

Employment

The government promotes employment, maintains harmonious labour relations, safeguards the labour rights of employees and enhances safety and health at work.

Employment is the key to people's livelihood. The government improves the use of human resources in Hong Kong and supports further economic development by upgrading workers' skills so they can be more employable and competitive, improving the business environment, introducing measures to create jobs and enhancing labour market efficiency.

In 2016, the statutory 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 Labour Department offers special help to less competitive workers, through employment initiatives that include the Employment Programme for the Middle-aged, Work Trial Scheme, Youth Employment and Training Programme, Youth Employment Start, Work Orientation and Placement Scheme for job-seekers with disabilities, and job fairs.

Labour Market

In 2016, the labour force totalled 3.92 million people, of whom 51 per cent were men and 49 per cent were women. The total represented a rise of 0.4 per cent over 2015.

The majority, or 88.3 per cent, were employed in the service sectors: 30.2 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; 26.8 per cent in public administration, and social and personal services; 20.2 per cent in financing and insurance, real estate, and professional and business services; and 11.2 per cent in transport, storage, postal and courier services, and information and communications. Only 2.6 per cent worked in manufacturing.

Employment Situation

In 2016, the overall unemployment rate rose from 3.3 per cent in 2015 to 3.4 per cent, while the underemployment rate was 1.4 per cent, the same as that in 2015. Total employment rose by about 13,300 to 3,787,100 from 3,773,800 in 2015.

Employment Earnings

In 2016, 12.5 per cent of employed persons earned less than \$5,000 a month and 21.4 per cent earned \$30,000 and above a month. Median monthly employment earnings rose by \$500 to \$15,000 from \$14,500 in 2015. The median monthly employment earnings for higher skilled workers, such as managers and administrators, professionals and associate professionals, was \$29,000, while that for lower skilled workers was \$11,500.

Wages

Nominal wages continued to register growth. Wage rates as measured by the Nominal Wage Index for workers up to supervisory level increased 3.6 per cent between December 2015 and December 2016.

Labour Administration

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.

In 2016, the department secured 3,488 convictions, resulting in fines totalling more than \$29.82 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 takes part actively in ILO activities, keeping itself abreast of international labour issues. In June, a team comprising representatives of employers, employees and the government attended the 105th Session of the International Labour Conference as part of the People's Republic of China delegation. In December, a tripartite team attended the 16th Asia and the Pacific Regional Meeting of ILO under the name 'Hong Kong, China'.

Labour Advisory Board

The Labour Advisory Board, a representative tripartite consultative body, advises the Commissioner for Labour on labour matters including legislation and ILO conventions and recommendations. It is chaired by the commissioner and has 12 other members, with six representing employers and six representing employees. An election was held on 12 November to elect employee representatives for the next two-year term of the board.

Employment Services

The Labour Department provides a wide range of free employment and recruitment services to job-seekers and employers through 13 job centres, three recruitment centres for the catering, retail and construction industries, a Telephone Employment Service Centre and a Job Vacancy Processing Centre. Round-the-clock employment services are available concurrently through an Interactive Employment Service website and its mobile application. In 2016, the website recorded about 220 million page views, or an average of 610,000 per day, while its mobile app registered 150 million hits. An employment information e-platform was launched in December to strengthen employment support for job-seekers with higher education.

The department also organises large-scale, district-based and thematic job fairs. For major closure or retrenchment cases, it will set up a telephone hotline and special counters at job centres to provide priority job referral services for affected workers.

In 2016, the department registered 63,814 job-seekers and made about 149,800 job placements. It recorded 1,347,613 private-sector vacancies, similar to that received in 2015.

Employment Programme for the Middle-aged

Employers who engage eligible people aged 40 or above and give them on-the-job training receive a maximum training allowance of \$3,000 per month per employee for three to six months. In 2016, 2,978 middle-aged job-seekers were employed under this programme.

Work Trial Scheme

Each participant who completes 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 2016, 192 people with difficulties in finding jobs took part in the trials.

Work Incentive Transport Subsidy Scheme

This scheme helps low-income earners reduce their cost of travelling to and from work and encourages them to secure and stay in employment. Applicants can apply on an individual or household basis. In 2016, 48,128 workers received the subsidy. The department completed a review of the scheme and rolled out enhancement measures.

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 2016, the department registered 2,790 job-seekers with disabilities and secured 2,250 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 up to \$4,000 per month for a maximum of six months. In 2016, the scheme made 816 job placements.

A two-year pilot scheme was launched in September to engage a non-governmental welfare organisation to provide free psychological and emotional counselling to job-seekers with disabilities.

Preparing People for Work

Youth Employment and Training Programme

School-leavers aged between 15 and 24 with up to sub-degree education choose from a full range of pre-employment and on-the-job training under the programme. This 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. Participating employers who engage eligible young people 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 2015-16, 6,165 school-leavers enrolled on the programme.

Youth Employment Support

People aged between 15 and 29 may make use of one-stop advisory and support services at two youth employment resource centres called Youth Employment Start, which are operated by the Labour Department to improve their chances of employment and secure sustainable employment or self-employment. In 2016, the two centres provided services to 72,661 young people.

Working Holiday Scheme

Hong Kong has bilateral working holiday arrangements with 11 economies: Australia, Austria, Canada, France, Germany, Hungary, 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 nine 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-2016, the scheme had recorded about 78,000 Hong Kong youth participants and welcomed more than 8,300 youths from the partner economies to Hong Kong.

Employees Retraining Board

The Employees Retraining Board 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 up to sub-degree education 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 2016, there were around 700 courses covering 28 industries.

Dedicated Training

The board provides dedicated training and employment support to young people, new arrivals, ethnic minorities, people with disabilities, those recovered from work injuries, and rehabilitated former drug abusers and former offenders.

Employment Support Services

The board operates Smart Living, Smart Baby Care and Smart Starter schemes to provide trainees with registration, referral and follow-up services for relevant job vacancies. It also operates three service centres in Kowloon East, Kowloon West and Tin Shui Wai, as well as 10 service spots in Kwai Tsing and Tsuen Wan, to provide residents in those districts with training support services.

Continuing Education Fund

The government subsidises continuing studies for adults. Eligible applicants who complete approved courses receive reimbursement of 80 per cent of the fees paid, capped at \$10,000 per person. In 2016, about 28,000 applications to open Continuing Education Fund accounts were approved and subsidies totalling \$153 million were paid out.

Labour Relations

The Labour Department provides a voluntary conciliation service to help employers and employees outside the government resolve disputes and claims. It also promotes the Employment Ordinance and good people management measures.

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

The department also works with 18 human resources managers' clubs to encourage members to maintain effective employer-employee communication and adopt family-friendly and elderly-friendly employment practices in their organisations and sectors.

During the year, the department handled 55 trade disputes and 14,672 employment claims. The total was 2 per cent higher than that of 2015. In cases where the department provided conciliation services, more than 70 per cent were settled. It also handled three strikes which resulted in a loss of 169 working days, or an average loss of 0.05 working days per 1,000 salaried employees and wage earners, one of the lowest in the world.

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 2016, eight new unions were registered, bringing the number of registered trade unions to 890, comprising 828 employee unions, 15 employers' associations, 36 mixed organisations of employees and employers, and 11 trade union federations. Declared membership of employee unions over the past five years remained at about 830,000. 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 23.8 per cent.

About half of the employee unions are affiliated to four major labour organisations: the Hong Kong Federation of Trade Unions (190 unions), Federation of Hong Kong and Kowloon Labour Unions (89 unions), Hong Kong Confederation of Trade Unions (80 unions), and 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 2016, it dealt with 923 claims and granted awards amounting to \$2.16 million.

Labour Tribunal

The Labour Tribunal is part of the Judiciary. It 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 2016, 4,326 cases were filed with the tribunal, of which 4,253 were initiated by employees and 73 by employers. Of these, 92 per cent were referred to the tribunal by the Labour Department. The tribunal dealt with 4,048 cases and granted awards totalling more than \$246 million, or 409 cases and \$45 million more than in 2015.

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 13 and 14 may work in non-industrial establishments under strict rules, while young people aged 15 to 17 may work in industrial establishments, subject to restrictions on their working hours.

Labour inspectors conduct workplace inspections to ensure employers comply with laws which safeguard workers' rights and benefits. The inspectors also check employees' proof of identity and work with the police and Immigration Department to combat illegal employment. In 2016, the three departments carried out 220 joint operations.

Enforcement against Wage Offences

The Labour Department takes active steps to prevent wage defaults. It also pursues 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 2016, the department secured 503 convictions for wage offences and 73 convictions for failure to pay sums awarded by the tribunal or the board. One company director was ordered to perform community service for wage defaults. An employer and another company director were respectively sentenced to imprisonment and community service for wage defaults and failure to pay sums awarded by the tribunal.

Protection of Wages on Insolvency Fund

The fund provides timely relief in the form of ex gratia payment covering outstanding wages, wages in lieu of notice, severance payment, pay for untaken annual leave and pay for untaken statutory holidays to employees affected by their insolvent employers. It is financed mainly by a levy on business registration certificates. In 2016, the fund made ex gratia payments totalling \$80.2 million to 2,429 applicants and recorded a surplus of \$228 million.

Employees' Compensation

The employees' compensation regime in Hong Kong follows the 'no-fault' compensation principle, whereby compensation is payable regardless of whether the injury, prescribed 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 prescribed occupational diseases. An employer must have a valid employees' compensation insurance policy to cover liabilities under the laws, including common law. Labour inspectors conduct workplace inspections to ensure employers have taken out such insurance.

The department helps injured employees and the families of deceased employees get compensation from their employers under the Employees' Compensation Ordinance. It helps employers and employees better understand their rights and obligations under the ordinance through talks, leaflets, the media platform at hospitals and trade unions' journals.

An Employees Compensation Assistance Scheme administered by the Employees Compensation Assistance Fund Board provides assistance payment to injured employees or family members of deceased employees who fail to receive the entitled compensation after exhausting all legal and financially viable means of recovery. The Occupational Deafness Compensation Scheme, administered by the Occupational Deafness Compensation Board, 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. Both schemes are 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. The fund is financed by a levy imposed on the construction and quarrying industries. 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.

Retirement Protection

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

Statutory Minimum Wage

The overall employment market has remained stable since statutory minimum wage was introduced in 2011. Employment earnings of low-income employees have continued to improve. The department widely publicises the Minimum Wage Ordinance and labour inspectors visit businesses to make sure employers comply with the law.

The Minimum Wage Commission is an independent statutory body established under the ordinance. Its main function is to recommend the statutory minimum wage rate to the Chief Executive in Council when required by the Chief Executive to do so. In October, the commission completed its latest review of the rate and submitted its recommendation report for the government's consideration.

Employment Agencies

The 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 3,158 employment agency licences and revoked five in 2016.

Standard Working Hours

The Standard Working Hours Committee comprises a chairman and 23 members from the labour and business sectors, academia, the community and the government. During the year, it completed the Consultation on Working Hours Policy Directions (Second-stage Consultation)

and continued the relevant discussions for preparing its report to the government, with reference to the outcome of its previous work and the views of the community.

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 prevailing market levels. In 2016, 46,401 people from more than 100 countries or territories were hired this way. Entrepreneurs, including start-ups, are 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 its own 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, retraining courses for local workers with help from the Employees Retraining Board.

As at December 2016, 4,769 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 2016, Hong Kong had 351,513 foreign domestic helpers, an increase of 3.3 per cent from 2015. The Philippines and Indonesia respectively accounted for 53.8 per cent and 43.8 per cent of the total number of foreign domestic helpers.

Occupational Safety and Health

The Labour Department improves occupational 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 2016, there were 35,768 occupational injuries, a drop of 18.7 per cent from the 43,979 cases a decade ago. Over the same period, the number of industrial accidents fell from 16,117 to 10,883, a decrease of 32.5 per cent. In 2016, 334 cases of occupational diseases were confirmed, including monaural hearing loss.

Inspection and Enforcement

The 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 at organisations with poor safety records. Special enforcement operations target accident-prone workplaces and trades, such as new construction sites, repair, maintenance, alteration and addition works sites, waste treatment premises, logistics, cargo and container handling workplaces, and food and beverage services. Enforcement is increased in the summer to protect outdoor workers from heatstroke.

In 2016, the department served 2,399 improvement notices on companies and organisations, ordering them to improve safety conditions in their workplaces promptly, and 686 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 department secured 2,144 convictions, resulting in penalties totalling \$24.4 million.

Promotion and Education

The department works with the Occupational Safety and Health Council (OSHC), major trade associations and labour unions to organise campaigns and thematic work safety seminars to promote occupational safety and health awareness among employers and employees in different industries. It also promotes the Occupational Safety Charter and Workplace Hygiene Charter, which urge employers and employees to maintain a safe and healthy environment at their workplaces, and organises safety award schemes for the construction and catering industries. In 2016, the department held 2,097 courses, lectures and talks to help some 68,300 employees better understand occupational safety and health and the relevant laws.

The department also works with the OSHC, Construction Industry Council, employers' associations and workers' unions to promote the prevention of lower limb musculoskeletal disorders to industries such as catering and retail services, and to publicise heatstroke prevention measures at construction sites and other outdoor workplaces.

Occupational Health Clinics

The department provides occupational health services to workers at its occupational health clinics in Kwun Tong and Fanling. It held 10,444 clinical consultations with workers in 2016.

Occupational Safety and Health Council

The OSHC promotes occupational safety and health through training, promotion, consultancy, research and information services. In 2016, it launched a Joyful@Healthy Workplace campaign with the Department of Health encouraging employers and employees to create a healthy and joyful working environment through three main areas: healthy eating, physical activity and mental well-being. Over 330 organisations pledged to support the campaign by signing the Joyful@Healthy Workplace Charter, covering more than 220,000 employees.

The OSHC launched an OSH Star Enterprises Charter to encourage companies to give priority to renovation contractors with good safety standards. It also launched an OSH Star Recycling Enterprise Pilot Scheme to support the sustainable development of the recycling industry with help from the Recycling Fund. The scheme involves providing training, sponsoring the purchase of protective equipment and coaching in safety management. To enhance electric work safety, the OSHC and the Labour Department launched a Portable Residual Current Device Sponsorship Scheme to subsidise small and medium enterprises to buy devices that complied with safety standards.

The OSHC held 2,077 courses on occupational safety and health for 44,508 trainees. Its SH Workshop@School enabled senior secondary students to experience proper safety measures in a simulated workplace. To establish a safety culture at the community level, the OSHC worked with District Councils to disseminate safety and health messages to residents.

Websites

Census and Statistics Department: www.censtatd.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