

## Head 90 —LABOUR DEPARTMENT

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

<b>Estimate 2001–02</b> .....	<b>\$912.5m</b>
<b>Establishment ceiling 2001–02</b> (notional annual mid-point salary value) representing an estimated 1 851 non-directorate posts at 31 March 2001 reducing by 12 posts to 1 839 posts at 31 March 2002..	<b>\$651.3m</b>
In addition there will be an estimated 14 directorate posts at 31 March 2001 and at 31 March 2002.	
<b>Capital Account commitment balance</b> .....	<b>\$188.1m</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 (Secretary for Education and Manpower).</p>
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#### Detail

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

	1999–2000 (Actual)	2000–01 (Approved)	2000–01 (Revised)	2001–02 (Estimate)
Financial provision (\$m)	94.5	95.0 (+0.5%)	99.8 (+5.1%)	<b>100.8</b> <b>(+1.0%)</b>

#### Aim

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

#### Brief Description

- 3 The programme includes:
- the provision of a voluntary conciliation service to assist employers and employees to settle their disputes and claims;
  - the promotion of public understanding of labour laws and good labour management communication and human resources management practices;
  - the adjudication of minor employment claims; and
  - the registration and regulation of trade unions to bring about sound trade union administration and responsible trade unionism.
- 4 The key performance measures in respect of labour relations are:

#### Targets

	Target	1999 (Actual)	2000 (Actual)	2001 (Plan)
waiting time for arranging conciliation meetings for claims .....	within 4 weeks	within 4 to 6 weeks	within 4 to 6 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>
process registration of new trade unions.....	within 4 weeks	within 4 weeks	within 4 weeks	<b>within 4 weeks</b>
process 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>

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	Target	1999 (Actual)	2000 (Actual)	2001 (Plan)
inspection to trade unions .....	360	577	361#	<b>360</b>

# The decrease is due to the adoption of a revised set of criteria for arranging inspections to trade unions since 1 January 2000. The manpower released has been deployed to strengthen consultation and educational services to trade unions.

### Indicators

	1999 (Actual)	2000 (Actual)	2001 (Estimate)
labour disputes and claims handled.....	32 180	28 928	<b>28 930</b>
labour disputes and claims with conciliation service rendered# .....	30 429	27 454	<b>27 450</b>
labour disputes and claims resolved through conciliation .....	18 481	16 971	<b>16 970</b>
percentage of labour disputes and claims resolved through conciliation .....	60.7	61.8	<b>61.8</b>
working days lost from labour disputes known .....	299	934@	<b>N.A.§</b>
consultation meetings held.....	139 694	127 915	<b>127 920</b>
promotional activities undertaken including trade union educational courses .....	1 468	1 487	<b>1 490</b>
claims adjudicated by MECAB.....	2 668	2 640	<b>2 700</b>
registration of trade unions and changes of union names/rules .....	163	162	<b>N.A.§</b>

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

@ The number of strike cases increased from three in 1999 to five in 2000. The increase in the number of working days lost in the year of 2000 was due to a loss of 626 working days in one single case.

§ Not applicable

### Matters Requiring Special Attention in 2001–02

5 Major new plans for 2001–02 include:

- strengthening voluntary co-operation between employers, employees and the government on employment matters at the trade/industry level through tripartite collaboration in producing practical guides on subjects of mutual concern and through organising programmes like seminars and workshops to promote tripartite collaboration;
- strengthening the promotion of workplace consultation and co-operation at the enterprise level by producing a video on workplace consultation for distribution to employers and for use as educational material in seminars and training courses; and producing a new practical guide on workplace co-operation for use by human resource practitioners;
- organising publicity activities to explain to employers and employees the importance of distinguishing employer/employee relationship from contractor/sub-contractor relationship; and
- developing a new computer programme to facilitate trade unions in managing the membership and subscription records of trade union members.

### Programme (2): Employment Services

	1999–2000 (Actual)	2000–01 (Approved)	2000–01 (Revised)	2001–02 (Estimate)
Financial provision (\$m)	145.9	147.7 (+1.2%)	235.3 (+59.3%)	<b>275.1 (+16.9%)</b>

### Aim

6 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

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

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

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

### *Targets*

	Target	1999 (Actual)	2000 (Actual)	2001 (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 .....	1 100	1 100	1 101	<b>1 100</b>

### *Indicators*

	1999 (Actual)	2000 (Actual)	2001 (Estimate)
able-bodied job-seekers			
persons registered .....	188 784	154 194	<b>150 000#</b>
placements @ .....	47 111	59 164	<b>60 000#</b>
disabled job-seekers			
persons registered .....	3 462	3 789	<b>3 800</b>
placements .....	1 511	2 007	<b>2 200</b>
young people participating in careers guidance activities .....	497 574	749 318	<b>750 000</b>
employment agency licences issued .....	1 139	1 335	<b>1 100</b>
applications under labour importation schemes processed.....	1 067	1 082	<b>1 100</b>

# With the opening up of job orders with sufficient information for direct application to job-seekers, and the increased use of employment websites, persons registered for jobs may continue to decline while the placements continue to rise.

@ Same as that of 1999, the actual number of placements for 2000 and the estimated figure for 2001 include both the number of placements achieved directly by the Labour Department and the placements secured by job-seekers through direct job application to employers.

### *Matters Requiring Special Attention in 2001–02*

10 Major new plans for 2001–02 include:

- introducing a pilot scheme for the long-term unemployed aged 40 or above by providing them with intensive careers counselling and job matching service;
- providing hyperlinks from the existing Interactive Employment Service (iES) website of the Labour Department to other employment websites;
- allowing private employment agencies to post the vacancies of their clients on the iES so as to facilitate job-seekers to find jobs and employers to recruit suitable staff;
- implementing a user-friendly registration service for job-seekers through the iES website;
- publicising the new features of the iES among job-seekers and employers and encouraging them to make more extensive use of electronic means for employment service; and
- developing and implementing a new Self-help Integrated Placement Service (SHIPS) programme to improve the job-searching skills of job-seekers with a disability, thereby enhancing their employment opportunities.

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

	1999–2000 (Actual )	2000–01 (Approved)	2000–01 (Revised)	2001–02 (Estimate)
Financial provision (\$m)	317.9	313.4 (–1.4%)	333.4 (+6.4%)	<b>336.0 (+0.8%)</b>

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### Aim

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

### Brief Description

12 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 are issued to remove imminent risk to lives and limbs. Improvement notices are issued to secure a speedy rectification of irregularities to prevent accidents arising from such hazards.

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

### Targets

	Target	1999 (Actual)	2000 (Actual)	2001 (Plan)
inspections under the FIUO and the OSHO.....	125 000	114 895	131 455	<b>125 000</b>
inspections per field inspector under the FIUO and the OSHO.....	450	447.4	470.3	<b>450</b>
investigation of accidents at workplaces .....	11 850	11 394	13 196	<b>11 850</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 workplace under the FIUO and the OSHO.....	4 950	5 277	6 223	<b>4 950</b>
inspections under the BPVO.....	6 200	6 519	6 488	<b>6 200</b>
inspections per field inspector under the BPVO .....	950	1 087	1 081	<b>950</b>
process pressure equipment registration.....	within 3 weeks	within 3 weeks	within 3 weeks	<b>within 3 weeks</b>
talks, lectures, seminars organised .....	2 300#	2 360	2 609	<b>2 300</b>

# This is an improvement over last year's target of 2000 as the Occupational Safety and Health Training Centre will organise more training activities to promote understanding of new safety and health legislation.

### Indicators

	1999 (Actual)	2000 (Actual)	2001 (Estimate)
fatal accidents in industrial undertakings .....	52	41@	N.A.§
non-fatal accidents in industrial undertakings .....	35 934	30 501@	N.A.§
accident rate per 1 000 industrial employees .....	55.1	46.8@	N.A.§
fatal accidents in non-industrial undertakings#.....	183	147@	N.A.§
non-fatal accidents in non-industrial undertakings.....	22 672	22 533@	N.A.§
accident rate per 1 000 employees in non-industrial undertakings .....	12.9	12.3@	N.A.§
warnings issued by occupational safety officers .....	32 650	35 467	N.A.§
prosecutions taken .....	2 916	3 071	N.A.§
suspension/improvement notices issued.....	2 634	2 524	N.A.§
investigations/surveys/examinations/assessments/clinical consultations on occupational health conducted.....	16 448	19 198	<b>18 000</b>
pressure equipment registered.....	2 095	2 342	<b>2 200</b>
examinations conducted and exemptions granted, for the issue or endorsement of certificates of competence.....	444	581	<b>500</b>
warnings issued under the BPVO .....	4 475	4 957	N.A.§

@ The accident statistics for 2000 are provisional as some of the accidents that occurred towards the end of the year have yet to be reported to the Labour Department.

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

§ Not applicable

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### *Matters Requiring Special Attention in 2001–02*

14 Major new plans for 2001–02 include:

- developing a management information system to improve operational efficiency and delivery of services to the public;
- introducing a new regulation under the Factories and Industrial Undertakings Ordinance to improve work safety by requiring operators of gas welding and flame cutting equipment to undergo safety training and to obtain a certificate; and
- preparing new Codes of Practice to promulgate safety and health standards in safety management, bamboo scaffold safety, metal scaffold safety and container handling safety in container yards.

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

	1999–2000 (Actual)	2000–01 (Approved)	2000–01 (Revised)	<b>2001–02 (Estimate)</b>
Financial provision (\$m)	197.0	196.0 (–0.5%)	199.5 (+1.8%)	<b>200.6 (+0.6%)</b>

### *Aim*

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

### *Brief Description*

16 The department safeguards the rights and benefits of all employees 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.

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

#### *Targets*

	Target	1999 (Actual)	2000 (Actual)	<b>2001 (Plan)</b>
inspections to workplaces .....	161 000	161 910	162 640	<b>163 000</b>
inspections per field labour inspector.....	994	1 051	1 056	<b>1 056</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>

#### *Indicators*

	1999 (Actual)	2000 (Actual)	<b>2001 (Estimate)</b>
warnings issued .....	464	676†	<b>N.A.§</b>
prosecutions taken .....	4 138	4 812†	<b>N.A.§</b>
general telephone enquiries handled.....	1 491 846	1 352 846@	<b>1 300 000</b>
sick leave clearance interviews for injured employees conducted.....	79 754	75 515	<b>75 000</b>
employee compensation claims processed.....	71 009	71 708	<b>72 000</b>
applications for payment under the Protection of Wages on Insolvency Fund processed.....	15 802	13 582#	<b>13 000</b>
cases related to imported workers investigated.....	234	164^	<b>170</b>

† As a result of stepping up inspections to commercial buildings and new shopping centres in 2000, more offences were detected on non-display of insurance notice at workplace and on failure to grant statutory holidays.

§ Not applicable

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- @ The number of general enquiries handled dropped because the new Intelligent Call Centre set up in June 1999 is more user-friendly and effective, thus reducing the number of repeated calls.
- # The decrease in the number of applications processed in 2000 is due to the reduced number of applications received during the year as a result of the gradual recovery of the economy.
- ^ The decrease in cases investigated is consequent to the drop in the number of workers imported under the Supplementary Labour Scheme.

### *Matters Requiring Special Attention in 2001–02*

**18** Major new plans for 2001–02 include:

- introducing changes to the Employees Compensation Assistance Scheme to enable it to be financially viable in the long run;
- consulting relevant parties with a view to taking forward the recommendations of the study on the feasibility of recognising Chinese medicine under labour legislation; and
- considering legislative amendments to the Employees' Compensation Ordinance with a view to streamlining its operation.

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### ANALYSIS OF FINANCIAL PROVISION

Programme	1999–2000 (Actual) (\$m)	2000–01 (Approved) (\$m)	2000–01 (Revised) (\$m)	2001–02 (Estimate) (\$m)
(1) Labour Relations .....	94.5	95.0	99.8	<b>100.8</b>
(2) Employment Services .....	145.9	147.7	235.3	<b>275.1</b>
(3) Safety and Health at Work .....	317.9	313.4	333.4	<b>336.0</b>
(4) Employee Rights and Benefits .....	197.0	196.0	199.5	<b>200.6</b>
	755.3	752.1 (–0.4%)	868.0 (+15.4%)	<b>912.5</b> <b>(+5.1%)</b>

#### Analysis of Financial and Staffing Provision

##### Programme (1)

Provision for 2001–02 is \$1.0 million (1.0%) higher than the revised estimate for 2000–01. This is mainly due to the salary increments for existing staff and full-year provision for vacant posts filled in 2000–01.

##### Programme (2)

Provision for 2001–02 is \$39.8 million (16.9%) higher than the revised estimate for 2000–01. This is mainly due to the increase in requirement for implementing the youth pre-employment training programme and the pilot project for the long-term unemployed, partly offset by the deletion of five posts, of which two posts are deleted as part of the Enhanced Productivity Programme.

##### Programme (3)

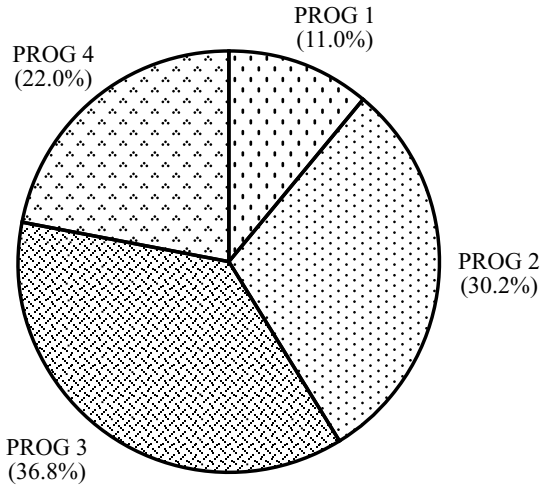
Provision for 2001–02 is \$2.6 million (0.8%) higher than the revised estimate for 2000–01. This is mainly due to the salary increments for existing staff and full-year provision for vacant posts filled in 2000–01, partly offset by the deletion of five posts as part of the Enhanced Productivity Programme.

##### Programme (4)

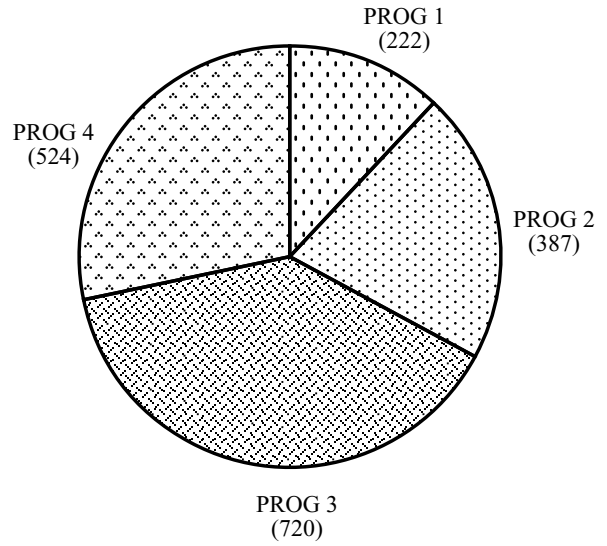
Provision for 2001–02 is \$1.1 million (0.6%) higher than the revised estimate for 2000–01. This is mainly due to the salary increments for existing staff and full-year provision for vacant posts filled in 2000–01, partly offset by the deletion of two posts as part of the Enhanced Productivity Programme.

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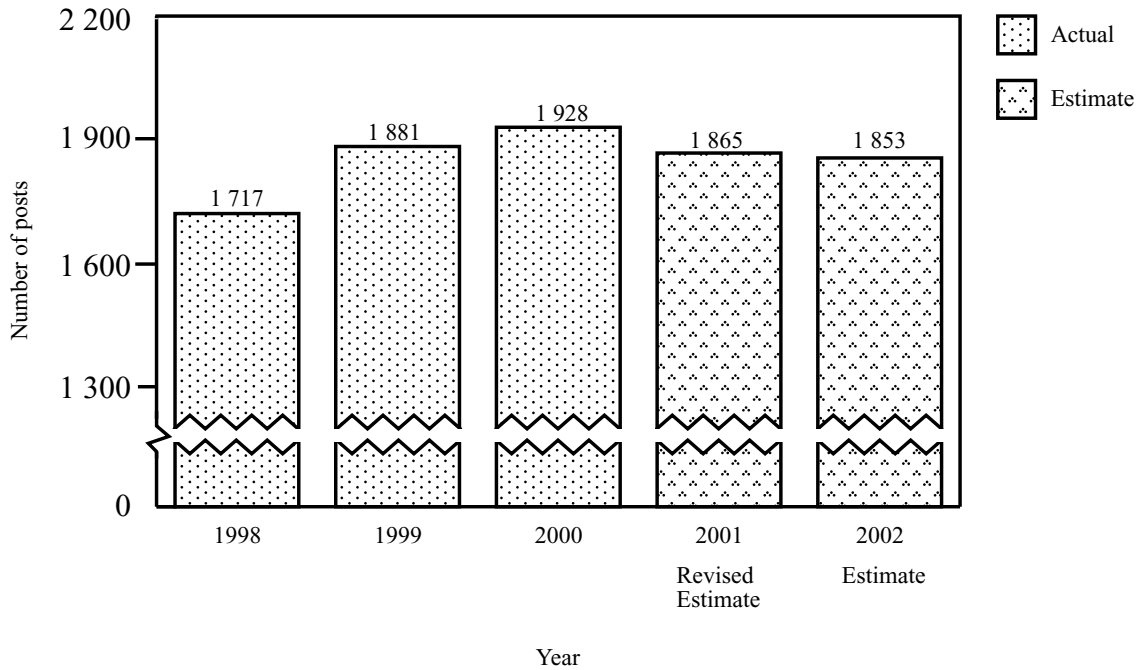
*Allocation of provision  
to programmes  
(2001-02)*



*Staff by programme  
(as at 31 March 2002)*



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





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Sub-head (Code)	Actual expenditure 1999–2000	Approved estimate 2000–01	Revised estimate 2000–01	<b>Estimate 2001–02</b>
	\$' 000	\$' 000	\$' 000	<b>\$' 000</b>
<b>Recurrent Account</b>				
000	—	—	—	<b>787,325</b>
280	—	—	—	—
	2,827	2,837	2,837	<b>2,837*</b>
295	—	—	—	—
	3,252	3,263	3,263	<b>3,263*</b>
	662,974	656,958	695,423	—
	26,136	25,562	21,106	—
	70	74	67	—
	51,050	53,875	60,621	—
	6,814	6,492	6,492	—
	<u>753,123</u>	<u>749,061</u>	<u>789,809</u>	<b>793,425</b>
<b>Capital Account</b>				
I — Plant, Equipment and Works				
	129	—	—	—
	<u>129</u>	—	—	—
II — Other Non-Recurrent				
700	2,000	2,990	78,234	<b>119,098</b>
	<u>2,000</u>	<u>2,990</u>	<u>78,234</u>	<b>119,098</b>
	<u>2,129</u>	<u>2,990</u>	<u>78,234</u>	<b>119,098</b>
	<u>755,252</u>	<u>752,051</u>	<u>868,043</u>	<b>912,523</b>

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### Details of Expenditure by Subhead

The estimate of the amount required in 2001–02 for the salaries and expenses of the Labour Department is \$912,523,000. This represents an increase of \$44,480,000 over the revised estimate for 2000–01 and of \$157,271,000 over actual expenditure in 1999–2000.

#### *Recurrent Account*

2 Provision of \$787,325,000 under *Subhead 000 Operational expenses* is for the salaries and allowances for staff of the Labour Department and its other operational expenses. Management and control of the department's operational expenses takes the form of a one-line vote. The controlling officer is given the flexibility in the virement of funds within the subhead to facilitate the achievement of greater efficiency and enhanced productivity.

3 As a vote-funded department, the department is subject to establishment control. The establishment at 31 March 2001 will be 1 865 permanent posts. It is expected that 12 posts will be deleted in 2001–02. Subject to certain conditions, the controlling officer may under delegated powers create or delete non-directorate posts during 2001–02, but the notional annual mid-point salary value of all such posts must not exceed \$651,331,000.

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

	1999–2000 (Actual) (\$' 000)	2000–01 (Original Estimate) (\$' 000)	2000–01 (Revised Estimate) (\$' 000)	<b>2001–02 (Estimate) (\$' 000)</b>
Personal emoluments				
- Salaries .....	662,974	656,958	695,423	<b>710,290</b>
- Allowances .....	26,136	25,562	21,106	<b>15,338</b>
- Job-related allowances .....	70	74	67	<b>68</b>
Departmental expenses				
- General departmental expenses .....	51,050	53,875	60,621	<b>55,220</b>
Other charges				
- Campaigns, exhibitions and publicity .....	6,814	6,492	6,492	<b>6,409</b>
	747,044	742,961	783,709	<b>787,325</b>

5 Subject to the cash-limited ceiling of \$787,325,000 which will not be increased in the course of the financial year except for increases to the personal emoluments portion in line with the civil service pay adjustment, the controlling officer may deploy funds freely to meet requirements under each of the various expenditure components. The Administration will provide to the Finance Committee quarterly financial reports showing actual spending and any redeployment of funds within *Subhead 000 Operational expenses* based on the above analysis.

6 Provision of \$2,837,000 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 the contribution will bear the same relation to the amount of levy collected as the size of the civil service bears to the working population in Hong Kong.

7 Provision of \$3,263,000 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.

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### Capital Account

#### Commitments

Sub-head (Code)	Item (Code)	Ambit	Approved commitment	Accumulated expenditure to 31.3.2000	Revised estimated expenditure for 2000-01	Balance
			\$ 000	\$ 000	\$ 000	\$ 000
700		<i>General other non-recurrent</i>				
	500	Pneumoconiosis compensation scheme ..	217,400	215,781	100	1,519
	522	Reprovisioning and integration of local employment service offices with labour relations service offices and careers information centres .....	709	11	500	198
	526	Youth pre-employment training programme .....	246,000	—	68,550	177,450
	527	Pilot project for the long-term unemployed .....	9,800	—	2,450	7,350
	528	To publicise major provisions of the Employees' Compensation Ordinance through a series of promotional and educational activities .....	1,100	—	—	1,100
	529	To publicise the Interactive Employment Service .....	500	—	—	500
		Total .....	<u>475,509</u>	<u>215,792</u>	<u>71,600</u>	<u>188,117</u>