

## Head 90 — LABOUR DEPARTMENT

**Controlling officer:** the Permanent Secretary for Economic Development and Labour (Labour)/Commissioner for Labour will account for expenditure under this Head.

<b>Estimate 2004–05</b> .....	<b>\$1,176.3m</b>
<b>Establishment ceiling 2004–05</b> (notional annual mid-point salary value) representing an estimated 1 771 non-directorate posts as at 31 March 2004 reducing by 52 posts to 1 719 posts as at 31 March 2005.....	<b>\$628.8m</b>
In addition there will be an estimated 14 directorate posts as at 31 March 2004 and as at 31 March 2005.	
<b>Commitment balance</b> .....	<b>\$3,864.6m</b>

### Controlling Officer's Report

#### Programmes

<p><b>Programme (1) Labour Relations</b>  <b>Programme (2) Employment Services</b>  <b>Programme (3) Safety and Health at Work</b>  <b>Programme (4) Employee Rights and Benefits</b></p>	<p>These programmes contribute to Policy Area 8: Employment and Labour (Secretary for Economic Development and Labour).</p>
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#### Detail

##### Programme (1): Labour Relations

	2002–03 (Actual)	2003–04 (Original)	2003–04 (Revised)	<b>2004–05 (Estimate)</b>
Financial provision# (\$m)	104.1	108.7	109.0 (+0.3%)	<b>106.0</b> (–2.8%)
				(or –2.5% on 2003–04 Original)

# For comparison purpose, the provision for 2002–03 includes relevant provision transferred from the “Employment” programme of former Head 146—Government Secretariat: Education and Manpower Bureau and Economic Development and Labour Bureau (Labour). The provision for 2003–04 includes relevant provision transferred from the “Employment and Labour” programme of former Head 157—Government Secretariat: Economic Development and Labour Bureau (Labour Branch).

#### Aim

- 2 The aim is to foster and maintain harmonious employer and employee relations in the non-government sector.

#### Brief Description

3 The department provides voluntary conciliation service to assist employers and employees to settle their disputes and claims. It promotes understanding of labour laws and encourages good labour management practices.

4 The department is also responsible for the adjudication of minor employment claims and the administration of trade unions.

- 5 The key performance measures in respect of labour relations are:

#### Targets

	Target	2002 (Actual)	2003 (Actual)	<b>2004 (Plan)</b>
waiting time for arranging conciliation meetings for claims .....	within 5 weeks	within 4 to 7 weeks	within 5 weeks	<b>within 5 weeks</b>
waiting time for consultation meeting.....	within 30 mins.	within 30 mins.	within 30 mins.	<b>within 30 mins.</b>

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	Target	2002 (Actual)	2003 (Actual)	2004 (Plan)
processing registration of new trade unions .....	within 4 weeks	within 4 weeks	within 4 weeks	<b>within 4 weeks</b>
processing registration of change of union names/rules.....	within 10 days	within 10 days	within 10 days	<b>within 10 days</b>
waiting time for claims to be adjudicated after filing with Minor Employment Claims Adjudication Board (MECAB) ..	within 5 weeks	within 4 to 5 weeks	within 4 to 5 weeks	<b>within 5 weeks</b>
inspections to trade unions (number of inspections) .....	360	363	364	<b>360</b>

### Indicators

	2002 (Actual)	2003 (Actual)	2004 (Estimate)
labour disputes and claims handled .....	35 254	34 116	<b>34 100</b>
labour disputes and claims with conciliation service rendered# .....	32 652	31 509	<b>31 500</b>
labour disputes and claims resolved through conciliation .....	20 636	20 497	<b>20 500</b>
% of labour disputes and claims resolved through conciliation .....	63.2	65.1	<b>65.1</b>
working days lost from labour disputes known .....	0 <sup>^</sup>	150	<b>N.A. §</b>
consultation meetings held .....	147 861	138 608	<b>138 600</b>
claims adjudicated by MECAB .....	2 692	2 763	<b>2 750</b>
cases on registration of new trade unions and changes of union names/rules .....	138	174	<b>N.A. §</b>

# This figure excludes those labour disputes and claims where conciliation service has not been rendered because the employers concerned are insolvent or cannot be reached for conciliation.

<sup>^</sup> No strike case was recorded in the year.

§ Not applicable.

### Matters Requiring Special Attention in 2004–05

6 Major new plans for 2004–05 include:

- launching a Good People Management Award to promote good people management practices among employers;
- stepping up efforts to promote tripartite co-operation at the industry level;
- enhancing public understanding of the Employment Ordinance by producing a reference kit on its major provisions; and
- promoting good habit of keeping a comprehensive set of employment-related records among employees to enhance protection of their interests under labour laws.

### Programme (2): Employment Services

	2002–03 (Actual)	2003–04 (Original)	2003–04 (Revised)	2004–05 (Estimate)
Financial provision# (\$m)	294.4	469.5	573.6 (+22.2%)	<b>551.6</b> (–3.8%)
				(or +17.5% on 2003–04 Original)

# For comparison purpose, the provision for 2002–03 includes relevant provision transferred from the “Employment” programme of former Head 146—Government Secretariat: Education and Manpower Bureau and Economic Development and Labour Bureau (Labour). The provision for 2003–04 includes relevant provision transferred from the “Employment and Labour” programme of former Head 157—Government Secretariat: Economic Development and Labour Bureau (Labour Branch).

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### *Aim*

7 The aim is to provide a comprehensive range of free employment assistance and counselling services to help job-seekers find suitable jobs and employers fill their vacancies.

### *Brief Description*

8 The department provides free employment service to all job-seekers. It provides active assistance and counselling services to the unemployed and the disabled, careers guidance and pre-employment training to young people and also labour market information to all job-seekers, including new arrivals.

9 The department is also responsible for processing applications under the importation of labour schemes and will ensure priority of employment for local workers.

10 To address the mismatch in supply and demand of local domestic helpers (LDHs) arising from geographic locations and working hours and to promote the service of LDHs, the department, in collaboration with the Employees Retraining Board, has launched a scheme to provide incentive allowance to qualified LDHs who are willing to work across districts or during unpopular hours. The scheme, with an allocation of \$60 million, is expected to benefit 8 000 LDHs.

11 In July 2002, the department launched the Youth Work Experience and Training Scheme to provide on-the-job training of six to 12 months for young people aged 15 to 24 with educational attainment below degree level. The aim is to provide 10 000 young people with on-the-job training in two years with a funding of \$400 million. As at the end of 2003, 10 971 trainees secured employment under the Scheme whilst another 7 632 trainees found jobs in the open labour market through the assistance of their case managers under the Scheme.

12 The Youth Pre-employment Training Programme, which provides a wide range of employment-related training to young school-leavers, entered its fifth year. In the past four years, over 45 000 young people have been trained under the Programme. The annual intake is 12 000. As one of the measures to ease high unemployment and to address young people's training needs, an additional 6 000 training places were provided under the Programme in 2003-04.

13 The department launched in 2003 the Re-employment Training Programme for the Middle-aged and the District Employment Programme for the Middle-aged to provide intensive employment service to the long-term unemployed aged over 40. As at the end of 2003, 2 048 and 332 placements were secured respectively.

14 Arising from the outbreak of the Severe Acute Respiratory Syndrome (SARS) in 2003, the department launched two employment-cum-training packages to ease unemployment. Through collaboration with other departments and non-government organisations, the department co-ordinated and oversaw a series of employment and training programmes, which created 53 550 training places and short-term jobs at a cost of \$1.15 billion.

15 Following the outbreak of SARS, the Government established a low-interest Loan Guarantee Scheme (the Scheme) with a commitment of \$3.5 billion approved by the Finance Committee to help needy employers in the worst-hit industries including tourism, restaurants, retail and entertainment businesses to tide over the difficult period and preserve jobs. The department assists in the administration and publicity of the Scheme. At the close of application for the Scheme on 31 July 2003, 1 802 loan applications were received. Of these, 1 559 applications with a total loan amount of \$499,204,781 were approved. The successful applicants employed altogether 18 236 staff.

16 In face of persistently high unemployment, the department vigorously stepped up its employment services for job-seekers. As a result, a record high figure of 66 100 placements was achieved for 2003.

17 The key performance measures in respect of employment services are:

### *Targets*

	Target	2002 (Actual)	2003 (Actual)	2004 (Plan)
display vacancy information upon receipt of request from employers.....	within 24 hrs	within 24 hrs	within 24 hrs	<b>within 24 hrs</b>
arrange job referral upon request for placement assistance from job-seekers...	within 30 mins. of appointment time	within 30 mins. of appointment time	within 30 mins. of appointment time	<b>within 30 mins. of appointment time</b>
arrange in-depth employment counselling session for job-seekers registering for the Job Matching Programme.....	within 1 week	within 1 week	within 1 week	<b>within 1 week</b>
issue employment agency licences.....	within 2 weeks	within 2 weeks	within 2 weeks	<b>within 2 weeks</b>
inspections to employment agencies (number of inspections).....	1 300	1 308	1 364	<b>1 370</b>

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### *Indicators*

	2002 (Actual)	2003 (Actual)	2004 (Estimate)
able-bodied job-seekers			
persons registered .....	208 895	233 070	<b>233 000</b>
placements .....	62 467	66 100	<b>66 000</b>
disabled job-seekers			
persons registered .....	4 225	4 309	<b>4 300</b>
placements .....	2 572	2 442	<b>2 450</b>
young people participating in careers guidance activities .....	974 675	972 475	<b>975 000</b>
employment agency licences issued .....	1 489	1 393	<b>1 480</b>
applications under labour importation schemes processed .....	643	577	<b>580</b>

### *Matters Requiring Special Attention in 2004–05*

**18** Major new plans for 2004–05 include:

- extending the Youth Work Experience and Training Scheme to place an additional 10 000 young people into employment;
- implementing a pilot project to train and assist 1 000 young people aged 18 to 24 to become self-employed;
- promoting the Re-employment Training Programme for the Middle-aged to provide intensive employment service to the long-term unemployed aged over 40;
- promoting the market for LDHs through the LDH Incentive Allowance Scheme;
- staging mini job fairs at the major job centres of the department to facilitate employers and job-seekers to meet and communicate directly so as to expedite the recruitment process;
- installing 40 user-friendly Vacancy Search Terminals in Social Security Field Units of the Social Welfare Department;
- devising effective strategies to facilitate job creation; and
- co-ordinating and monitoring the implementation of employment-related initiatives.

### **Programme (3): Safety and Health at Work**

	2002–03 (Actual)	2003–04 (Original)	2003–04 (Revised)	2004–05 (Estimate)
Financial provision# (\$m)	344.5	345.0	332.2 (–3.7%)	<b>319.2</b> (–3.9%)
				(or –7.5% on 2003–04 Original)

# For comparison purpose, the provision for 2002–03 includes relevant provision transferred from the “Employment” programme of former Head 146—Government Secretariat: Education and Manpower Bureau and Economic Development and Labour Bureau (Labour). The provision for 2003–04 includes relevant provision transferred from the “Employment and Labour” programme of former Head 157—Government Secretariat: Economic Development and Labour Bureau (Labour Branch).

### *Aim*

**19** The aim is to ensure that risks to people’s safety and health at work are minimised by legislation, education and promotion.

### *Brief Description*

**20** This programme includes the enforcement of the Occupational Safety and Health Ordinance (OSHO), the Factories and Industrial Undertakings Ordinance (FIUO) and the Boilers and Pressure Vessels Ordinance (BPVO). A key element in enforcement is the provision of advice on prevention of accidents. Apart from providing training courses, seminars, guide books and other publicity materials to disseminate such information, special promotional visits are conducted to encourage employers to adopt a self-regulatory approach in managing risk at the workplace. Suspension notices will be issued to remove imminent risk to life and limb. Improvement notices will be issued to secure a speedy rectification of irregularities to prevent accidents.

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21 In enforcing the OSHO, the FIUO and the BPVO, the established policy is to target at industries or establishments with poor performance records. Apart from conducting routine inspections, enforcement campaigns targeted at specific risks or accident-prone work situations were organised to arouse the safety awareness of both management and employees. In 2003, enforcement campaigns were conducted in the areas of arc/gas welding and flame cutting, construction, container handling, dangerous plant and machinery and working-at-height.

22 In 2003, the department made 5 635 promotional visits to the workplaces and organised 2 972 promotional activities to help duty-holders understand their statutory obligations. Two large-scale promotional programmes were launched in the catering and construction industries to promote safety awareness. The department also published a series of casebooks to promote the prevention of common occupational diseases.

23 The key performance measures in respect of occupational safety and health at work are:

### *Targets*

	Target	2002 (Actual)	2003 (Actual)	2004 (Plan)
inspections under the FIUO and the OSHO.....	115 400 <sup>^</sup>	131 419	124 833	<b>115 400</b>
inspections per field inspector under the FIUO and the OSHO.....	450	495	476	<b>450</b>
investigation of occupational diseases .....	within 24 hours upon notification	within 24 hours upon notification	within 24 hours upon notification	<b>within 24 hours upon notification</b>
promotional visits to workplaces under the FIUO and the OSHO.....	4 900 <sup>^</sup>	6 195	5 635	<b>4 900</b>
inspections under the BPVO.....	5 680 <sup>†</sup>	6 444	6 494	<b>5 680</b>
inspections per field inspector under the BPVO.....	1 030	1 074	1 082	<b>1 030</b>
processing pressure equipment registration .....	within 3 weeks	within 3 weeks	within 3 weeks	<b>within 3 weeks</b>
talks, lectures, seminars organised.....	2 500	3 201	2 972	<b>2 500</b>

<sup>^</sup> The targets for inspections and promotional visits to workplaces under the FIUO and the OSHO are revised downwards slightly (from 125 000 and 4 950 respectively) to reflect reprioritisation of the department's work programme and deployment of staff to focus on major hazards, including construction, falling from heights, and dangerous machinery.

<sup>†</sup> The target number of inspections under the BPVO is revised downwards slightly (from 6 200) to reflect the further focusing of resources on targeted operations/equipment.

### *Indicators*

	2002 (Actual)	2003 (Actual)	2004 (Estimate)
fatal accidents in industrial undertakings.....	25	24@	N.A.§
non-fatal accidents in industrial undertakings .....	22 428	15 696@	N.A.§
accident rate per 1 000 industrial employees.....	37.4	28.5@	N.A.§
fatal accidents in non-industrial undertakings# .....	185	133@	N.A.§
non-fatal accidents in non-industrial undertakings .....	24 570	22 363@	N.A.§
accident rate per 1 000 employees in non-industrial undertakings.....	13.3	12.3@	N.A.§
investigation of accidents at workplaces .....	12 821	11 866	N.A.§
warnings issued by occupational safety officers.....	37 544	36 394	N.A.§
prosecutions taken.....	2 323	1 800	N.A.§
suspension/improvement notices issued .....	2 045	1 440	N.A.§
investigations/surveys/examinations/assessments/clinical consultations on occupational health conducted .....	21 586	18 722	<b>19 000</b>
pressure equipment registered .....	2 075	1 537	<b>1 520</b>
examinations conducted and exemptions granted for the issue or endorsement of certificates of competence.....	603	425	<b>430</b>
warnings issued under the BPVO.....	4 389	4 120	N.A.§

@ The accident statistics for 2003 are provisional as some of the accidents occurred towards the end of the year have yet to be reported to the Labour Department.

§ Not applicable.

# This includes cases which may subsequently be determined to be unrelated to work based on medical and other evidence.

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### *Matters Requiring Special Attention in 2004–05*

24 Major new plans for 2004–05 include:

- launching enforcement and publicity campaigns targeting at working-at-height and scaffolding work in construction sites to ensure that duty-holders comply with safety requirements;
- heightening the occupational safety awareness of employers and employees in the catering industry through a series of promotional activities; enforcing and promulgating new/amended safety regulations by blitz operations, promotional visits and publicity;
- stepping up inspections of hospitals, clinics and elderly homes to ensure the adequate provision of personal protective equipment and the sufficient provision of training on the use of such equipment;
- promoting the Workplace Hygiene Charter in collaboration with the Occupational Safety and Health Council; and
- preparing a new Code of Practice to promulgate the safe use of excavators and issuing Guidance Notes on the use and maintenance of rechargeable battery, chemical safety in the workplace of the printing industry, and noise control in the entertainment industry.

### **Programme (4): Employee Rights and Benefits**

	2002–03 (Actual)	2003–04 (Original)	2003–04 (Revised)	2004–05 (Estimate)
Financial provision# (\$m)	199.9	202.7	202.3 (–0.2%)	199.5 (–1.4%)
				(or –1.6% on 2003–04 Original)

# For comparison purpose, the provision for 2002–03 includes relevant provision transferred from the “Employment” programme of former Head 146—Government Secretariat: Education and Manpower Bureau and Economic Development and Labour Bureau (Labour). The provision for 2003–04 includes relevant provision transferred from the “Employment and Labour” programme of former Head 157—Government Secretariat: Economic Development and Labour Bureau (Labour Branch).

### *Aim*

25 The aim is to safeguard the rights and benefits of employees under labour laws.

### *Brief Description*

26 The department safeguards the rights and benefits of all employees and combats illegal employment through inspection of workplaces and other premises, processing employee compensation claims, administering the Protection of Wages on Insolvency Fund, investigation into complaints relating to the employment of imported workers, and provision of a 24-hour general enquiry telephone service.

27 In 2003, the department adopted a proactive approach in setting up a new Employment Claims Investigation Unit to speed up investigation of wage offences, in detecting wage offences in routine workplace inspections and conducting special campaigns targeted at specific trades. The department also strengthened the collection and analysis of intelligence to mount more joint operations with the Police in combating illegal employment and protecting the job opportunities of local workers.

28 Upon the enactment of the Occupational Deafness (Compensation) (Amendment) Ordinance 2003, improvements were also made to the benefit items for employees who suffer from noise-induced hearing loss as a result of employment.

29 The department continued to steer and monitor the implementation of recommendations arising from a review of policies on foreign domestic helpers.

30 To promote equal employment opportunities, the department launched publicity campaigns to arouse public awareness of the importance of removing age discrimination in employment.

31 The key performance measures in respect of employee rights and benefits are:

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### *Targets*

	Target	2002 (Actual)	2003 (Actual)	2004 (Plan)
inspections to workplaces .....	130 000@	162 417	156 919@	<b>130 000@</b>
inspections per field labour inspector .....	850@	1 055	1 019@	<b>850@</b>
waiting time for sick leave clearance with the Occupational Medicine Unit for injured employees .....	within 30 mins. of appointment time	within 30 mins. of appointment time	within 30 mins. of appointment time	<b>within 30 mins. of appointment time</b>
issue certificates of compensation assessment .....	within 3 weeks	within 3 weeks	within 3 weeks	<b>within 3 weeks</b>
effect payment in respect of applications to the Protection of Wages on Insolvency Fund .....	within 10 weeks	within 10 weeks	within 10 weeks	<b>within 10 weeks</b>

@ With the launching of more targeted operations to detect wage offence and more intelligence-based joint operations with the Police to combat illegal employment, more effort was needed for intelligence collection and analysis as well as planning and investigation under the new enforcement mode in 2003. The number of inspections to workplaces and inspections per field inspector dropped as a result. The decline in the number of inspections will continue in 2004. The targets for 2004 are revised accordingly to reflect reprioritisation of inspection work and further focusing on targeted operations.

### *Indicators*

	2002 (Actual)	2003 (Actual)	2004 (Estimate)
warnings issued .....	525	551	<b>N.A.§</b>
prosecutions taken .....	3 172	3 512	<b>N.A.§</b>
general telephone enquiries handled.....	1 266 039	1 187 809#	<b>1 200 000</b>
sick leave clearance interviews for injured employees conducted.....	56 679	50 798^	<b>51 000</b>
employee compensation claims processed .....	59 448	53 770^	<b>54 000</b>
applications for payment under the Protection of Wages on Insolvency Fund processed .....	20 157	22 042	<b>27 000@</b>
cases related to imported workers investigated .....	117	53†	<b>N.A.§</b>

§ Not applicable.

# With the deployment of more operators to the department's Intelligent Call Centre since the second quarter of 2002, the rate of successful connection increased and enquirers did not have to make repeated calls. This probably led to the drop in the number of general enquiries received in 2003.

^ The decrease reflects the reduction in the number of occupational injuries in 2003.

@ With additional manpower provided for the Wage Security Unit in the fourth quarter of 2003, more applications for ex-gratia payment from the Protection of Wages on Insolvency Fund would be processed.

† The decrease in the number of cases investigated was due to the reduction in the number of workers imported under the Supplementary Labour Scheme.

### *Matters Requiring Special Attention in 2004–05*

32 Major new plans for 2004–05 include:

- introducing legislative amendments and administrative measures to recognise certification by registered Chinese medicine practitioners for entitlement to employee benefits under labour legislation and administrative scheme;
- promoting good practices in maintaining medical records and issuance of certificates by registered Chinese medicine practitioners to pave the way for recognising them under labour legislation; and
- sustaining intelligence-based enforcement efforts and strengthening educational efforts to combat illegal employment.

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### ANALYSIS OF FINANCIAL PROVISION

Programme	2002-03 (Actual) (\$m)	2003-04 (Original) (\$m)	2003-04 (Revised) (\$m)	2004-05 (Estimate) (\$m)
(1) Labour Relations.....	104.1	108.7	109.0	106.0
(2) Employment Services .....	294.4	469.5	573.6	551.6
(3) Safety and Health at Work.....	344.5	345.0	332.2	319.2
(4) Employee Rights and Benefits.....	199.9	202.7	202.3	199.5
	942.9	1,125.9	1,217.1 (+8.1%)	1,176.3 (-3.4%)
				(or +4.5% on 2003-04 Original)

#### Analysis of Financial and Staffing Provision

##### Programme (1)

Provision for 2004-05 is \$3.0 million (2.8%) lower than the revised estimate for 2003-04. This is mainly due to the effect of the 2004 and 2005 civil service pay cut and the net deletion of two posts in 2004-05.

##### Programme (2)

Provision for 2004-05 is \$22.0 million (3.8%) lower than the revised estimate for 2003-04. This is mainly due to the completion of the Skills Enhancement Project in 2003-04, the effect of the 2004 and 2005 civil service pay cut and the net deletion of two posts in 2004-05, partly offset by increased provision for Youth Pre-employment Training Programme and increased cash flow requirements for various time-limited programmes.

##### Programme (3)

Provision for 2004-05 is \$13.0 million (3.9%) lower than the revised estimate for 2003-04. This is mainly due to the effect of the 2004 and 2005 civil service pay cut, the net deletion of 23 posts in 2004-05 and the cessation, with effect from 2004-05, of financial assistance to government departments and subvented bodies for helping them comply with occupational safety and health standards.

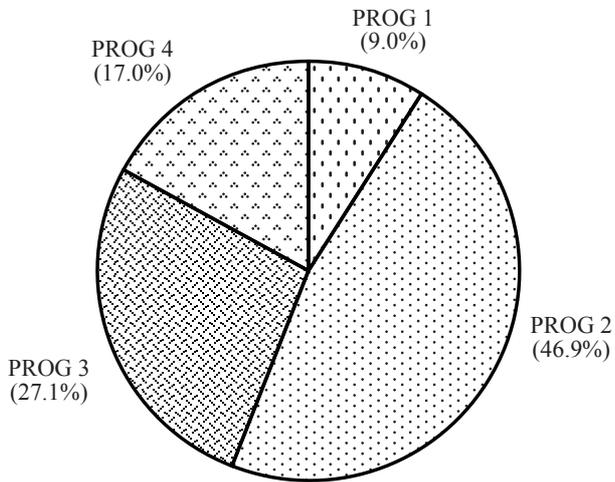
##### Programme (4)

Provision for 2004-05 is \$2.8 million (1.4%) lower than the revised estimate for 2003-04. This is mainly due to the effect of the 2004 and 2005 civil service pay cut and the net deletion of 25 posts in 2004-05.

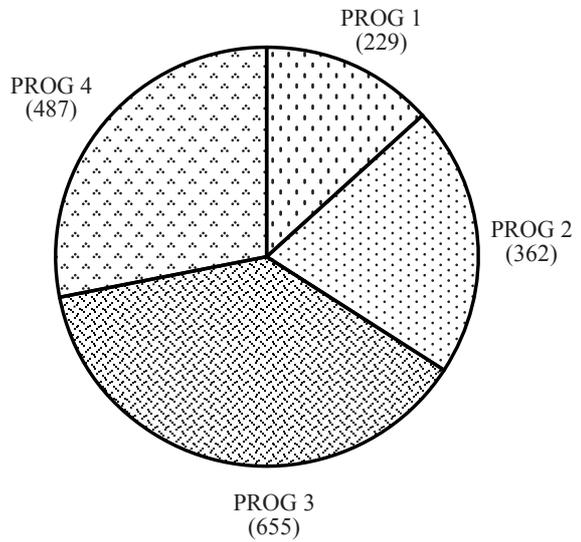
**Head 90 — LABOUR DEPARTMENT**

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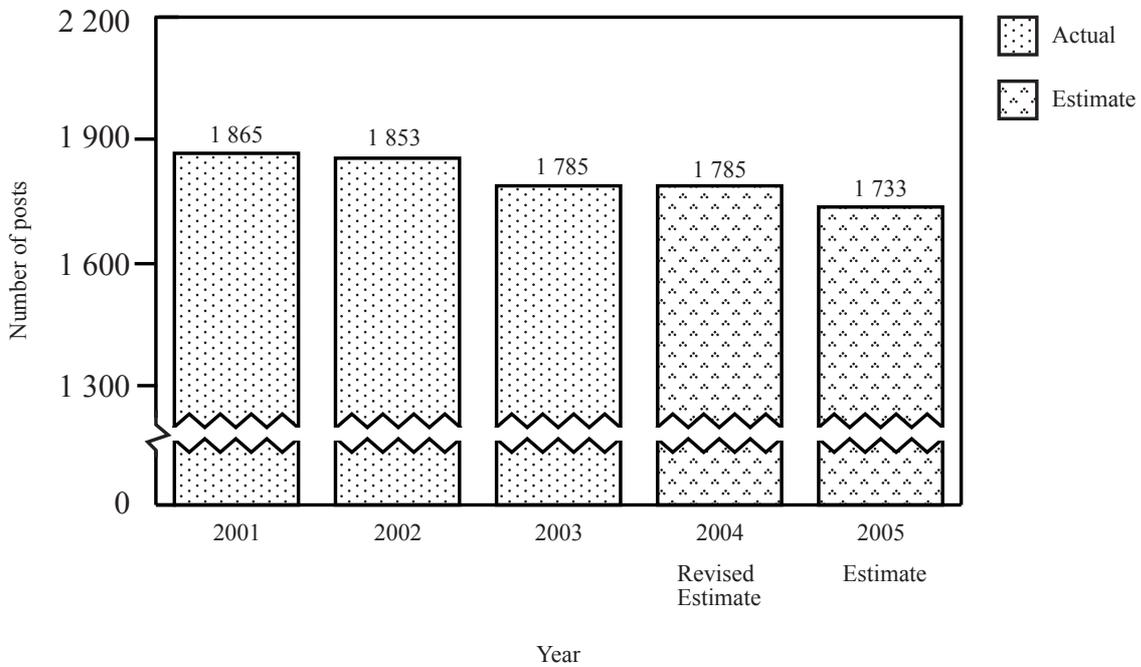
*Allocation of provision  
to programmes  
(2004-05)*



*Staff by programme  
(as at 31 March 2005)*



*Changes in the size of the establishment  
(as at 31 March)*



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Sub-head (Code)	Actual expenditure 2002-03	Approved estimate 2003-04	Revised estimate 2003-04	<b>Estimate 2004-05</b>	
	\$'000	\$'000	\$'000	<b>\$'000</b>	
<b>Operating Account</b>					
Recurrent					
000	Operational expenses.....	840,949	888,158	876,968	<b>900,806</b>
280	Contribution to the Occupational Safety and Health Council .....	4,587	5,345	5,450	<b>5,450*</b>
295	Contribution to the Occupational Deafness Compensation Board.....	4,714	3,261	3,270	<b>3,270*</b>
	Total, Recurrent .....	<u>850,250</u>	<u>896,764</u>	<u>885,688</u>	<u><b>909,526</b></u>
Non-Recurrent					
700	General non-recurrent.....	81,170	194,842	329,377	<b>266,728</b>
	Total, Non-Recurrent .....	<u>81,170</u>	<u>194,842</u>	<u>329,377</u>	<u><b>266,728</b></u>
	Total, Operating Account.....	<u>931,420</u>	<u>1,091,606</u>	<u>1,215,065</u>	<u><b>1,176,254</b></u>
<b>Capital Account</b>					
Plant, Equipment and Works					
	Minor plant, vehicles and equipment (block vote).....	604	—	—	—
	Total, Plant, Equipment and Works .....	<u>604</u>	<u>—</u>	<u>—</u>	<u>—</u>
	Total, Capital Account .....	<u>604</u>	<u>—</u>	<u>—</u>	<u>—</u>
	Total Expenditure.....	<u><u>932,024</u></u>	<u><u>1,091,606</u></u>	<u><u>1,215,065</u></u>	<u><u><b>1,176,254</b></u></u>

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### Details of Expenditure by Subhead

The estimate of the amount required in 2004–05 for the salaries and expenses of the Labour Department is \$1,176,254,000. This represents a decrease of \$38,811,000 against the revised estimate for 2003–04 and an increase of \$244,230,000 over actual expenditure in 2002–03.

#### Operating Account

##### Recurrent

**2** Provision of \$900,806,000 under *Subhead 000 Operational expenses* is for the salaries, allowances and other operating expenses of the Labour Department.

**3** The establishment as at 31 March 2004 will be 1 785 permanent posts. It is expected that there will be a net deletion of 52 permanent posts in 2004–05. Subject to certain conditions, the controlling officer may under delegated power create or delete non-directorate posts during 2004–05, but the notional annual mid-point salary value of all such posts must not exceed \$628,826,000.

**4** An analysis of the financial provision under *Subhead 000 Operational expenses* is as follows:

	2002–03 (Actual) (\$'000)	2003–04 (Original) (\$'000)	2003–04 (Revised) (\$'000)	2004–05 (Estimate) (\$'000)
Personal Emoluments				
- Salaries.....	707,449	719,268	700,769	<b>690,426</b>
- Allowances.....	10,754	10,463	11,217	<b>9,562</b>
- Job-related allowances .....	28	3	3	<b>3</b>
Personnel Related Expenses				
- Mandatory Provident Fund contribution.....	—	327	336	<b>348</b>
Departmental Expenses				
- General departmental expenses.....	116,634	142,638	140,073	<b>190,461</b>
Other Charges				
- Expenses for employment and labour- related initiatives#.....	—	—	9,750	—
- Campaigns, exhibitions and publicity .....	6,084	15,459	11,206	<b>10,006</b>
- Expenses for improved occupational safety and health standards .....	—	—	3,614	—
	840,949	888,158	876,968	<b>900,806</b>

# This expenditure item on employment and labour-related initiatives was attributable to the former Labour Branch. With the merging of the Labour Branch and the Labour Department, the relevant expenses will, with effect from 2004–05, be charged to the items on General Departmental Expenses and Campaigns, Exhibitions and Publicity as appropriate.

**5** Provision of \$5,450,000 under *Subhead 280 Contribution to the Occupational Safety and Health Council* is to meet the annual contribution to the Occupational Safety and Health Council. The amount of contribution is currently based on a proportion of the amount of levy received by the Council, with the proportion equivalent to the ratio of the size of the civil service to the working population in Hong Kong.

**6** Provision of \$3,270,000 under *Subhead 295 Contribution to the Occupational Deafness Compensation Board* is to meet the annual contribution to the Occupational Deafness Compensation Board under a similar arrangement as for the Occupational Safety and Health Council.

## Head 90 — LABOUR DEPARTMENT

### Commitments

Sub-head (Code)	Item (Code)	Ambit	Approved commitment	Accumulated expenditure to 31.3.2003	Revised estimated expenditure for 2003-04	Balance
			\$'000	\$'000	\$'000	\$'000
<b><i>Operating Account</i></b>						
700		<i>General non-recurrent</i>				
	050	Loan guarantee scheme for Severe Acute Respiratory Syndrome impacted industries .....	3,500,000	—	3,380	3,496,620
	531	Trial placement scheme for people with a disability.....	1,400	480	450	470
	532	Youth work experience and training scheme .....	400,000	29,586	123,338	247,076
	534	Re-employment training programme for the middle-aged .....	60,000	—	6,400	53,600
	536	Incentive allowance for local domestic helpers.....	60,000	—	8,000	52,000
	537	Graduate employment training programme .....	26,000	—	13,526	12,474
	538	Provision of job opportunities through improvement in environmental hygiene in public housing estates.....	23,000	—	20,640	2,360
		Total.....	<u>4,070,400</u>	<u>30,066</u>	<u>175,734</u>	<u>3,864,600</u>