conciliation meetings was 2.7 weeks in the year. Besides, the number of working days lost in Hong Kong as a result of labour disputes remained to be among the lowest in the world.

Stepping Up Enforcement Against Wage Offences

1.8 In 2011, the Labour Department sustained its all-out efforts to combat wage offences, including breaches of the statutory minimum wage provisions. Territory-wide inspection campaigns targeted at offence-prone trades were launched. To help step up the enforcement against wage offences, we widely publicised our complaint hotline (2815 2200) and collected intelligence on non-payment of wages in various industries through an early warning system in collaboration with trade unions. The department conducted prompt investigation into suspected wage offences and employed veteran ex-police officers to strengthen the investigative work and collection of intelligence so as to facilitate speedy prosecution.

1.9 We continued to step up the prosecution against employers and responsible persons of companies for wage offences. We also strengthened our educational and promotional efforts to remind employers of their statutory obligation to pay wages on time and to encourage employees to lodge claims promptly and come forward as prosecution witnesses.

1.10 Following the implementation of the Employment (Amendment) Ordinance 2010 since October 29, 2010, employers who wilfully and without reasonable excuse defaulted awards for wages or some other entitlements made by the Labour Tribunal or Minor Employment Claims Adjudication Board are liable to criminal prosecution. This has further strengthened the deterrent against law-defying employers.

Enhancing Good People Management Practices and Harmonious Labour Relations

1.11 To foster labour management communication and good people management practices, the Labour Department organised a variety of promotional activities including seminars, talks and roving exhibitions. A large-scale seminar was staged in September to promote effective communication and dialogue as well as the use of voluntary negotiation between employers and employees or their respective organisations. To educate the public on the provisions of the Employment (Amendment) Ordinance 2010, a leaflet outlining the criminal liability of employers defaulting on awards and the clause related to “without reasonable excuse” was published in the year.



Employees' Rights and Benefits

Statutory Minimum Wage

1.12 The statutory minimum wage (SMW) came into force on the Labour Day (May 1) of 2011 with the initial SMW rate set at \$28 per hour. The introduction of the SMW represents a significant breakthrough in protecting our grassroots workforce. During the year, the Labour Department launched territory-wide publicity activities to assist employers and employees in understanding their respective obligations and entitlements under the SMW system.



法定最低工資 Statutory Minimum Wage

每小時28元
2011年5月1日實施
\$28 per hour
Effective on 1 May 2011

訂立工資下限 保障基層僱員
Set a wage floor and protect grassroots employees

勞工處
Labour Department

殘疾僱員同樣受到保障，但亦有權選擇特別安排。
Employees with disabilities enjoy the same protection but they also have a right to choose a special arrangement.
查詢熱線 enquiry hotline : 2717 1771 (此熱線由「1823電話中心」接聽 The hotline is handled by the 1823 Call Centre)

法定最低工資

Poster on Statutory Minimum Wage

1.13 The SMW has brought substantial improvement to the employment earnings of low-income workers. In the last quarter of 2011, the average employment earnings of the lowest decile of full-time employees registered a year-on-year growth of 14.1 per cent (or an increase of 8.4 per cent net of inflation), outpacing the overall growth of 6.3 per cent (or an increase of 0.6 per cent net of inflation).

1.14 The Minimum Wage Commission (MWC) is an independent statutory body established under the Minimum Wage Ordinance. Its main function is to report to the Chief Executive in Council its recommendation about the SMW rate at least once in every two years. The Chief Executive has appointed its Chairperson and 12 Members drawn from the labour sector, business community, academia and Government for a two-year term with effect from March 1, 2011. The Labour Department and the Economic Analysis and Business Facilitation Unit of the Financial Secretary's Office are responsible for providing secretariat support to the MWC.

Enforcement of the Statutory Minimum Wage

1.15 To tie in with the implementation of the first SMW, the Labour Department adopts a multi-pronged strategy to safeguard employees' rights through conducting proactive workplace inspections to establishments of various trades and mounting targeted enforcement campaigns for low-paying sectors.



Labour inspectors explaining the requirements of the Minimum Wage Ordinance during an inspection to a restaurant

Safeguarding the Rights of Employees of Government Service Contractors

1.16 In tandem with the SMW implementation, the Government has introduced a new wage arrangement whereby government service contractors since May 1, 2011 are required to pay their non-skilled workers at not less than the SMW plus one paid rest day in every seven days. To protect non-skilled workers' statutory rights and benefits, we conduct inspections to workplaces of non-skilled workers employed by government service contractors. With the concerted efforts of the Labour Department and procuring departments in stepping up monitoring and enforcement, the situation of contractors contravening the labour laws has greatly improved.

Applications for Protection of Wages on Insolvency Fund

1.17 The Labour Department is committed to providing assistance in the form of ex gratia payment from the Protection of Wages on Insolvency Fund to eligible employees affected by insolvency of their employer. We also continued our all-out efforts in clamping down at source on employers evading their wage liabilities, thus preventing wage defaults from developing into claims on the Fund.

Vigorous Enforcement against Illegal Employment

1.18 The Labour Department collaborated with the Police and the Immigration Department to clamp down on illegal employment activities. A total of 193 joint operations were mounted in the year.

Policy Study on Standard Working Hours

1.19 The Labour Department carried out the study on standard working hours as requested by the Chief Executive in his 2010-11 Policy Address. The study would lay a good foundation for public discussion.

Safety and Health at Work

Safety of Mega Infrastructure Projects (MIPs)

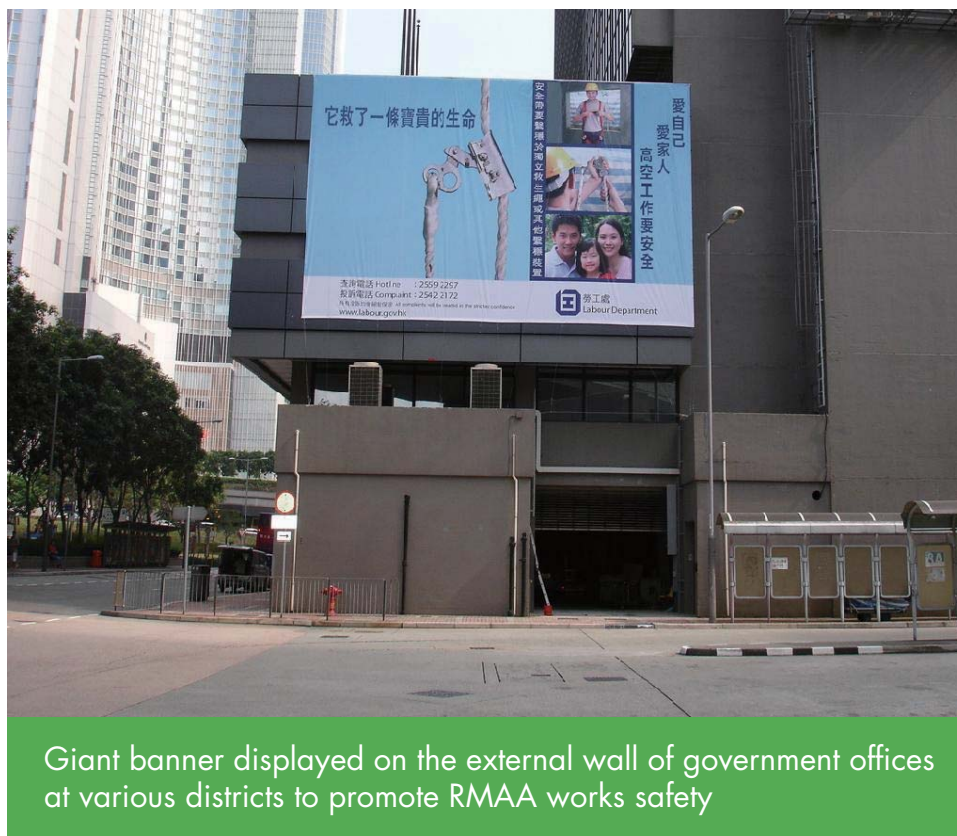
1.20 In the light of the commencement of MIPs, the Labour Department has established a special team to step up inspections and enforcement action, urge contractors to implement safety management systems on construction sites and integrate occupational safety and health elements into their method statements through participating in project preparatory meetings and site safety management committee meetings.

Safety of Repair, Maintenance, Alteration and Addition (RMAA) Works

1.21 There has been a rising trend in industrial accidents related to RMAA works in recent years. With the introduction of the Mandatory Building Inspection Scheme, the Mandatory Window Inspection Scheme, and various sponsorship schemes for maintenance of dilapidated buildings by the Administration, the volume of RMAA works is expected to increase.

1.22 To enhance the safety performance of RMAA works, the Labour Department continued to intensify enforcement actions by stepping up area patrols and inspections of RMAA works during non-office hours to deter contractors from adopting unsafe work practices. Territory-wide special enforcement operations on RMAA works with emphasis on work-at-height and use of electricity were also launched. In these special operations, 212 suspension/improvement notices were issued and 135 prosecutions were taken out.

1.23 On the educational and promotional front, we organised in 2011 a series of intensive promotion and publicity campaigns, targeting work-at-height and RMAA works to arouse the safety awareness of all parties involved. These included continuing the two-year publicity campaign launched in 2010 in collaboration with the Occupational Safety and Health Council (OSHC) with new initiatives seeking to reach more directly contractors and workers engaged in RMAA works and impress upon them the importance of safety in RMAA works and work-at-height.



Giant banner displayed on the external wall of government offices at various districts to promote RMAA works safety



Roving exhibition in shopping malls at various districts to promote RMAA works safety

- 1.24** We also partnered with the OSHC, District Councils/District Offices, Safe and Healthy Communities in various districts and the property management sector to organise publicity and promotional activities to promulgate work-at-height and RMAA works safety at the district level.
- 1.25** The Labour Department continued to cooperate with the OSHC to operate the Sponsorship Scheme for Work-at-height Fall Arresting Equipment for Renovation and Maintenance Work for small and medium-sized enterprises. The scheme aimed at helping contractors and employers in need purchase suitable fall protection equipment for improving the safety standard of work-at-height.

Safety Award Schemes

- 1.26** Two safety award schemes were organised for the catering and construction industries in the year to inculcate a safety culture and to enhance the safety awareness of employers, employees and their families. The schemes featured a variety of activities which included organising safety performance competitions, roving exhibitions, safety quizzes and award presentation ceremonies cum fun days, conducting site visits, producing radio programmes and DVD-ROMs as well as broadcasting Announcements in the Public Interest and promotional films on television/radio and "RoadShow".





Catering Industry Safety Award Scheme - Award Presentation Ceremony 2011/2012

Review of the System of Recognition and Monitoring of Mandatory Safety Training Courses

- 1.27** In 2011, we concluded a review of the system of recognition and monitoring of mandatory safety training courses and, with the support of the Legislative Council Panel on Manpower and related parties, launched three improvement measures to enhance the system.

Prevention of Heat Stroke at Work

1.28 To ensure adequate protection of workers from heat stroke at work in summer, we stepped up our enforcement and publicity efforts from April to September. Apart from promoting the awareness of employers and employees of heat stroke prevention, we also distributed a guide on “Prevention of Heat Stroke at Work in a Hot Environment” and a general checklist on “Risk Assessment for the Prevention of Heat Stroke at Work”. In the year, we also collaborated with the OSHC and relevant workers’ unions to promote prevention of heat stroke at work among professional drivers. Besides, we stepped up our inspections of workplaces with a higher risk of heat stroke. The inspections covered matters such as the provision of adequate drinking water; the provision of sheltered work and rest areas, ventilation facilities; and the provision of appropriate information, instruction and training to workers.



An on-site health talk for construction workers

Strengthening Local and International Partnerships

Labour Day Reception

1.29 On April 29, 2011, Secretary for Labour and Welfare Mr. Matthew Cheung Kin-chung hosted a reception at the Hong Kong Convention and Exhibition Centre to pay tribute to the workforce. Chief Executive Mr. Donald Tsang officiated at the reception, with guests from trade unions, employer associations and other organisations attending.



The Chief Executive Mr. Donald Tsang officiates at the Labour Day Reception

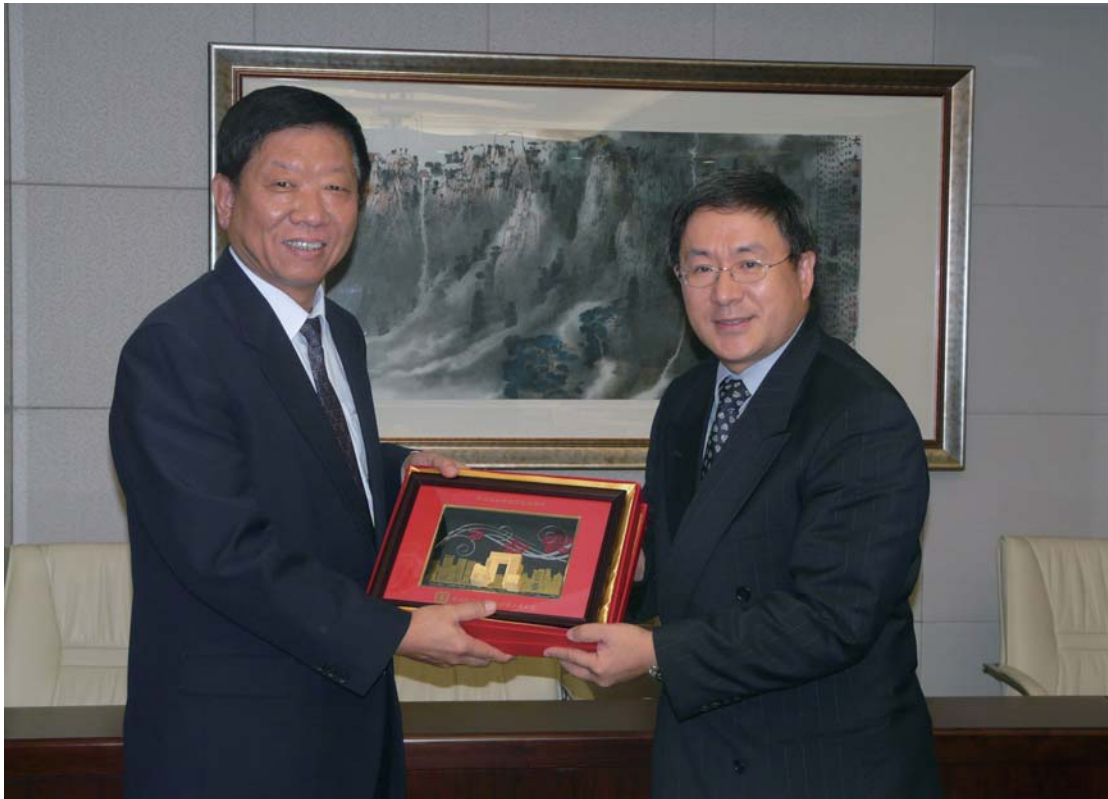
Contacts with Other Labour Administrations

- 1.30** We maintain active liaison and interflows with other labour administrations through visits and participation in various activities.
- 1.31** In June, a tripartite team comprising government, employer and employee representatives, led by Commissioner for Labour Mr. Cheuk Wing Hing, attended the 100th Session of the International Labour Conference in Geneva, Switzerland as part of the Chinese delegation.



Commissioner for Labour Mr. Cheuk Wing Hing (5th from right) and members of the tripartite team attending the 100th Session of the International Labour Conference in Geneva, Switzerland

1.32 In October, a delegation led by Commissioner for Labour Mr. Cheuk Wing Hing visited the Ministry of Human Resources and Social Security of the State Council in Beijing under the Reciprocal Visit Programme and met with Minister Yin Weimin. The delegation also visited the State Administration of Work Safety, the All-China Federation of Trade Unions, the China Enterprise Confederation and the International Labour Organisation (ILO) Country Office for China and Mongolia, exchanging views with them on matters related to labour administration and work safety.



Commissioner for Labour Mr. Cheuk Wing Hing (right) meeting Minister Yin Weimin of Ministry of Human Resources and Social Security (left)

- 1.33** In November, Commissioner for Labour Mr. Cheuk Wing Hing led a delegation to visit the Macao Labour Affairs Bureau to exchange views on various labour administration and occupational safety issues. Members of the Executive Committee of the Standing Committee for the Coordination of Social Affairs of Macao were also met.



Commissioner for Labour Mr. Cheuk Wing Hing (right) meeting ex-Director of Macao Labour Affairs Bureau Mr. Shuen Ka Hung (left)

- 1.34** In December, a tripartite team comprising government, employer and employee representatives attended the 15th Asia and the Pacific Regional Meeting of the ILO in Kyoto, Japan in the name of "Hong Kong, China".



Assistant Commissioner for Labour Mrs. Tonia Leung (middle) and members of the tripartite team attending the 15th Asia and the Pacific Regional Meeting of the ILO in Kyoto, Japan

1.35 Mr. Yang Fu, the Director of the Administration of Work Safety of Guangdong Province, led a delegation to visit the Hong Kong Special Administrative Region in March. The delegation met with the Commissioner for Labour Mr. Cheuk Wing Hing and exchanged views with officers of the Labour Department on occupational safety and health issues.



Commissioner for Labour Mr. Cheuk Wing Hing (right) welcomes Director of the Administration of Work Safety of Guangdong Province Mr. Yang Fu (left)



Labour Department officers meet a delegation of the Administration of Work Safety of Guangdong Province

- 1.36** Mr. Chen Ming, Vice Director, Labor Inspection Bureau, Department of Human Resources and Social Security of Guangdong Province, led a delegation to attend the first training programme on labour inspection and enforcement organised under the Framework Agreement on Hong Kong/Guangdong Co-operation in November/December.



Commissioner for Labour Mr. Cheuk Wing Hing (centre, front row) welcomes Mr. Chen Ming, Vice Director, Labor Inspection Bureau, Department of Human Resources and Social Security of Guangdong Province (third from right, front row) and other delegates to the training programme