

Head 90 — LABOUR DEPARTMENT

Controlling officer: the Commissioner for Labour will account for expenditure under this Head.

Estimate 2009–10	\$1,134.2m
Establishment ceiling 2009–10 (notional annual mid-point salary value) representing an estimated 1 839 non-directorate posts as at 31 March 2009 rising by seven posts to 1 846 posts as at 31 March 2010.	\$713.4m
In addition, there will be an estimated 14 directorate posts as at 31 March 2009 and as at 31 March 2010.	
Commitment balance	\$3,965.0m

Controlling Officer's Report

Programmes

Programme (1) Labour Relations
Programme (2) Employment Services
Programme (3) Safety and Health at Work
Programme (4) Employee Rights and Benefits

These programmes contribute to Policy Area 8: Employment and Labour (Secretary for Labour and Welfare).

Detail

Programme (1): Labour Relations

	2007–08 (Actual)	2008–09 (Original)	2008–09 (Revised)	2009–10 (Estimate)
Financial provision (\$m)	111.9	119.5	120.6 (+0.9%)	122.4 (+1.5%)
				(or +2.4% on 2008–09 Original)

Aim

- 2 The aim is to foster and maintain harmonious employer-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 people management practices.

4 The Department promotes family-friendly employment practices with a view to assisting employees to maintain a balance between work and family responsibilities. Weekly newspaper supplements were published between July and November 2008 to showcase exemplary examples on the adoption of family-friendly employment practices as well as other good people management measures. The supplements were consolidated into a booklet in February 2009 for distribution to employers, employer associations, human resources practitioners and trade unions. In addition, the Department continues to run roving exhibitions territory-wide to widely publicise the theme and increase public awareness.

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

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

Targets

	Target	2007 (Actual)	2008 (Actual)	2009 (Plan)
waiting time for conciliation meetings for claims	within 5 weeks	within 5 weeks	within 5 weeks	within 5 weeks
waiting time for consultation meetings	within 30 mins.	within 30 mins.	within 30 mins.	within 30 mins.

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	Target	2007 (Actual)	2008 (Actual)	2009 (Plan)
processing registration of new trade unions	within 4 weeks	within 4 weeks	within 4 weeks	within 4 weeks
processing registration of changes of union names/rules	within 10 days	within 10 days	within 10 days	within 10 days
waiting time for claims to be adjudicated after filing with the Minor Employment Claims Adjudication Board (MECAB)	within 5 weeks	within 5 weeks	within 5 weeks	within 5 weeks
inspections to trade unions	360	370	373	360

Indicators

	2007 (Actual)	2008 (Actual)	2009 (Estimate)
labour disputes and claims handled	21 822	20 743	21 000
labour disputes and claims with conciliation service rendered#	20 881	19 781	20 000
labour disputes and claims resolved through conciliation	14 973	14 388	14 400
labour disputes and claims resolved through conciliation (%)	71.7	72.7	72.0
working days lost from labour disputes known	8 027	1 408 [^]	N.A.[@]
consultation meetings held	85 168	83 897	84 000
claims adjudicated by the MECAB	2 276	2 044 ^φ	2 200
cases on registration of new trade unions and changes of union names/rules	154	174 ^Ψ	N.A.[@]

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

[^] The figure for 2008 recorded a significant decrease as compared with that for 2007 which was exceptionally high due to the occurrence of the month-long bar-benders' strike.

[@] Not possible to estimate.

^φ The decrease in 2008 was attributed to a reduction in the number of cases referred to the MECAB for adjudication.

^Ψ The increase in 2008 was mainly attributed to changes of union rules.

Matters Requiring Special Attention in 2009–10

7 Major new plans for 2009–10 include:

- preparing for legislative amendments to enhance the enforcement of Labour Tribunal awards; and
- continuing to promote enlightened employment practices.

Programme (2): Employment Services

	2007–08 (Actual)	2008–09 (Original)	2008–09 (Revised)	2009–10 (Estimate)
Financial provision (\$m)	326.5	356.4	397.7 (+11.6%)	424.3 (+6.7%)
				(or +19.1% on 2008–09 Original)

Aim

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

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Brief Description

9 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, pre-employment and on-the-job training to young people as well as labour market information to all job seekers, including new arrivals and ethnic minorities.

10 The Department is also responsible for processing applications under the Supplementary Labour Scheme (SLS) and ensures priority of employment for local workers.

11 The one-year pilot Transport Support Scheme (TSS) was reviewed in February 2008. In July 2008, the Department implemented a number of relaxation measures under the TSS to encourage the needy unemployed and low-income employees living in four remote districts to find jobs and stay in employment. As at the end of 2008, the total number of applicants admitted under the TSS was 26 084. The funds disbursed totalled \$58.1 million and the commitment for the approved cases stood at \$203.5 million.

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

Targets

	Target	2007 (Actual)	2008 (Actual)	2009 (Plan)
displaying vacancy information upon receipt of request from employers	within 24 hours	within 24 hours	within 24 hours	within 24 hours
arranging 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	within 30 mins. of appointment time
arranging in-depth employment counselling session for job seekers registering for the Job Matching Programme	within 1 week	within 1 week	within 1 week	within 1 week
issuing employment agency licences	within 2 weeks	within 2 weeks	within 2 weeks	within 2 weeks
inspections to employment agencies	1 300	1 086	1 321	1 300

Indicators

	2007 (Actual)	2008 (Actual)	2009 (Estimate)
able-bodied job seekers			
persons registered	182 069	168 740 ^μ	180 000^α
placements	135 489	146 308	135 000^α
disabled job seekers			
persons registered	3 666	3 327 ^β	3 400^α
placements	2 619	2 490	2 450^α
young people receiving employment and self-employment advisory and support services offered by the Youth Employment Resource Centres (YERCs)	N.A. ^γ	63 636	72 000^Ω
young people participating in careers guidance activities ^Δ	839 414	N.A.	N.A.
employment agency licences issued	1 830	1 949	1 850
applications under the SLS processed	647	662	670

^μ Due to the continuous improvement in the employment market in the first half of 2008, the number of able-bodied job seekers registered for employment service recorded a drop in the first eight months of 2008, contributing to the overall decrease in the number of registrants in the whole year.

^α Due to the economic downturn and contraction of recruitment activities, it is anticipated that the number of able-bodied and disabled job seekers registered for employment service will increase while the number of placements will decrease in 2009.

^β Due to the continuous improvement in the employment market in the first half of 2008, the number of disabled job seekers registered for employment service recorded a drop in the first ten months of 2008, contributing to the overall decrease in the number of registrants in the whole year.

^γ New indicator as from 2008 to reflect the performance of the YERCs.

^Ω The increase in 2009 is due to the operation of the two YERCs in full swing as from March 2008.

^Δ The figure for 2007 included visitors to the careers expo jointly organised by the Department and the Trade Development Council (TDC). With effect from 2008, the TDC has fully taken up the organisation of careers expos for young people. This indicator was replaced by that on the performance of the YERCs.

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Matters Requiring Special Attention in 2009–10

13 Major new plans for 2009–10 include:

- monitoring the implementation of the relaxation measures under the TSS and undertaking if necessary a review one year after the implementation; and
- continuing to identify possible measures to further enhance the effectiveness of the Department's employment services, including those tailor-made for vulnerable groups.

Programme (3): Safety and Health at Work

	2007–08 (Actual)	2008–09 (Original)	2008–09 (Revised)	2009–10 (Estimate)
Financial provision (\$m)	323.6	334.6	343.3 (+2.6%)	355.5 (+3.6%)
				(or +6.2% on 2008–09 Original)

Aim

14 The aim is to ensure that risks to the safety and health of people at work are properly managed by legislation, enforcement, education and publicity efforts.

Brief Description

15 This programme covers 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). It includes the provision of training courses, seminars and advice to stakeholders on the prevention of accidents, and publication of 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 risks at the workplace. Suspension notices will be issued to remove imminent risks to the safety and health of those at work. Improvement notices will be issued to secure speedy rectification of irregularities to prevent accidents.

16 In enforcing the OSHO, the FIUO and the BPVO, the established policy is to target at industries or establishments with poor performance records. In addition to routine inspections, enforcement campaigns targeted at specific risks or accident-prone work situations are organised to enhance compliance with the regulatory framework and internalisation of safety awareness on the part of both the management and employees. In 2008, enforcement campaigns were conducted in the areas of tower crane and mobile plant operations, construction works (with emphasis on work-at-height), building repair and maintenance activities, container handling and storage as well as catering. With the setting up of a central inspection team in the same year, complaints lodged by employees against unsafe practices in their workplaces were investigated promptly to prevent occurrence of work accidents.

17 In 2008, two large-scale promotional programmes were launched to promote safety awareness in the catering and construction industries. Publicity campaigns were also organised to promote work-at-height safety, scaffolding safety and safety of renovation, maintenance, alteration and addition works. To step up monitoring of mandatory safety training courses, a new team was set up in 2008 to conduct surprise inspections and carry out complaint investigations promptly. Where breaches of conditions of approval for running the courses are identified, the team will issue warnings to the relevant course provider. Withdrawal of recognition for running the courses will be considered if serious breaches are detected.

18 The Department also developed an educational kit to promote public awareness of occupational disease prevention and published two guides on workplace lighting assessment and shift work arrangements. In 2008, the Department conducted inspections targeting industrial establishments where chemical and ergonomic hazards were common to collect information on the control measures of such hazards in these establishments and ensure adequate protection of the safety and health of the workers.

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

Targets

	Target	2007 (Actual)	2008 (Actual)	2009 (Plan)
inspections under the FIUO and the OSHO	103 050§	111 933	111 866	103 050
inspections per field inspector under the FIUO and the OSHO	450	487	496	450

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	Target	2007 (Actual)	2008 (Actual)	2009 (Plan)
investigation of occupational diseases	within 24 hours upon notification	within 24 hours upon notification	within 24 hours upon notification	within 24 hours upon notification
promotional visits to workplaces under the FIUO and the OSHO	4 390§	5 626	5 803	4 390
inspections under the BPVO	4 630	4 645	4 706	4 630
inspections per field inspector under the BPVO	1 030	1 032	1 046	1 030
processing registration of pressure equipment	within 3 weeks	within 3 weeks	within 3 weeks	within 3 weeks
organising talks, lectures and seminars	2 100	2 332	2 263	2 100

§ The targets for inspection and promotional visits to workplaces under the FIUO and the OSHO will be revised upwards (from 100 350 and 4 270 respectively) to reflect the increase in the number of officers carrying out such duties as a result of the completion of recruitment exercise in late 2008.

Indicators

	2007 (Actual)	2008 (Actual)	2009 (Estimate)
fatal accidents in industrial undertakings	25	26Φ	N.A.φ
non-fatal accidents in industrial undertakings	16 092	13 836Φ	N.A.φ
accident rate per 1 000 industrial employees	29.3	25.2Φ	N.A.φ
fatal accidents in non-industrial undertakingsλ	147	147Φ	N.A.φ
non-fatal accidents in non-industrial undertakings	27 715	24 907Φ	N.A.φ
accident rate per 1 000 employees in non-industrial undertakings	13.6	11.9Φ	N.A.φ
investigation of accidents at workplaces	11 205	10 913	N.A.φ
warnings issued by occupational safety officers	32 938	32 378	N.A.φ
prosecutions taken	2 196	1 770	N.A.φ
suspension/improvement notices issued	1 619	1 416	N.A.φ
investigations/surveys/examinations/assessments/clinical consultations on occupational health conducted	24 031	24 972	23 500
pressure equipment registered	1 326	1 243v	1 240
examinations conducted and exemptions granted for the issue or endorsement of certificates of competence	374	386	380
warnings issued under the BPVO	2 696	2 988Λ	N.A.φ

Φ The accident statistics for 2008 are provisional as some of the accidents which occurred towards the end of the year have yet to be verified. Besides, figures are subject to change due to data processing and pending accident investigations. In addition, the figures on accident rate per 1 000 employees can only be confirmed when the annual employment figures are provided by Census and Statistics Department in late March 2009.

φ Not possible to estimate.

λ These include cases which medical and other evidence subsequently suggests are unrelated to work.

v The decrease in 2008 was due to a reduction in the number of applications for registration of pressure equipment.

Λ The increase in 2008 was due to the detection of more irregularities.

Matters Requiring Special Attention in 2009–10

20 Major new plans for 2009–10 include:

- stepping up enforcement and launching a publicity campaign targeting renovation, maintenance, alteration and addition (RMAA) works and work-at-height to promote safety awareness and to ensure that duty-holders comply with safety requirements;
- mounting large-scale promotional programmes to raise the safety awareness of stakeholders in the catering and construction industries;
- launching enforcement and promotional efforts to promote wider adoption of the Guidelines on Safety of Tower Cranes, and Safety of Site Vehicles and Mobile Plant promulgated by the Construction Industry Council;
- launching publicity programmes to raise employers' and employees' awareness of the prevention of occupational diseases; and
- enhancing publicity and enforcement efforts to ensure adequate protection of workers from heat stroke at work.

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Programme (4): Employee Rights and Benefits

	2007–08 (Actual)	2008–09 (Original)	2008–09 (Revised)	2009–10 (Estimate)
Financial provision (\$m)	285.0	206.3	216.5 (+4.9%)	232.0 (+7.2%)
				(or +12.5% on 2008–09 Original)

Aim

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

Brief Description

22 The Department safeguards the rights and benefits of all employees and combats illegal employment through inspections to workplaces and other premises, processing employees' compensation claims, administering the Protection of Wages on Insolvency Fund (PWIF), and investigating complaints relating to the employment of imported workers.

23 In 2008, the Department continued its vigorous enforcement against wage offences through speedy investigation of reported offences, conducting trade-targeted campaigns to detect offences, employing former veteran police officers to strengthen its capacity in intelligence gathering and evidence collection, and taking out prompt prosecution against offenders.

24 The Department intensified its effort in collecting and analysing intelligence to enable more targeted operations with the Police and the Immigration Department in combating illegal employment, thus protecting the job opportunities of local workers. The Department also launched publicity programmes to enhance public awareness of the adverse consequences of employing illegal workers.

25 In 2008, the Department organised activities to familiarise stakeholders with the new functions of registered Chinese medicine practitioners in relation to employee benefits under labour laws.

26 The Department has continued its promotional efforts to enhance the understanding of both employers and foreign domestic helpers (FDHs) on their statutory and contractual rights and obligations. Two information kiosks were held in February 2009 and a publicity video with important guidelines on employment of FDHs was screened at public venues.

27 To promote equal employment opportunities, the Department has launched publicity campaigns to enhance public awareness of the importance of eliminating age discrimination in employment.

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

Targets

	Target	2007 (Actual)	2008 (Actual)	2009 (Plan)
inspections to workplaces	120 000	131 818	132 525	137 000
inspections per field labour inspector	820	840	839	820
starting investigation of complaints by labour inspector	within 1 week upon receipt	within 1 week upon receipt	within 1 week upon receipt	within 1 week upon receipt
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	within 30 mins. of appointment time
issuing certificates of compensation assessment	within 3 weeks	within 3 weeks	within 3 weeks	within 3 weeks
effecting payment in respect of applications to the PWIF	within 10 weeks	within 10 weeks	within 10 weeks	within 10 weeks

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Indicators

	2007 (Actual)	2008 (Actual)	2009 (Estimate)
warnings issued	650	539¶	N.A.Ψ
prosecutions taken	3 245	3 057^	N.A.Ψ
sick leave clearance interviews for injured employees conducted	48 214	45 795@	48 000
employee compensation claims processed.....	62 241	59 867	59 000
applications for payment under the PWIF processed	5 789	5 728	5 800
cases related to imported workers investigated	61	66	N.A.Ψ

¶ The decrease in 2008 was due to the detection of fewer irregularities during the inspections.

Ψ Not possible to estimate.

^ The decrease in 2008 was due to the vigorous enforcement action taken and the enhanced promotional efforts made to remind employers of their statutory obligations under labour legislation in previous years.

@ The decrease in 2008 was due to a reduction in the number of injured employees who were required to attend the sick leave clearance interviews.

Matters Requiring Special Attention in 2009–10

29 Major new plans for 2009–10 include:

- preparing for the introduction of statutory minimum wage;
- improving the statutory compensation for persons with occupational deafness under the Occupational Deafness (Compensation) Ordinance; and
- continuing the intelligence-based and proactive strategy to combat illegal employment.

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ANALYSIS OF FINANCIAL PROVISION

Programme	2007-08 (Actual) (\$m)	2008-09 (Original) (\$m)	2008-09 (Revised) (\$m)	2009-10 (Estimate) (\$m)
(1) Labour Relations.....	111.9	119.5	120.6	122.4
(2) Employment Services.....	326.5	356.4	397.7	424.3
(3) Safety and Health at Work.....	323.6	334.6	343.3	355.5
(4) Employee Rights and Benefits.....	285.0	206.3	216.5	232.0
	1,047.0	1,016.8	1,078.1 (+6.0%)	1,134.2 (+5.2%)
				(or +11.5% on 2008-09 Original)

Analysis of Financial and Staffing Provision

Programme (1)

Provision for 2009-10 is \$1.8 million (1.5%) higher than the revised estimate for 2008-09. This is mainly due to salary increments for staff and filling of vacancies.

Programme (2)

Provision for 2009-10 is \$26.6 million (6.7%) higher than the revised estimate for 2008-09. This is mainly due to the increased requirement for providing pre-employment training to young people amid the prevailing economic climate, additional provision arising from the relaxation of the TSS eligibility criteria and subsidy period which took effect in July 2008, salary increments for staff and filling of vacancies, partly offset by the cessation of provision for the Special Incentive Allowance Scheme for local domestic helpers which has ended in 2008-09.

Programme (3)

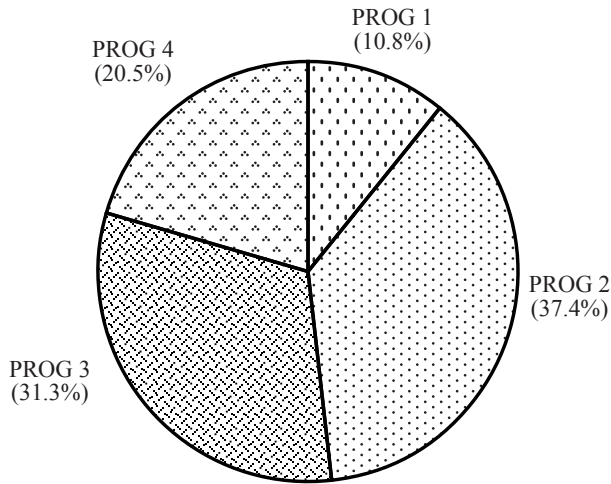
Provision for 2009-10 is \$12.2 million (3.6%) higher than the revised estimate for 2008-09. This is mainly due to the creation of two posts for strengthening safety promotion and enforcement for RMAA works, salary increments for staff and filling of vacancies.

Programme (4)

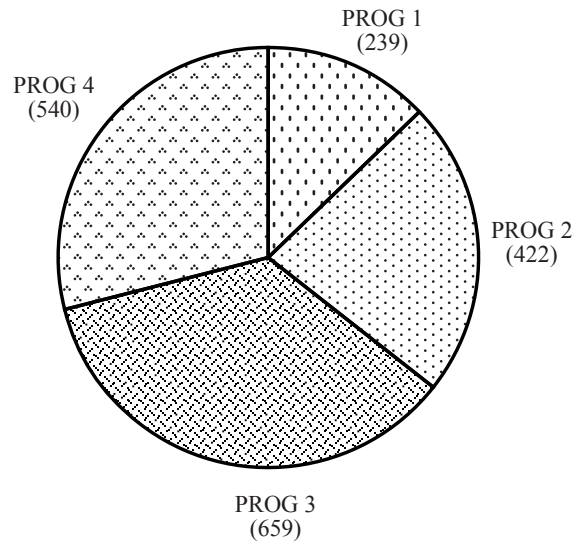
Provision for 2009-10 is \$15.5 million (7.2%) higher than the revised estimate for 2008-09. This is mainly due to the creation of five posts for preparing for the introduction of statutory minimum wage, salary increments for staff and filling of vacancies.

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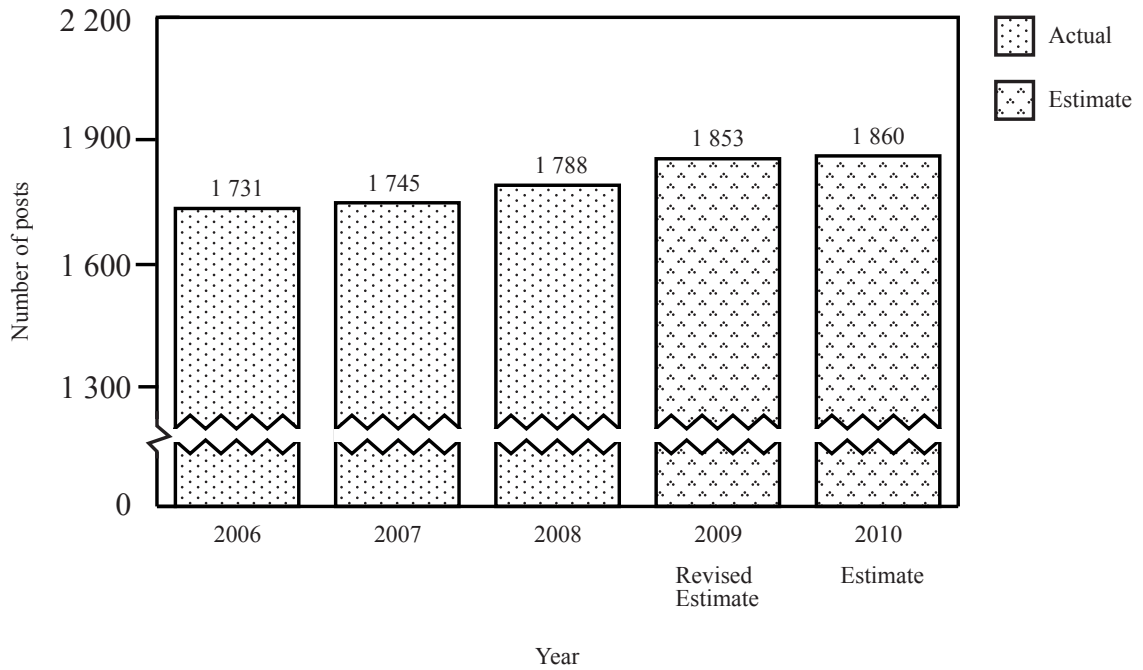
Allocation of provision
to programmes
(2009-10)



Staff by programme
(as at 31 March 2010)



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



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Sub-head (Code)	Actual expenditure 2007-08	Approved estimate 2008-09	Revised estimate 2008-09	Estimate 2009-10	
	\$'000	\$'000	\$'000	\$'000	
Operating Account					
Recurrent					
000	Operational expenses	849,336	914,625	917,206	972,000
280	Contribution to the Occupational Safety and Health Council.....	2,900	3,207	3,207	3,316
295	Contribution to the Occupational Deafness Compensation Board	1,972	2,887	2,887	2,985
	Total, Recurrent.....	<u>854,208</u>	<u>920,719</u>	<u>923,300</u>	<u>978,301</u>
Non-Recurrent					
700	General non-recurrent.....	192,328	96,050	154,763	155,896
	Total, Non-Recurrent.....	<u>192,328</u>	<u>96,050</u>	<u>154,763</u>	<u>155,896</u>
	Total, Operating Account	<u>1,046,536</u>	<u>1,016,769</u>	<u>1,078,063</u>	<u>1,134,197</u>
Capital Account					
Plant, Equipment and Works					
	Minor plant, vehicles and equipment (block vote).....	458	—	—	—
	Total, Plant, Equipment and Works.....	<u>458</u>	<u>—</u>	<u>—</u>	<u>—</u>
	Total, Capital Account.....	<u>458</u>	<u>—</u>	<u>—</u>	<u>—</u>
	Total Expenditure	<u><u>1,046,994</u></u>	<u><u>1,016,769</u></u>	<u><u>1,078,063</u></u>	<u><u>1,134,197</u></u>

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Details of Expenditure by Subhead

The estimate of the amount required in 2009–10 for the salaries and expenses of the Labour Department is \$1,134,197,000. This represents an increase of \$56,134,000 over the revised estimate for 2008–09 and of \$87,203,000 over actual expenditure in 2007–08.

Operating Account

Recurrent

2 Provision of \$972,000,000 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 2009 will be 1 852 permanent posts and one supernumerary post. It is expected that seven posts will be created in 2009–10. Subject to certain conditions, the controlling officer may under delegated power create or delete non-directorate posts during 2009–10, but the notional annual mid-point salary value of all such posts must not exceed \$713,419,000.

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

	2007–08 (Actual) (\$'000)	2008–09 (Original) (\$'000)	2008–09 (Revised) (\$'000)	2009–10 (Estimate) (\$'000)
Personal Emoluments				
- Salaries	683,464	728,928	737,059	786,505
- Allowances	9,572	8,494	9,734	4,102
- Job-related allowances	—	3	3	3
Personnel Related Expenses				
- Mandatory Provident Fund contribution	461	1,885	1,076	2,033
- Civil Service Provident Fund contribution	440	1,175	2,096	2,848
Departmental Expenses				
- General departmental expenses	139,333	160,229	153,241	164,976
Other Charges				
- Campaigns, exhibitions and publicity	16,066	13,911	13,997	11,533
	849,336	914,625	917,206	972,000

5 Provision of \$3,316,000 under *Subhead 280 Contribution to the Occupational Safety and Health Council* is to meet the annual contribution to the Occupational Safety and Health Council (OSHC). 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 \$2,985,000 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 OSHC.

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Commitments

Sub-head (Code)	Item (Code)	Ambit	Approved commitment	Accumulated expenditure to 31.3.2008	Revised estimated expenditure for 2008–09	Balance
			\$'000	\$'000	\$'000	\$'000
<i>Operating Account</i>						
700	<i>General non-recurrent</i>					
050	Loan guarantee scheme for Severe Acute Respiratory Syndrome impacted industries		3,500,000	31,022	300	3,468,678
532	Youth Work Experience and Training Scheme		700,000	435,635	58,000	206,365
534	Re-employment training programme for the middle-aged.....		60,000	37,611	7,700	14,689
891	Pilot Transport Support Scheme.....		365,000	11,940	80,166	272,894
899	Pilot Transport Support Scheme for trainees of Youth Pre-employment Training Programme and Youth Work Experience and Training Scheme		6,250	1,033	2,797	2,420
	Total		<u>4,631,250</u>	<u>517,241</u>	<u>148,963</u>	<u>3,965,046</u>