

Head 90 — LABOUR DEPARTMENT

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

Estimate 2017–18	\$1,953.2m
Establishment ceiling 2017–18 (notional annual mid-point salary value) representing an estimated 2 381 non-directorate posts as at 31 March 2017 rising by 12 posts to 2 393 posts as at 31 March 2018	\$1,188.5m
In addition, there will be an estimated 16 directorate posts as at 31 March 2017 and as at 31 March 2018.	
Commitment balance	\$3,141.6m

Controlling Officer's Report

Programmes

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

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

Detail

Programme (1): Labour Relations

	2015–16 (Actual)	2016–17 (Original)	2016–17 (Revised)	2017–18 (Estimate)
Financial provision (\$m)	157.3	174.2	170.2 (–2.3%)	177.9 (+4.5%)
				(or +2.1% on 2016–17 Original)

Aim

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

Brief Description

3 The Department provides voluntary conciliation service to assist employers and employees to resolve disputes and claims. It promotes understanding of labour laws and encourages good people management (GPM) practices.

4 In 2016, extensive publicity efforts were made to step up the promotion of the Employment Ordinance (Cap. 57) (EO) and GPM practices. Related promotional activities included: launching a series of one-minute radio information segments to publicise the EO and GPM, publishing a series of news supplements to showcase the best practices of employers in implementing GPM, and broadcasting a new set of television and radio Announcements in the Public Interest (APIs) to promote family-friendly employment practices.

5 The Department is 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	2015 (Actual)	2016 (Actual)	2017 (Plan)
waiting time for consultation meetings	within 30 mins.	within 30 mins.	within 30 mins.	within 30 mins.
waiting time for conciliation meetings for claims	within 5 weeks	within 5 weeks	within 5 weeks	within 5 weeks
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

Head 90 — LABOUR DEPARTMENT

	Target	2015 (Actual)	2016 (Actual)	2017 (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
visits to trade unions ϕ	360	367	361	360

ϕ Revised description of the previous target “inspections to trade unions” as from 2017.

Indicators

	2015 (Actual)	2016 (Actual)	2017 (Estimate)
consultation meetings held.....	63 551	63 268	63 300
labour disputes and claims handled.....	14 441	14 727	14 700
labour disputes and claims with conciliation service rendered \wedge	13 962	14 234	14 200
labour disputes and claims resolved through conciliation	10 260	10 370	10 400
labour disputes and claims resolved through conciliation (%)	73.5	72.9	73.2
working days lost from labour disputes known	103	169	169
claims adjudicated by MECAB.....	1 054	923	920
cases of registration of new trade unions and changes of union names/rules	134	119	120

\wedge Excluding labour disputes and claims for which conciliation service is not rendered because the employers concerned are insolvent or cannot be reached.

Matters Requiring Special Attention in 2017–18

7 Major new plans for 2017–18 include:

- pursuing a proposal to amend the reinstatement and re-engagement provisions under the EO, and
- reviewing the implementation of statutory paternity leave and following up on the outcome of the review.

Programme (2): Employment Services

	2015–16 (Actual)	2016–17 (Original)	2016–17 (Revised)	2017–18 (Estimate)
Financial provision (\$m)	833.5	913.9	804.7 (–11.9%)	883.0 (+9.7%)
				(or –3.4% on 2016–17 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 recruit workers.

Brief Description

9 The Department provides free employment service to all job seekers. It provides assistance and counselling services to the unemployed and persons with disabilities; career guidance, pre-employment and on-the-job training to young people; and labour market information to all job seekers, including new arrivals and ethnic minorities. To strengthen the employment support for job seekers with disabilities, the Department engaged a non-governmental welfare organisation under a pilot scheme to provide job seekers in need with psychological and emotional counselling service with effect from September 2016. A dedicated employment e-platform was launched in December 2016 to strengthen employment support for job seekers with higher education, in particular those studying or residing outside Hong Kong.

10 The Department regulates employment agencies (EAs) in Hong Kong through licensing, inspections and complaint investigation. It prosecutes EAs that breach Part XII of the EO and the Employment Agency Regulations (Cap. 57A) including, amongst others, overcharging job seekers commission or operating without a valid licence. To promote the professionalism and service quality of EAs, the Department promulgated a Code of Practice for the industry in January 2017 which sets out the standards which the Commissioner expects from EA operators.

Head 90 — LABOUR DEPARTMENT

11 The Department is also responsible for processing applications under the Supplementary Labour Scheme (SLS) and ensuring priority of employment for local workers in filling SLS vacancies.

12 Moreover, the Department is responsible for discussion of new and expanded Working Holiday Schemes with overseas economies as well as the promotion of the Schemes so that more of our young people can broaden their horizons through temporarily living and working overseas. A new dedicated website was launched in December 2016 to further promote the Schemes.

13 The Work Incentive Transport Subsidy (WITS) Scheme seeks to help relieve the burden of work-related travelling expenses on low-income earners so as to promote sustained employment. The Scheme has since 2013 provided the option of individual-based applications in addition to household-based applications. As at the end of 2016, there were 372 172 applications (of which 168 262 were individual-based), and the funds disbursed totalled \$1,451.3 million.

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

Targets

	Target	2015 (Actual)	2016 (Actual)	2017 (Plan)
displaying vacancy information upon receipt of request from employers	90% of vacancies displayed within 5 working days	93% of vacancies displayed within 5 working days	93% of vacancies displayed within 5 working days	90% of vacancies displayed within 5 working days
arranging job referral upon receipt of request 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
issuing EA licences	within 2 weeks	within 2 weeks	within 2 weeks	within 2 weeks
inspections to EAs	1 800	1 803	1 816	1 800

Indicators

	2015 (Actual)	2016 (Actual)	2017 (Estimate)
able-bodied job seekers			
persons registered	67 221	63 814	64 000
placements	148 347	149 794	150 000
job seekers with disabilities			
persons registered	2 720	2 790	2 700
placements	2 401	2 250	2 300
young people enrolled in the Youth Employment and Training Programme (YETP)Ω	6 741	6 165	6 500
young people receiving employment and self-employment advisory and support services provided by the Youth Employment Resource Centres	73 394	72 661	72 000
EA licences issued	2 775	3 158	3 100
applications under the SLS processed	1 052	1 153	1 200

Ω The YETP operates on a programme year basis, running from September each year to August of the following year. The number of trainees enrolled in 2015 and 2016 refer to the number of trainees enrolled in the 2014/15 programme year and the 2015/16 programme year respectively.

Matters Requiring Special Attention in 2017–18

15 Major new plans for 2017–18 include:

- engaging staff proficient in ethnic minority languages at selected job centres of the Department on a pilot basis to serve ethnic minority job seekers, and
- continuing to seek opportunities of setting up new Working Holiday Schemes with overseas economies and to encourage participation of the Schemes through staging talks at tertiary institutions, and
- providing a one-off extra payment to eligible applicants of the WITS Scheme.

Head 90 — LABOUR DEPARTMENT

Programme (3): Safety and Health at Work

	2015–16 (Actual)	2016–17 (Original)	2016–17 (Revised)	2017–18 (Estimate)
Financial provision (\$m)	477.9	484.0	490.1 (+1.3%)	509.8 (+4.0%)
				(or +5.3% on 2016–17 Original)

Aim

16 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

17 This programme covers the enforcement of the Occupational Safety and Health Ordinance (Cap. 509) (OSHO), the Factories and Industrial Undertakings Ordinance (Cap. 59) (FIUO) and the Boilers and Pressure Vessels Ordinance (Cap. 56) (BPVO). The work undertaken includes the provision of training courses, organisation of seminars and rendering of advice to stakeholders on the prevention of accidents and work hazards, and publication of guide books and other publicity materials. In addition, promotional visits are conducted to encourage employers to take ownership in managing potential risks at the workplace. Statutory suspension notices are issued to remove imminent risks to the safety and health of those at work, improvement notices are issued to secure speedy rectification of irregularities to prevent accidents, and prosecution is taken out to serve as a stern reminder to those who disregard the law and to deter others from committing similar offences.

18 The Department strengthens enforcement against industries or establishments with poor performance records. In addition to regular surprise inspections, special enforcement operations (SEOs) targeted at specific risks or accident-prone work situations are launched. In 2016, SEOs were conducted in several areas, including new works construction (with emphasis on work-at-height, lifting operations and electrical works); renovation, maintenance, alteration and addition (RMAA) works; catering industry; logistics, cargo and container handling works; and waste management works, etc.

19 In 2016, two large-scale promotional programmes were launched to promote safety awareness in the catering and construction industries. Large-scale promotion and publicity campaigns were also organised to raise the safety awareness of work-at-height, electrical works and RMAA works. In collaboration with the Occupational Safety and Health Council (OSHC), a sponsorship scheme was launched to subsidise small and medium enterprises in buying portable residual current devices with a view to enhancing workers' safety when using electrical hand tools.

20 In 2016, publicity and enforcement targeting outdoor workplaces with a higher risk of heat stroke continued. Besides, in collaboration with the OSHC and relevant trade unions, occupational safety and health messages were promoted among professional drivers and workers in the retail, catering and cleansing industries.

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

Targets

	Target	2015 (Actual)	2016 (Actual)	2017 (Plan)
inspections under the FIUO and the OSHO	114 700	130 173	131 339	114 700
inspections per field inspector under the FIUO and the OSHO	450	524	506	450
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	4 860	5 994	5 436	4 860
inspections under the BPVO	4 630	4 748	4 535	4 630
inspections per field inspector under the BPVO	1 030	1 055	1 008	1 030
processing registration of pressure equipment	within 3 weeks	within 3 weeks	within 3 weeks	within 3 weeks
organising talks, lectures and seminars	2 040	2 106	2 097	2 040

Head 90 — LABOUR DEPARTMENT

Indicators

	2015 (Actual)	2016 (Actual)	2017 (Estimate)
fatal accidents in industrial undertakings.....	24	188	N.A.
non-fatal accidents in industrial undertakings.....	11 473	9 973 ^δ	N.A.
accident rate per 1 000 industrial employees.....	18.4	15.8 ^δ	N.A.
fatal accidents in non-industrial undertakings ^Δ	153	169 ^δ	N.A.
non-fatal accidents in non-industrial undertakings.....	24 202	22 859 ^δ	N.A.
accident rate per 1 000 employees in non-industrial undertakings.....	10.4	9.8 ^δ	N.A.
investigation of accidents at workplaces.....	15 046	14 730	15 000
warnings issued by occupational safety officers.....	32 812	31 062	31 000
prosecutions taken.....	2 684	2 605	2 600
suspension/improvement notices issued.....	3 145	3 085	3 100
investigations/surveys/examinations/assessments/clinical consultations on occupational health conducted.....	21 592	22 629	21 800
pressure equipment newly registered.....	1 973	2 404	2 400
examinations conducted and exemptions granted for the issue or endorsement of certificates of competency.....	506	523	520
warnings issued under the BPVO.....	3 438	3 189	3 200

^δ These are provisional accident statistics as some of the accidents which occurred towards the end of the year have yet to be verified. The figures are subject to adjustments pending data analysis and accident investigations.

^Δ These include cases where medical and other evidence suggest to be unrelated to work.

Matters Requiring Special Attention in 2017–18

22 Major new plans for 2017–18 include:

- intensifying systematic preventive and enforcement efforts to tackle fall-from-height hazards and other work hazards in the construction sector, including major works projects and RMAA works; and
- launching safety enhancement initiatives and large-scale promotional programmes to further enhance the awareness and performance of stakeholders in the construction and catering industries on occupational safety and health.

Programme (4): Employees' Rights and Benefits

	2015–16 (Actual)	2016–17 (Original)	2016–17 (Revised)	2017–18 (Estimate)
Financial provision (\$m)	347.2	375.2	380.1 (+1.3%)	382.5 (+0.6%)
				(or +1.9% on 2016–17 Original)

Aim

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

Brief Description

24 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.

25 The Department takes rigorous enforcement action against wage offences, including breaches of the Statutory Minimum Wage (SMW) provisions and wilful defaults of Labour Tribunal or MECAB awards, through speedy investigation into reported offences, conducting trade-targeted campaigns to detect offences, strengthening intelligence gathering and evidence collection, and taking out prompt prosecution.

26 The Department has organised territory-wide publicity activities to assist employers and employees in understanding their respective obligations and entitlements under the SMW system.

27 Targeted operations are mounted with the Police and the Immigration Department to combat illegal employment for protecting the job opportunities of local workers. The Department also launches publicity programmes to enhance public awareness of the serious consequences of employing illegal workers.

Head 90 — LABOUR DEPARTMENT

28 The Standard Working Hours (SWH) Committee was set up in April 2013, with members drawn from the business and labour sectors, academia, community and the Government, to follow up the Government's Policy Study on SWH, engage the public in informed and in-depth discussions on working hours issues, and advise on the working hours situation in Hong Kong, including whether a statutory SWH regime or any other alternatives should be considered. The SWH Committee submitted its report to the Government in January 2017.

29 The Department has continued its educational and promotional efforts in enhancing the understanding of employers and foreign domestic helpers (FDHs) on their statutory and contractual rights and obligations. On-going efforts include, amongst others, collaborating with respective Consulates-General and attending their briefings for new FDHs, staging information kiosks, screening publicity videos and APIs, distributing information packs and souvenirs to FDHs, and placing advertisements in local Filipino and Indonesian newspapers. In 2016, the Department also published a new leaflet on the respective "Do's" and "Don'ts" for FDHs, employers and EAs and introduced a one-stop online platform (www.fdh.labour.gov.hk) on employment of FDHs. Both the leaflet and platform are available in major FDHs' languages so as to facilitate their understanding on their rights and benefits. The Department introduced a safety clause on cleaning outward-facing windows to the Standard Employment Contract for FDHs starting 1 January 2017 to safeguard the occupational safety of FDHs. Publicity and educational efforts have been stepped up as well to raise the public's and FDHs' awareness of household and occupational safety, particularly in respect of the safety precautions to be taken when cleaning outward-facing windows.

30 To promote equal employment opportunities, the Department keeps up its publicity efforts in enhancing public awareness of the importance of eliminating age discrimination in employment.

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

Targets

	Target	2015 (Actual)	2016 (Actual)	2017 (Plan)
inspections to workplaces	140 000§	143 037#	148 968#	147 000
inspections per field labour inspector	780	777	777	780
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 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

§ The target is adjusted from 130 000 to 140 000 as from 2017 to take into account increased figures of workplace inspections.

Out of the total 143 037 workplace inspections in 2015, 14 512 (10.1%) workplaces were locked, 16 769 (11.7%) were removed and 215 (0.2%) were not in operation. Out of the total 148 968 workplace inspections in 2016, 14 707 (9.9%) workplaces were locked, 20 951 (14.1%) were removed and 137 (0.1%) were not in operation.

Indicators

	2015 (Actual)	2016 (Actual)	2017 (Estimate)
warnings issued	544	630	630
prosecutions taken	1 903	1 697	1 700
sick leave clearance interviews for injured employees conducted	45 884	44 992	45 000
employees' compensation claims processed	51 917	51 554	52 000
applications for payment under the PWIF processed	3 227	2 905	3 000
cases related to imported workers under the SLS investigated	62	69	70

Matters Requiring Special Attention in 2017–18

32 Major new plans for 2017–18 include:

- implementing a new SMW rate subject to approval by the Legislative Council, and
- carrying out targeted enforcement action to check employers' compliance with the new SMW rate.

Head 90 — LABOUR DEPARTMENT

ANALYSIS OF FINANCIAL PROVISION

	2015–16 (Actual) (\$m)	2016–17 (Original) (\$m)	2016–17 (Revised) (\$m)	2017–18 (Estimate) (\$m)
Programme				
(1) Labour Relations	157.3	174.2	170.2	177.9
(2) Employment Services.....	833.5	913.9	804.7	883.0
(3) Safety and Health at Work	477.9	484.0	490.1	509.8
(4) Employees' Rights and Benefits	347.2	375.2	380.1	382.5
	1,815.9	1,947.3	1,845.1 (–5.2%)	1,953.2 (+5.9%)
				(or +0.3% on 2016–17 Original)

Analysis of Financial and Staffing Provision

Programme (1)

Provision for 2017–18 is \$7.7 million (4.5%) higher than the revised estimate for 2016–17. This is mainly due to increased operating expenses, filling of vacancies and salary increments for staff.

Programme (2)

Provision for 2017–18 is \$78.3 million (9.7%) higher than the revised estimate for 2016–17. This is mainly due to increased expenditure on employment programmes, increased non-recurrent cash flow requirement for providing a one-off extra payment to eligible applicants of the WITS Scheme, a net increase of six posts, filling of vacancies and salary increments for staff.

Programme (3)

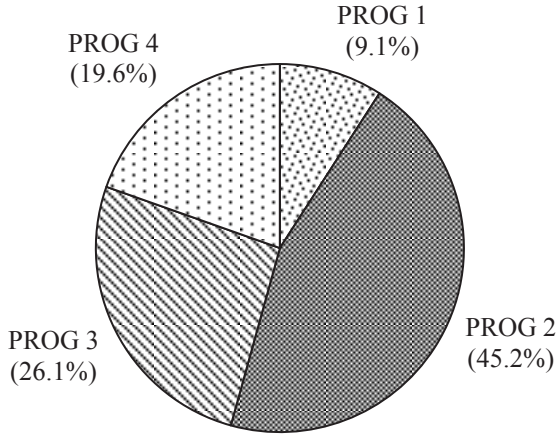
Provision for 2017–18 is \$19.7 million (4.0%) higher than the revised estimate for 2016–17. This is mainly due to increased operating expenses, a net increase of five posts, filling of vacancies and salary increments for staff.

Programme (4)

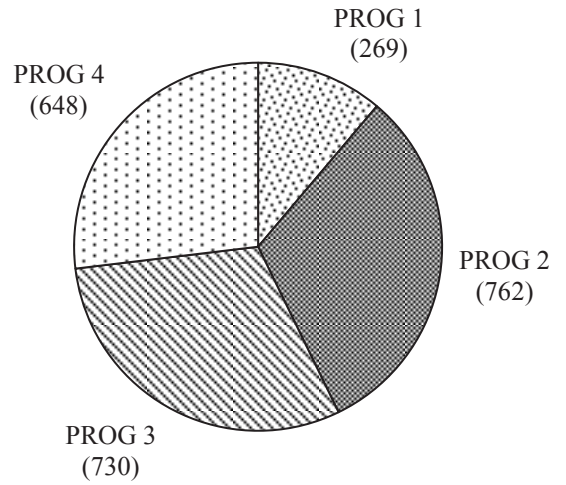
Provision for 2017–18 is \$2.4 million (0.6%) higher than the revised estimate for 2016–17. This is mainly due to a net increase of one post, filling of vacancies and salary increments for staff.

Head 90 — LABOUR DEPARTMENT

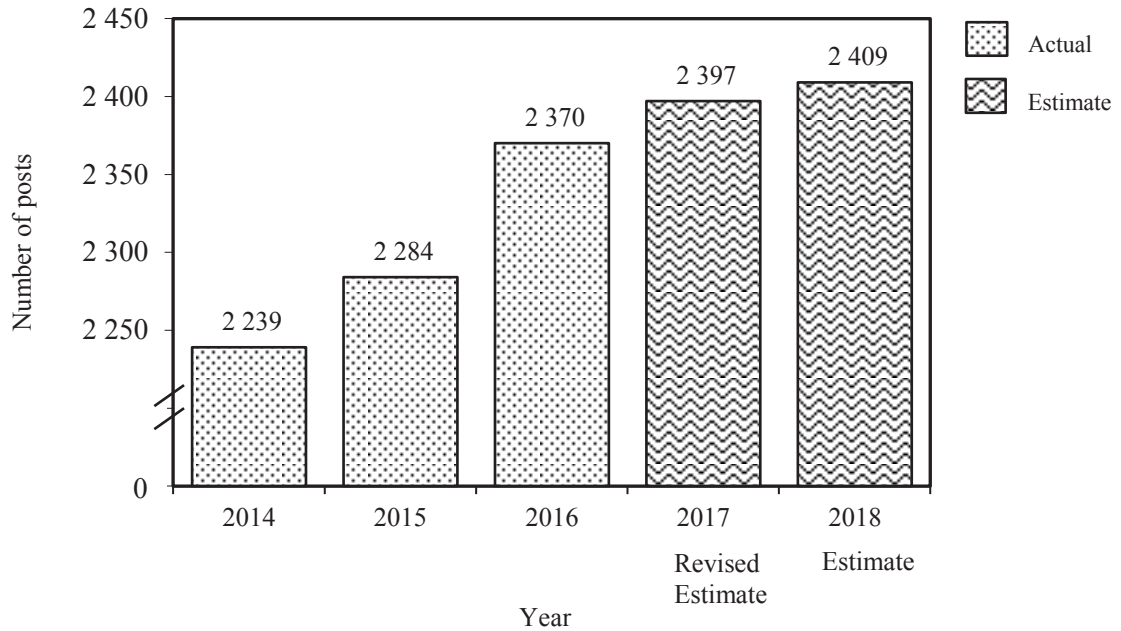
*Allocation of provision
to programmes
(2017-18)*



*Staff by programme
(as at 31 March 2018)*



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



Head 90 — LABOUR DEPARTMENT

Sub-head (Code)	Actual expenditure 2015-16	Approved estimate 2016-17	Revised estimate 2016-17	Estimate 2017-18	
	\$'000	\$'000	\$'000	\$'000	
Operating Account					
Recurrent					
000	Operational expenses	1,461,797	1,574,523	1,551,950	1,631,986
280	Contribution to the Occupational Safety and Health Council.....	6,379	6,668	6,262	6,701
295	Contribution to the Occupational Deafness Compensation Board	2,233	2,334	2,212	2,367
	Total, Recurrent.....	<u>1,470,409</u>	<u>1,583,525</u>	<u>1,560,424</u>	<u>1,641,054</u>
Non-Recurrent					
700	General non-recurrent	345,486	363,767	284,691	312,122
	Total, Non-Recurrent.....	<u>345,486</u>	<u>363,767</u>	<u>284,691</u>	<u>312,122</u>
	Total, Operating Account	<u>1,815,895</u>	<u>1,947,292</u>	<u>1,845,115</u>	<u>1,953,176</u>
	Total Expenditure	<u><u>1,815,895</u></u>	<u><u>1,947,292</u></u>	<u><u>1,845,115</u></u>	<u><u>1,953,176</u></u>

Head 90 — LABOUR DEPARTMENT

Details of Expenditure by Subhead

The estimate of the amount required in 2017–18 for the salaries and expenses of the Labour Department is \$1,953,176,000. This represents an increase of \$108,061,000 over the revised estimate for 2016–17 and \$137,281,000 over the actual expenditure in 2015–16.

Operating Account

Recurrent

2 Provision of \$1,631,986,000 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 2017 will be 2 397 posts including one supernumerary post. It is expected that there will be a net increase of 12 permanent posts in 2017–18. Subject to certain conditions, the controlling officer may under delegated power create or delete non-directorate posts during 2017–18, but the notional annual mid-point salary value of all such posts must not exceed \$1,188,541,000.

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

	2015–16 (Actual) (\$'000)	2016–17 (Original) (\$'000)	2016–17 (Revised) (\$'000)	2017–18 (Estimate) (\$'000)
Personal Emoluments				
- Salaries.....	1,108,555	1,170,417	1,182,730	1,221,894
- Allowances.....	14,586	13,463	12,317	8,217
- Job-related allowances.....	—	3	3	3
Personnel Related Expenses				
- Mandatory Provident Fund contribution.....	3,641	4,587	4,322	5,444
- Civil Service Provident Fund contribution.....	32,327	42,072	40,274	49,577
Departmental Expenses				
- General departmental expenses	259,701	313,312	276,643	313,572
Other Charges				
- Campaigns, exhibitions and publicity.....	42,987	30,669	35,661	33,279
	1,461,797	1,574,523	1,551,950	1,631,986

5 Provision of \$6,701,000 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 OSHC, with the proportion equivalent to the ratio of the size of the civil service to the working population in Hong Kong.

6 Provision of \$2,367,000 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.

Head 90 — LABOUR DEPARTMENT

Commitments

Sub-head (Code)	Item (Code)	Ambit	Approved commitment	Accumulated expenditure to 31.3.2016	Revised estimated expenditure for 2016–17	Balance
			\$'000	\$'000	\$'000	\$'000
<i>Operating Account</i>						
700		<i>General non-recurrent</i>				
	801	Additional provision for Work Incentive Transport Subsidy (WITS) Scheme recipients◇	29,000◇	—	—	29,000
	841	WITS Scheme	4,805,000	1,413,264	281,520	3,110,216
	874	Special Employment Project for Vulnerable Youths	33,000	27,407	3,171	2,422
		Total	<u>4,867,000</u>	<u>1,440,671</u>	<u>284,691</u>	<u>3,141,638</u>

◇ This is a new item, funding for which is sought in the context of the Appropriation Bill 2017.