

Chapter 6

Employment

The government facilitates employment, safeguards workers' rights and benefits, ensures workplaces are safe and healthy, and promotes harmonious employer-employee relations.

Employment is the key to people's livelihood. Facing the challenges of continuing uncertainties in the global economy, the government has adopted various strategies, including upgrading workers' skills to make them more employable and competitive, improving the business environment, introducing measures to create jobs and enhancing labour market efficiency, all to improve the utilisation of human resources in Hong Kong and support the further development of our economy.

In 2015, the Employees Retraining Board offered 130,000 training places to upgrade the skills of in-service workers, and to help the unemployed and those seeking job changes re-enter the labour market. The government also continued to offer special help to less competitive workers. The Labour Department assists job-seekers to enter or re-enter the labour market through a number of employment initiatives, including the Employment Programme for the Middle-aged, the Work Trial Scheme, the Youth Employment and Training Programme, the Youth Employment Start, the Work Orientation and Placement Scheme for job-seekers with disabilities, and job fairs.

The government promotes harmonious employer-employee relations, protects employees' rights and benefits, and safeguards employees' safety and health at work.

Labour Market

In 2015, the labour force totalled 3.91 million people, of whom 51 per cent were men and 49 per cent were women. The total number represented a rise of 0.9 per cent over 2014.

The majority, or 88.4 per cent, were employed in the service sectors: 30.6 per cent in the import/export, wholesale and retail trades, and accommodation (covering hotels, guesthouses, boarding houses and other establishments providing short-term accommodation) and food services; 26.5 per cent in public administration, and social and personal services; 20 per cent in

financing and insurance, real estate, and professional and business services; and 11.3 per cent in transport, storage, postal and courier services, and information and communications. Only 2.7 per cent worked in manufacturing.

Employment Situation

In 2015, the overall unemployment rate was 3.3 per cent, the same as that in 2014, while the underemployment rate fell to 1.4 per cent from 1.5 per cent in 2014. Total employment rose by about 31,700 to 3,780,900 from 3,749,200 in 2014.

Employment Earnings

In 2015, 12.7 per cent of employed persons earned less than \$5,000 a month, while 19.9 per cent of employed persons earned \$30,000 and above a month. Median monthly employment earnings rose by \$1,110 to \$14,500 from \$13,400 in 2014. The median monthly employment earnings for higher skilled workers, such as managers and administrators, professionals and associate professionals, was \$27,000, while that for lower skilled workers was \$11,000.

Wages

Nominal wages continued to register growth. Wage rates as measured by the Nominal Wage Index for workers up to supervisory level increased 4.2 per cent between December 2014 and December 2015.

Labour Administration and Services

The Labour Department, headed by the Commissioner for Labour, formulates and implements labour policies; enforces labour legislation; provides free employment services to employers and job-seekers; promotes harmonious labour relations and responsible trade unionism; safeguards employees' rights and benefits; and promotes the occupational safety, health and welfare of the workforce.

Labour Legislation

The department administers Hong Kong's labour laws. Labour legislation, supplemented by administrative measures, provides the basis for the enforcement of employers' and employees' rights and obligations, and enables the city to meet internationally accepted labour standards.

During the year, two ordinances came into force. The Employment (Amendment) Ordinance 2014, which took effect from 27 February, provided for paternity leave as a new statutory benefit for working fathers. Eligible male employees are entitled to three days' paid paternity leave around the time of their children's birth. The Special Holiday (3 September 2015) Ordinance provided for a one-off holiday on 3 September 2015, which was the 70th anniversary day of the victory of the Chinese people's war of resistance against Japanese aggression.

The Employees' Compensation Ordinance, the Pneumoconiosis and Mesothelioma (Compensation) Ordinance and the Occupational Deafness (Compensation) Ordinance were amended with effect from 5 March to increase the amounts of a total of 18 compensation items payable in cases involving work accidents or prescribed occupational diseases.

From 1 May, the Minimum Wage Ordinance was amended to increase the statutory minimum wage rate by 8.3 per cent to \$32.50 per hour.

The department carried out 4,506 prosecutions for breaches of various ordinances and regulations in 2015, resulting in fines totalling more than \$28.26 million.

International Labour Affairs

Hong Kong applies 41 international labour conventions of the International Labour Organisation (ILO). These conventions set standards that have a significant bearing on the formulation of the city's labour laws.

Hong Kong continued to take part actively in ILO activities in 2015, keeping itself abreast of international labour issues. In June, a team comprising representatives of employers, employees and the government attended the 104th Session of the International Labour Conference as part of the People's Republic of China delegation.

Labour Advisory Board

The Labour Advisory Board, a representative tripartite consultative body, advises the Commissioner for Labour on labour matters and ILO conventions and recommendations. It is chaired by the commissioner and comprises 12 members, with six representing employers and six representing employees.

In 2015, five committees of the board dealt separately with employees' compensation, employment services, occupational safety and health, labour relations and implementation of international labour standards. A working group under the board dealt with applications for labour importation under a Supplementary Labour Scheme.

Employment Services

The department provides a wide range of free employment and recruitment services to job-seekers and employers through 13 job centres, two recruitment centres for the catering and retail industries, a Telephone Employment Service Centre and a Job Vacancy Processing Centre. Round-the-clock employment services are available through an Interactive Employment Service website, which recorded around 250 million page views in 2015, or an average of 680,000 per day. The department also organises large-scale, district-based and thematic job fairs. For major closure or retrenchment cases, the department will set up a telephone hotline and special counters at job centres to provide priority job referral services for affected workers.

In 2015, the department registered 67,221 job-seekers and made about 148,300 job placements. It recorded 1,343,035 private-sector vacancies, an increase of 10 per cent compared with 2014.

Employment Programme for the Middle-aged

This programme provides employers, who engage eligible people aged 40 or above and give them on-the-job training, with a maximum training allowance of \$3,000 per month per employee for three to six months. In 2015, 2,541 middle-aged job-seekers were employed

accordingly. Since September, this programme has been extended to cover part-time jobs, which stipulate 18 to less than 30 working hours per week, to meet the needs of middle-aged people who are more interested in part-time employment.

Work Trial Scheme

Under this scheme, each participant who undergoes a one-month work trial receives \$6,900 from the department, of which \$500 is paid by the organisation in which the participant served. In 2015, 232 people with difficulties in finding jobs took part in the trials.

Work Incentive Transport Subsidy Scheme

This scheme, launched in October 2011, helps low-income earners reduce their cost of travelling to and from work and encourages them to secure or stay in employment. From the claim months of 2013, applicants could choose to apply on an individual or household basis. As at end-2015, 98,463 workers had received the subsidy.

People with Disabilities

The department helps people with disabilities who are fit for open employment to seek jobs. It provides free employment counselling and placement services to people who are formerly mentally ill or have conditions such as hearing or visual impairment, physical handicap, chronic illness, autism, intellectual disability, specific learning difficulties and attention deficit/hyperactivity disorder. In 2015, the department registered 2,720 job-seekers with disabilities and secured 2,401 placements.

The Work Orientation and Placement Scheme improves employment opportunities for people with disabilities by paying an allowance to encourage employers to provide jobs and employment support. A participating employer who hires a person with disabilities having employment difficulties is entitled to an allowance of up to \$5,500 per month for the first two months of employment. After the first two months, the employer is entitled to an allowance of up to \$4,000 per month for a maximum of six months. In 2015, there were 811 job placements made under the scheme.

Preparing People for Work

Youth Employment and Training Programme

This programme provides a full range of pre-employment and on-the-job training for young school-leavers aged between 15 and 24 with educational attainment up to sub-degree level. It is an effective platform for government departments, employers and non-governmental organisations to work together to help young people enhance their employability, improve job search skills and secure employment. Employers who engage eligible young people under the programme and provide them with on-the-job training are entitled to a maximum training allowance of \$3,000 per month per employee for six to 12 months. In 2014-15, 6,741 young school-leavers enrolled on the programme.

Youth Employment Support

The department operates two youth employment resource centres called 'Youth Employment Start' to offer one-stop advisory and support services to young people aged between 15 and 29 to improve their chances of employment, and to help them secure sustainable employment or self-employment. In 2015, the two centres provided services to 73,394 young people.

Working Holiday Scheme

Since 2001, Hong Kong has established bilateral working holiday arrangements with 10 economies: Australia, Austria, Canada, France, Germany, Ireland, Japan, New Zealand, South Korea and the United Kingdom (UK). The scheme enables Hong Kong youths aged 18 to 30 to broaden their horizons by experiencing foreign culture through living and working temporarily overseas while holidaying, and allows youths from the partner economies to learn more about Hong Kong.

Austria and the UK allow Hong Kong youths to stay for up to six and 24 months respectively. The remaining eight partners issue working holiday visas to Hong Kong youths to stay in their economies for up to 12 months for holidaying, taking up short-term employment to supplement their travel expenses, and/or studying short-term courses (except Ireland).

As at end-2015, the scheme had recorded around 70,000 Hong Kong youth participants and welcomed more than 6,000 youths from the partner economies to Hong Kong.

Employees Retraining Board (ERB)

The ERB is a statutory body set up under the Employees Retraining Ordinance. The board provides, under its Manpower Development Scheme, market-driven training and employment support services through about 100 appointed training bodies that operate a total of around 400 training centres. People aged 15 or above with education attainment up to sub-degree level may enrol on its full-time, placement-tied courses and half-day or evening generic skills training courses or courses under the Skills Upgrading Scheme Plus. As at December 2015, there were around 700 courses covering 28 industries.

Dedicated Training

The ERB provides training and employment support to young people, new arrivals from the Mainland, ethnic minorities, people with disabilities, people who have recovered from work injuries, and rehabilitated former drug abusers and former offenders. It organises dedicated training programmes targeting young people of different backgrounds and aspirations to increase their employment opportunities.

Employment Support Services

The ERB's Smart Living Scheme and Smart Baby Care Scheme provide referral services for participants who complete its training in domestic help, elderly and patient care, healthcare massage, post-natal care or infant and child care.

The board also operates three service centres in Kowloon East, Kowloon West and Tin Shui Wai to provide people in those districts with training and employment support.

Continuing Education Fund (CEF)

The government's CEF subsidises continuing studies for adults. On completion of an approved course, eligible applicants receive reimbursement of 80 per cent of the fees paid, capped at \$10,000 per person. Around 28,000 applications to open CEF accounts were approved in 2015.

Labour Relations

In 2015, the Labour Department handled 53 trade disputes and 14,388 employment claims. The total was 8.8 per cent lower than that of 2014. In cases where the department provided conciliation services, more than 70 per cent were settled. The department also handled two strikes which resulted in a loss of 103 working days, or an average loss of 0.03 working days per 1,000 salaried employees and wage earners, one of the lowest in the world.

Activities such as roving exhibitions, seminars and talks are organised to promote the Employment Ordinance and good people management measures. Information is disseminated through free publications, the internet, the media and networks of employers' associations and trade unions.

The department runs nine industry-based tripartite committees, covering catering, construction, theatre, logistics, property management, printing, hotel and tourism, cement and concrete, and retail, to foster industry-level dialogue and co-operation among employers, employees and the government. These committees provide effective forums for members to discuss issues of common concern to their industries.

The department also works with 18 human resources managers' clubs through meetings, seminars and newsletters, with a view to encouraging members to maintain in their own sectors effective employer-employee communication and adopt family-friendly employment practices for employees with different needs.

Trade Unions

The Registry of Trade Unions administers the Trade Unions Ordinance and promotes good and responsible trade union management. Once registered, a trade union becomes a body corporate and enjoys immunity from certain civil suits.

In 2015, 16 new unions were registered, bringing the number of registered trade unions to 885, comprising 821 employee unions, 16 employers' associations, 37 mixed organisations of employees and employers, and 11 trade union federations. Declared membership of employee unions over the past five years remained at about 810,000. During the same period, the trade union participation rate, meaning the percentage of the total declared membership of employee unions to the total number of salaried employees and wage earners, was around 23.5 per cent.

About half of the employee unions are affiliated to four major labour organisations: the Hong Kong Federation of Trade Unions (189 unions), the Federation of Hong Kong and Kowloon Labour Unions (87 unions), the Hong Kong Confederation of Trade Unions (81 unions), and the Hong Kong and Kowloon Trades Union Council (27 unions).

Minor Employment Claims Adjudication Board

This board determines claims arising from disputes of statutory or contractual rights of employment that involve not more than 10 claimants in each case and for sums not exceeding \$8,000 per claimant. In 2015, it dealt with 1,054 claims and granted awards amounting to \$2.49 million.

Labour Tribunal

The Labour Tribunal is part of the Judiciary and is a quick, simple and inexpensive channel for adjudicating labour disputes that are not within the exclusive jurisdiction of the Minor Employment Claims Adjudication Board. In 2015, 4,006 cases were filed with the tribunal, of which 3,916 were initiated by employees and 90 by employers. Of these, 90 per cent were referred to the tribunal by the Labour Department. The tribunal dealt with 3,639 cases and granted awards totalling more than \$201 million, or 1,071 cases and \$39 million less than those in 2014.

Employees' Rights and Benefits

The Employment Ordinance provides for various employment-related benefits and entitlements to employees. Over and above the statutory requirements, employers and employees are free to negotiate the terms and conditions of employment.

Legal Protection

In general, children under 15 are prohibited by law from taking up employment. Children aged between 13 and 14 may work in non-industrial establishments under strict rules, while people in the 15-17 age group may work in industrial establishments, subject to restrictions on their working hours.

Labour inspectors conduct workplace inspections to ensure employers' compliance with laws which safeguard workers' rights and benefits, and that employers have taken out employees' compensation insurance. The inspectors also check employees' proof of identity and collaborate with the police and the Immigration Department to combat illegal employment. In 2015, the three departments carried out 210 joint operations.

Enforcement against Wage Offences

Apart from taking active steps to prevent wage defaults, the Labour Department takes vigorous enforcement action against employers who fail to pay wages due to their employees, and against employers who wilfully and without reasonable excuse fail to pay sums awarded by the Labour Tribunal or Minor Employment Claims Adjudication Board.

In 2015, the department secured 521 convictions for wage offences and 103 convictions for failure to pay sums awarded by the tribunal or the board. One employer was sentenced to imprisonment for wage offences and another employer and two company directors were ordered to perform community service as a result of wage defaults and the offence of failing to pay sums awarded by the tribunal.

Protection of Wages on Insolvency Fund

The fund, which is financed by a levy on business registration certificates, provides timely relief to employees affected by their insolvent employers in the form of ex gratia payments covering outstanding wages, wages in lieu of notice, severance payment, pay for untaken annual leave and untaken statutory holidays.

In 2015, the fund received 3,486 applications for ex gratia payment, paid out \$61.6 million to 2,894 applicants, and recorded a surplus of \$335 million.

Employees' Compensation

The employees' compensation regime in Hong Kong follows the 'no-fault' principle, whereby compensation is payable regardless of whether the injury, occupational disease or death is due to the employee's fault. The Employees' Compensation Ordinance covers injury or death caused by accidents arising from and in the course of employment or by specified occupational diseases. An employer must have a valid insurance policy to cover his/her liabilities both under the ordinance and the common law.

The Labour Department helps injured employees and the families of deceased employees to get compensation from their employers under the Employees' Compensation Ordinance. It also provides interest-free loans to workers injured in job-related accidents. During the year, the department delivered talks, distributed leaflets, and made television and radio announcements to help employers and employees better understand their rights and obligations under the ordinance. An Employees Compensation Assistance Scheme provides assistance payment to injured employees or family members of deceased employees if the employers default on payment of compensation for work-related injuries. The scheme is financed by a levy imposed on all employees' compensation insurance policies taken out by employers.

Pneumoconiosis and/or mesothelioma sufferers are eligible for compensation under the Pneumoconiosis and Mesothelioma (Compensation) Ordinance administered by the Pneumoconiosis Compensation Fund Board. Those diagnosed to have contracted pneumoconiosis before the ordinance became effective in 1981 may apply for ex gratia payments from the government under the Pneumoconiosis Ex Gratia Scheme. As at 31 December 2015, 1,665 pneumoconiosis and/or mesothelioma sufferers were receiving payments under either the ordinance or the ex gratia scheme. Family members of 99 pneumoconiosis and/or mesothelioma sufferers who died from the diseases were also granted compensation in the year.

The Occupational Deafness Compensation Board administers the Occupational Deafness Compensation Scheme, which provides compensation for persons employed in specified noisy occupations who suffer hearing loss as a result of prolonged exposure to excessive noise at work, and financial assistance for hearing assistive devices. In 2015, the board approved 171 compensation applications and paid out \$16.26 million. It also approved 572 applications to finance hearing assistive devices, costing \$2.35 million, and provided 412 rehabilitation programmes for people with impaired hearing caused by their jobs.

Retirement Protection

All employees, except those who are not required by law to join a local retirement scheme, are provided with retirement protection under the Mandatory Provident Fund Schemes Ordinance, the Occupational Retirement Schemes Ordinance, or other statutory pension plans.

Statutory Minimum Wage

The overall employment market has remained stable since the introduction of statutory minimum wage in May 2011. Employment earnings of low-income employees have continued to improve. The statutory minimum wage rate was raised to \$32.50 with effect from 1 May 2015. The Labour Department organised various publicity activities to promote the new rate and the Minimum Wage Ordinance. Labour inspectors visit businesses to make sure employers are complying with the law.

The main function of the Minimum Wage Commission, an independent statutory body established under the ordinance, is to recommend the statutory minimum wage rate to the Chief Executive in Council when required by the Chief Executive to do so. The commission comprises a chairperson and 12 members from the labour and business sectors, academia and the government.

Employment Agencies

The Labour Department enforces Part XII of the Employment Ordinance and the Employment Agency Regulations, which empower it to issue licences to employment agencies, monitor and investigate complaints, and prosecute offenders. The department issued 2,775 employment agency licences, revoked four and refused to renew one in 2015.

Standard Working Hours

During the year, the Standard Working Hours Committee further explored the directions of a working hours policy applicable to Hong Kong, with reference to the findings of an extensive public consultation and a comprehensive working hours survey completed in 2014. The committee comprises a chairperson and 23 members from the labour and business sectors, academia, the community and the government.

Entry of Non-locals for Employment

Employment of Professionals

People who possess special skills, knowledge or experience of value to Hong Kong may apply to take up employment if they have secured a job that cannot be filled readily by local workers and which offers a remuneration package broadly commensurate with the prevailing market level. In 2015, 43,632 people from more than 100 countries or territories were hired this way. Entrepreneurs, including start-ups, are also welcome to bring capital and expertise to Hong Kong if they can make a substantial contribution to the economy.

Employment of Non-local Students

Non-local fresh graduates of full-time locally accredited local programmes at degree or higher level may apply to stay in Hong Kong for one year after graduation to take up employment.

Returning non-local graduates may also apply to return to Hong Kong for employment if the job they have secured is at a level normally taken up by degree-holders and remunerated at market rates.

Supplementary Labour Scheme

Under this scheme, employers may apply to the Labour Department to import workers to fill vacancies at technician level or below. The government's policy on labour importation is based on two principles:

- local workers must be given priority in filling job vacancies available in the job market; and
- employers who are genuinely unable to recruit local workers to fill their vacancies should be allowed to import workers.

All applications are considered on a case-by-case basis. To ensure priority of employment for local workers, employers must undertake a four-week open recruitment for each application. The department will then pass the application and the department's recommendation to members of the Labour Advisory Board for views and then the Commissioner for Labour for a decision. The requirements of open recruitment are: advertising in newspapers by employers, job-matching by the department and, if appropriate, organising retraining courses for local workers with the assistance of the Employees Retraining Board.

As at December 2015, 4,169 imported workers were working in Hong Kong under the scheme.

Foreign Domestic Helpers

Foreign domestic helpers may be admitted, subject to immigration control, if they have relevant working experience and their employers are Hong Kong residents who will offer the terms of employment stipulated in the government-prescribed standard employment contract. The terms of employment include free and suitable accommodation with reasonable privacy at the employer's residence, free food or food allowance in lieu, wages not lower than the minimum allowable wage set by the government, free passage from and to the helper's place of origin and free medical treatment. Employers must also meet the required levels of income or assets.

As at December 2015, Hong Kong had 340,380 foreign domestic helpers, an increase of 2.9 per cent from 2014. The Philippines and Indonesia respectively accounted for 53.4 per cent and 44.1 per cent of the total number of foreign domestic helpers.

Occupational Safety and Health

The Labour Department continues to improve safety and health standards in the workplace through inspection and enforcement, publicity and promotion, and education and training. Safety and health at work have shown clear signs of improvements in the last decade as a result of the concerted efforts of employers, employees, contractors, safety practitioners and the government.

In 2015, there were 35,852 occupational injuries, a drop of 23.6 per cent from the 46,937 cases a decade ago. Over the same period, the number of industrial accidents fell from 17,286 to 11,497, a decrease of 33.5 per cent. In 2015, a total of 256 cases of occupational diseases were confirmed, including monaural hearing loss.

Inspection and Enforcement

The Labour Department inspects workplaces regularly to ensure compliance with occupational safety and health laws, particularly in high-risk industries and work processes such as work-at-height activities, and organisations with poor safety records. The department also conducts special enforcement operations targeting accident-prone workplaces and trades, such as new works construction sites, repair, maintenance, alteration and addition works sites, waste treatment workplaces, logistics, cargo and container handling workplaces, and food and beverages services activities. It steps up enforcement in the summer to protect outdoor workers from heat strokes.

In 2015, the department served 2,340 Improvement Notices on companies and organisations, ordering them to improve safety conditions in their workplaces promptly, and 805 Suspension Notices to stop those work activities or the use of plant or substances that posed imminent risks of death or serious bodily injury to employees. The courts heard 2,603 cases, convicting the defendants in 78 per cent of these and handing down penalties totalling \$21.81 million.

Promotion and Education

The Labour Department, in collaboration with the Occupational Safety and Health Council (OSHC), major trade associations and the labour unions concerned, organised promotional campaigns to enhance the occupational safety and health awareness of employers and employees in different industries through seminars, roving exhibitions, outreach promotional visits, and television and radio broadcasts. The department held a Work-at-height Safety Forum cum Safety Equipment Exhibition and thematic work safety seminars to enhance relevant occupational safety standards. It continued to promote the Occupational Safety Charter and Workplace Hygiene Charter, which urge employers and employees to maintain a safe and healthy environment at their workplaces, and organised safety award schemes for the construction and catering industries.

In 2015, the department held 2,106 courses, lectures and health talks for some 71,400 employees to help them better understand occupational safety and health and the relevant laws. It continued to collaborate with organisations including the OSHC, the Construction Industry Council, employers' associations and workers' unions to promote healthy living for professional drivers, publicise heat stroke prevention measures in construction sites and other outdoor workplaces, and promote the prevention of lower limb musculoskeletal disorders to the catering and retail industries.

Occupational Health Clinics

The department provides occupational health services to workers at its occupational health clinics in Kwun Tong and Fanling. It held 9,054 clinical consultations with workers in 2015.

Occupational Safety and Health Council

The council promotes occupational safety and health through training, promotion, consultancy, research and information services. To prevent cases of falling from a height, the council and the Labour Department launched sponsorship schemes to subsidise small and medium-sized enterprises to buy standard-conforming mobile and light-duty working platforms, thereby enhancing work-at-height safety awareness. Besides, the council launched a Work Life Happiness OSH Partnership programme to provide stress resilience training to facilitate workplace stress management and safeguard workers' holistic well-being.

In 2015, the council held 2,075 courses on occupational safety and health for a total of 43,286 trainees. It was also commissioned by the Highways Department to implement a new independent safety audit scheme for five of its Hong Kong-Zhuhai-Macao Bridge Contracts to enhance its monitoring of contractors' safety performance. The council helped renew the independent safety audit system for public works and also developed a related practical guide as the basis for good practice in the industry.

To promote a culture of safety, the council expanded its engagement programme for young people and stepped up publicity in the community. It organised competitions and activities for primary and secondary students, and offered scholarships and awards to tertiary students. Seminars covering topics related to the occupational safety and health of employees, such as common occupational diseases, heat stroke prevention, electric work safety and prevention of muscle strain, were also held.

Websites

Census and Statistics Department: www.censtatd.gov.hk

Education Bureau: www.edb.gov.hk

Employees Retraining Board: www.erb.org

Immigration Department: www.immd.gov.hk

Interactive Employment Service: www.jobs.gov.hk

Labour and Welfare Bureau: www.lwb.gov.hk

Labour Department: www.labour.gov.hk

Occupational Safety and Health Council: www.oshc.org.hk

Security Bureau: www.sb.gov.hk