

Chapter 1

Highlights of Year 2012

1.1 In 2012, Hong Kong's labour market enjoyed broad-based improvements for the third consecutive year. Overall labour demand remained robust, with total employment surged by 2.4 per cent following a respectable increase of 2.9 per cent in 2011. Against such solid labour demand growth, yearly average unemployment rate fell further to a 15-year low of 3.3 per cent in 2012, signifying another year of full employment. We will continue to closely monitor the employment market situation and enhance our employment services on all fronts, especially in netting suitable vacancies from the market and rendering assistance to job seekers.



Employment Services

Enhanced Employment Services

1.2 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 17 large-scale job fairs, 455 district-based job fairs and 13 district-based employment promotion activities were organised in the year.



Large-scale job fairs organised by the Labour Department were well-received by job seekers

- 1.3** The Labour Department adopts a proactive approach in providing employment assistance. For example, in major business closure or redundancy cases, we set up enquiry hotlines and special counters at our job centres to provide special employment services to affected employees. In 2012, the free recruitment service provided for employers by the Labour Department recorded 1 148 316 vacancies from the private and public sectors and 145 017 placements were secured.

Strengthening Employment and Training Support for the Youth

- 1.4** 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 third 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 2012.

Work Incentive Transport Subsidy (WITS) Scheme

- 1.5** The WITS Scheme started receiving applications from October 2011 with the aim of reducing low-income earners' financial burden of travelling to and from work and encouraging them to secure or stay in employment. As at the end of 2012, the Labour Department granted subsidy payment to 37 585 applicants. A mid-term review of the scheme was completed during the year. Enhancement measures will be implemented in 2013 to make the scheme more flexible, accessible and user-friendly.



Labour Relations

Promoting Harmonious Labour Relations

- 1.6** In 2012, 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 79 labour disputes and 18 920 claims. The success rate of conciliation was 73.2 per cent. The average waiting time for conciliation meetings was 2.5 weeks in the year. Besides, the number of working days lost in Hong Kong as a result of strike continued to be among the lowest in the world.

Stepping Up Enforcement Against Wage Offences

- 1.7** In 2012, 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. Apart from proactive inspections to check compliance, 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.
- 1.8** 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.
- 1.9** 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

- 1.10** To promote the Employment Ordinance (EO), and to foster labour management communication and good people management practices, the Labour Department organised large-scale public educational activities including seminars, talks and exhibitions. Four large-scale seminars on the EO were staged in different districts in the year to introduce the major provisions with a view to enhancing public understanding of the EO. New television and radio Announcements in the Public Interest and a new poster were introduced to encourage the wider use of written employment contract as well as the adoption of fair and reasonable employment terms.



Employees' Rights and Benefits

Statutory Minimum Wage (SMW)

- 1.11** The implementation of SMW since its introduction in May 2011 has been smooth and the overall labour market has remained stable. The income of grassroots employees has improved noticeably in real terms. The Labour Department adopts a multi-pronged strategy to safeguard employees' entitlement to SMW through conducting proactive workplace inspections to establishments of various trades and mounting targeted enforcement campaigns in low-paying sectors.
- 1.12** The Minimum Wage Commission (MWC) is an independent statutory body established under the Minimum Wage Ordinance with the main function of reporting 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. 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. After conducting detailed analyses and assessment on relevant statistical data and information and prudently considering the views of members of the public and stakeholders, the MWC submitted in October 2012 its recommendation to increase the SMW rate from \$28 to \$30 per hour. The Government accepted the MWC's recommendation. Relevant subsidiary legislation was tabled at the Legislative Council on December 19, 2012 with a view to bringing the new SMW rate into force on the Labour Day (May 1) of 2013.

Safeguarding the Rights of Employees of Government Service Contractors

1.13 To protect the statutory rights and benefits of non-skilled workers employed by government service contractors, we conduct inspections to their workplaces to check employers' compliance with legal and contractual requirements. With the concerted efforts of the Labour Department and procuring departments in stepping up monitoring and enforcement, the situation of contractors abiding by the labour laws has greatly improved.

Protection of Wages on Insolvency Fund

1.14 The Protection of Wages on Insolvency Fund provides assistance in the form of ex gratia payment to eligible employees affected by insolvency of their employer. The Labour Department continued its 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

1.15 The Labour Department collaborated with the Police and the Immigration Department to clamp down on illegal employment activities. A total of 241 joint operations were mounted in the year.

Policy Study on Standard Working Hours (SWH)

1.16 The Labour Department released the Report of the Policy Study on SWH in November 2012. The Government will set up the SWH Committee as stated by the Chief Executive in his election manifesto to follow up on the study, so as to facilitate an informed public discussion with a view to building consensus and formulating the way forward.



Safety and Health at Work

Safety of Mega Infrastructure Projects (MIPs)

1.17 In the light of the commencement of MIPs, the Labour Department has established a dedicated team to urge contractors to implement safety management systems on construction sites for the prevention of accidents through stepping up inspection and enforcement, publicity and promotion, as well as participating in the project preparatory meetings and site safety management meetings.

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

- 1.18** There has been a rising trend in industrial accidents related to RMAA works in recent years and the volume of such works are expected to grow further with the ageing of our buildings.
- 1.19** To enhance the safety condition of RMAA works, the Labour Department continued to intensify enforcement actions by stepping up area patrols and inspections of RMAA works during office and 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 the special operations, 478 suspension/improvement notices were issued and 363 prosecutions were taken out.
- 1.20** On the educational and promotional front, we organised in 2012 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 contractors and workers engaged in RMAA works more directly and impress upon them the importance of safety in RMAA works and work-at-height. We also partnered with 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.



Roving exhibitions at shopping malls at various districts to promote RMAA safety

- 1.21** We organised in collaboration with OSHC a Construction Safety Forum in March 2012 to engage industry stakeholders in exploring means to further enhance the construction safety standard. The Forum attracted over 700 participants, and the eight initiatives reached at the Forum have been implemented in phases.



- 1.22** The Labour Department and OSHC also jointly launched a pilot scheme on RMAA safety accreditation in June 2012. The scheme enhances the OSH standard of the industry through the auditing of safety management system, training and subsidising purchase of fall arresting equipment and related facilities.

Safety Award Schemes

- 1.23** 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 buses.

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

1.24 The Labour Department continued the improvement measures to enhance the system of recognition and monitoring of mandatory safety training courses. We accomplished the revision of course contents for the Mandatory Basic Safety Training Revalidation Course (Construction Work). The revised course contents, enriched with case analysis of serious construction accidents, together with interactive teaching of course tutors, were rolled out in October 2012.

Prevention of Heat Stroke at Work

1.25 To ensure adequate protection of workers from heat stroke at work in summer, we stepped up enforcement and publicity 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 by employers; the provision of sheltered work and rest areas; ventilation facilities; and the provision of appropriate information, instruction and training to workers.



An occupational hygienist measuring the heat stress level in a construction site



Strengthening Local and International Partnerships

Labour Day Reception

- 1.26** On April 27, 2012, 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.



Contacts with Other Labour Administrations

- 1.27** We maintain active liaison and interflows with other labour administrations through visits and participation in various activities.
- 1.28** In June, a tripartite team comprising government, employer and employee representatives, led by the Deputy Commissioner for Labour (Labour Administration), Mr Byron Ng Kwok Keung, attended the 101st Session of the International Labour Conference in Geneva, Switzerland as part of the delegation of the People's Republic of China.



Deputy Commissioner for Labour (Labour Administration), Mr Byron Ng Kwok Keung (5th from left), and members of the tripartite team attending the 101st Session of the International Labour Conference in Geneva, Switzerland

1.29 In November, Mr Hu Xiaoyi, Vice-Minister of the Ministry of Human Resources and Social Security of the State Council (MoHRSS), was invited by the Government to visit the Hong Kong Special Administrative Region (HKSAR). He met with the Commissioner for Labour, Mr Cheuk Wing Hing, and officers of the Labour Department to exchange views on labour issues.



Commissioner for Labour, Mr Cheuk Wing Hing (left), meeting Vice-Minister Hu Xiaoyi, Ministry of Human Resources and Social Security (right)

1.30 Mr Yang Fu, the Director of the Administration of Work Safety of Guangdong Province, led a delegation to visit the HKSAR in November. The delegation exchanged views on enforcement and training in respect of occupational safety with the Commissioner for Labour, Mr Cheuk Wing Hing, and officers of the Labour Department.

1.31 In December, Mr Hao Bin, Deputy Director-General, Department of International Cooperation of the MoHRSS, led a delegation to visit the HKSAR under the Reciprocal Visit Programme. The delegation exchanged views on handling international labour affairs with the Commissioner for Labour, Mr Cheuk Wing Hing, and officers of the Labour Department.



1.32 In December, Commissioner for Labour, Mr Cheuk Wing Hing, led a delegation to attend the Guangdong-Hong Kong-Macao Exchange Meeting on Labour Inspection and Law Enforcement in Macao.