

Head 90 — LABOUR DEPARTMENT

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

Estimate 2003–04	\$1,091.6m
Establishment ceiling 2003–04 (notional annual mid-point salary value) representing an estimated 1 771 non-directorate posts as at 31 March 2003 reducing by two posts to 1 769 posts as at 31 March 2004.....	\$644.5m
In addition there will be an estimated 14 directorate posts as at 31 March 2003 and as at 31 March 2004.	
Capital Account commitment balance	\$332.8m

Controlling Officer's Report

Programmes

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

	2001–02 (Actual)	2002–03 (Approved)	2002–03 (Revised)	2003–04 (Estimate)
Financial provision (\$m)	104.2	108.4 (+4.0%)	107.5 (–0.8%)	107.6 (+0.1%)

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 public understanding of labour laws and also good labour management communication and human resources management practices.

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

5 To ensure that employees are paid promptly their due wages, the department launched in 2002 an intensive educational and publicity campaign on the seriousness of committing wage offences by employers. The department will continue to sustain these efforts while stepping up prosecution against employers breaching wage provisions.

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

Targets

	Target	2001 (Actual)	2002 (Actual)	2003 (Plan)
waiting time for arranging conciliation meetings for claims	within 5 weeks	within 4 to 6 weeks	within 4 to 7 weeks	within 5 weeks
waiting time for consultation meeting	within 30 mins.	within 30 mins.	within 30 mins.	within 30 mins.
processing registration of new trade unions	within 4 weeks	within 4 weeks	within 4 weeks	within 4 weeks
processing registration of change of union names/rules.....	within 10 days	within 10 days	within 10 days	within 10 days

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	Target	2001 (Actual)	2002 (Actual)	2003 (Plan)
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	within 5 weeks
inspections to trade unions.....	360	362	363	360

Indicators

	2001 (Actual)	2002 (Actual)	2003 (Estimate)
labour disputes and claims handled	31 698	35 254	35 250
labour disputes and claims with conciliation service rendered#	29 504	32 652	32 650
labour disputes and claims resolved through conciliation	18 892	20 636	20 630
percentage of labour disputes and claims resolved through conciliation	64.0	63.2	63.2
working days lost from labour disputes known	780	0 [^]	N.A. §
consultation meetings held	145 943	147 861	147 860
claims adjudicated by MECAB	2 611	2 692	2 700
actual cases on registration of new trade unions and changes of union names/rules	131	138	N.A. §

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.

[^] There was no working day lost from labour disputes known because no strike case was recorded in the year.

§ Not applicable.

Matters Requiring Special Attention in 2003–04

7 Major new plans for 2003–04 include:

- strengthening educational and promotional efforts to urge employees to pursue outstanding wages promptly and to come forward as prosecution witnesses for wage offences;
- promoting the use of written employment contract and the keeping of proper wage and employment records by employers and employees;
- enhancing public understanding of the Employment Ordinance through publishing articles of cases in the printed media; and
- strengthening tripartite collaboration in the industry-based tripartite committees to resolve issues of mutual concern.

Programme (2): Employment Services

	2001–02 (Actual)	2002–03 (Approved)	2002–03 (Revised)	2003–04 (Estimate)
Financial provision (\$m)	230.1	280.9 (+22.1%)	340.0 (+21.0%)	444.1 (+30.6%)

Aim

8 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

9 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.

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

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 15-24 with educational attainment below degree level. The aim is to provide 10 000 training vacancies for the young people in two years with a funding of \$400 million. As at the end of 2002, 6 085 trainees have secured employment through the Scheme.

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12 The Youth Pre-employment Training Programme, which provides a wide range of employment-related training to young school-leavers, entered its fourth year. In the past three years, over 35 000 young people have been trained under the Programme.

13 The department extended the Re-employment Pilot Programme for the Middle-aged for another 12 months starting from February 2002 to provide intensive employment service to the long-term unemployed aged over 40. As at the end of 2002, 4 869 people have been placed.

14 In November 2002, the department completed the installation of user-friendly vacancy search terminals and other supporting facilities at its 11 Job Centres. These new facilities have been well-received by job-seekers.

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

Targets

	Target	2001 (Actual)	2002 (Actual)	2003 (Plan)
display vacancy information upon receipt of request from employers.....	within 24 hrs	within 24 hrs	within 24 hrs	within 24 hrs
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	within 30 mins. of appointment time
arrange 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
issue employment agency licences.....	within 2 weeks	within 2 weeks	within 2 weeks	within 2 weeks
inspections to employment agencies.....	1 100	1 211	1 308	1 300

Indicators

	2001 (Actual)	2002 (Actual)	2003 (Estimate)
able-bodied job-seekers			
persons registered.....	180 852	208 895	210 000
placements@	62 838	62 467	62 500
disabled job-seekers			
persons registered.....	4 128	4 225	4 250
placements	2 348	2 572	2 600
young people participating in careers guidance activities	960 485	974 675	980 000
employment agency licences issued	1 447	1 489	1 500
applications under labour importation schemes processed.....	894	643 [^]	640

@ The figures of placements include both the number of placements achieved by the Labour Department through job referral and placements secured by job-seekers through direct job application to employers.

[^] The reduction was due to fewer applications under the Supplementary Labour Scheme as manpower demand in the local labour market eased as a result of the economic downturn, and the further tightening up of measures on importation of care workers.

Matters Requiring Special Attention in 2003–04

16 Major new plans for 2003–04 include:

- improving the content of the Labour Department's webpage on employment opportunities in the Mainland, to facilitate entry of Hong Kong people into the employment market in the Mainland;
- launching two new employment projects to assist the middle-aged unemployed, i.e. the "Re-employment Training Programme" and the "District Employment Programme" in 2003–04; and
- continuing the Youth Work Experience and Training Scheme to provide on-the-job training opportunities of six to 12 months for young people aged 15 to 24 with educational attainment below degree level with a view to improving their employability.

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Programme (3): Safety and Health at Work

	2001-02 (Actual)	2002-03 (Approved)	2002-03 (Revised)	2003-04 (Estimate)
Financial provision (\$m)	336.3	347.1 (+3.2%)	339.0 (-2.3%)	339.3 (+0.1%)

Aim

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

Brief Description

18 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 arising from such hazards.

19 In 2002, various performance targets were satisfactorily achieved, with a marked increase in the number of talks, lectures and seminars organised.

20 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 2002, enforcement campaigns were conducted on arc/gas welding and flame cutting safety, construction safety, container handling safety, plant and machinery safety and working-at-height safety.

21 In 2002, the department made 6 195 promotional visits to the workplaces and organised 3 201 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. A series of eight pamphlets on causation of common or serious accidents in various trades of the construction industries was published.

22 In 2002, the department promoted exercise at work in order to raise employees' awareness of the benefits of exercise. A campaign was mounted to enhance the safety and health awareness of cleansing workers employed by government contractors by organising health talks and making promotional and inspection visits to the workplaces.

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

Targets

	Target	2001 (Actual)	2002 (Actual)	2003 (Plan)
inspections under the FIUO and the OSHO.....	125 000	130 464†	131 419†	125 000
inspections per field inspector under the FIUO and the OSHO.....	450	478	495	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 workplace under the FIUO and the OSHO.....	4 950	6 223	6 195	5 600[^]
inspections under the BPVO.....	6 200	6 503	6 444	6 200
inspections per field inspector under the BPVO.....	1 030	1 080	1 074	1 030
processing pressure equipment registration	within 3 weeks	within 3 weeks	within 3 weeks	within 3 weeks
talks, lectures, seminars organised.....	2 500	2 617	3 201	3 000

† The number of inspections actually conducted in 2001 and 2002 were higher because the department had carried out additional blitz operations in response to an upward trend of accidents in some trades. The department will continue to conduct similar blitz operations if circumstances so require.

[^] This is the planned target for 2003. The department will increase the number of promotional visits in response to the needs of duty-holders if necessary.

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Indicators

	2001 (Actual)	2002 (Actual)	2003 (Estimate)
fatal accidents in industrial undertakings.....	34	24@	N.A.§
non-fatal accidents in industrial undertakings	28 484	20 532@	N.A.§
accident rate per 1 000 industrial employees.....	44.6	33.8@	N.A.§
fatal accidents in non-industrial undertakings#	142	180@&	N.A.§
non-fatal accidents in non-industrial undertakings	25 059	22 462@	N.A.§
accident rate per 1 000 employees in non-industrial undertakings.....	13.6	12.3@	N.A.§
investigation of accidents at workplaces	12 993	12 821	N.A.§
warnings issued by occupational safety officers.....	35 977	37 544	N.A.§
prosecutions taken	2 773	2 323	N.A.§
suspension/improvement notices issued	2 369	2 045	N.A.§
investigations/surveys/examinations/assessments/clinical consultations on occupational health conducted	19 571	21 586	20 000
pressure equipment registered	2 225	2 075	2 000
examinations conducted and exemptions granted for the issue or endorsement of certificates of competence	445	603	450
warnings issued under the BPVO	4 462	4 389	N.A.§

@ The accident statistics for 2002 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.

& The increase in the number of fatal injuries is mainly due to the increase in the number of cases classified under “struck by moving vehicles”, “drowning”, “natural death” and “plane crash”, which are not within the ambit of the Occupational Safety and Health Ordinance. Nonetheless, these cases are reported to the Labour Department under the Employees’ Compensation Ordinance.

§ Not applicable.

Matters Requiring Special Attention in 2003–04

24 Major new plans for 2003–04 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;
- mounting large-scale publicity programmes to enhance the safety and health awareness of workers employed in the construction and catering industries;
- publishing a series of casebooks on common occupational diseases to promote the prevention of work-related diseases; and
- preparing new Code of Practice to promulgate safety standards for mobile cranes and issuing Guidance Notes on the testing and examination of suspended working platforms and the fabrication of glass reinforced plastics.

Programme (4): Employee Rights and Benefits

	2001–02 (Actual)	2002–03 (Approved)	2002–03 (Revised)	2003–04 (Estimate)
Financial provision (\$m)	198.1	205.1 (+3.5%)	198.0 (–3.5%)	200.6 (+1.3%)

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 2002, the department devised a new strategy for close co-operation with procuring departments and conducted targeted inspections to government contractors which mainly deploy low-skilled employees in government service contracts to ensure these employees enjoyed their statutory and contractual benefits. The department also enhanced co-operation and mounted more joint operations with other law enforcement departments to combat illegal employment and protect the job opportunities of local workers.

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28 The Employees Compensation Assistance Scheme, which provides protection to injured employees whose employers default payment of compensation and to employers in the event of insurer insolvency, was revamped to restore its financial viability in the long term. The Occupational Deafness (Compensation) (Amendment) Bill 2002 was introduced into LegCo to improve protection to occupational deafness sufferers.

29 To facilitate callers in gaining easier access to pre-recorded information at the general enquiry telephone service, the department revamped the menu of items and added more topics for information retrieval by telephone and by fax.

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

Targets

	Target	2001 (Actual)	2002 (Actual)	2003 (Plan)
inspections to workplaces	161 000	163 185	162 417	162 000
inspections per field labour inspector	994	1 110	1 055@	1 053@
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
issue certificates of compensation assessment	within 3 weeks	within 3 weeks	within 3 weeks	within 3 weeks
effect payment in respect of applications to the Protection of Wages on Insolvency Fund	within 10 weeks	within 10 weeks	within 10 weeks#	within 10 weeks

@ With the launching of more targeted operations to combat illegal employment and monitor government contractors' compliance with labour laws, more effort was needed to plan and conduct detailed inspections in 2002. The number of inspections per field labour inspector dropped as a result. This trend will continue in 2003.

In view of the drastic increase in 2002 in the number of applications received, the target of effecting payment within 10 weeks could only be met in 76.3% of the applications.

Indicators

	2001 (Actual)	2002 (Actual)	2003 (Estimate)
warnings issued	648	525	N.A.§
prosecutions taken	3 927	3 172	N.A.§
general telephone enquiries handled.....	1 470 183	1 266 039#	1 200 000#
sick leave clearance interviews for injured employees conducted.....	69 129	56 679^	56 000
employee compensation claims processed	67 741	59 448^	59 000
applications for payment under the Protection of Wages on Insolvency Fund processed	13 314	20 157	20 000
cases related to imported workers investigated	121	117	120

§ Not applicable.

With the deployment of more operators to the Intelligent Call Centre since the second quarter of 2002, the rate of successful connection increased and enquirers need not make repeated calls. This has probably led to the drop in the number of general enquiries. The department expects the trend to continue in 2003.

^ The decline was attributable to the reduction in the number of occupational accidents in 2002.

Matters Requiring Special Attention in 2003–04

31 Major new plans for 2003–04 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 on maintenance of medical records and issuance of certificates by registered Chinese medicine practitioners;
- sustaining vigorous enforcement efforts and strengthening promotion efforts to combat illegal employment;
- stepping up prosecution of offences under the Employment Ordinance by a new investigation team; and

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- facilitating the construction and insurance industries to clarify the protection in work accidents for bona fide employees and to make available to principal contractors suitable insurance policy for self-employed workers in construction sites.

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ANALYSIS OF FINANCIAL PROVISION

Programme	2001-02 (Actual) (\$m)	2002-03 (Approved) (\$m)	2002-03 (Revised) (\$m)	2003-04 (Estimate) (\$m)
(1) Labour Relations.....	104.2	108.4	107.5	107.6
(2) Employment Services	230.1	280.9	340.0	444.1
(3) Safety and Health at Work.....	336.3	347.1	339.0	339.3
(4) Employee Rights and Benefits.....	198.1	205.1	198.0	200.6
	<hr/>	<hr/>	<hr/>	<hr/>
	868.7	941.5 (+8.4%)	984.5 (+4.6%)	1,091.6 (+10.9%)

Analysis of Financial and Staffing Provision

Programme (1)

Provision for 2003-04 is \$0.1 million (0.1%) higher than the revised estimate for 2002-03. This is mainly due to salary increments for staff and increased provision for filling existing vacancies, partly offset by the full-year effect of civil service pay cut in 2002.

Programme (2)

Provision for 2003-04 is \$104.1 million (30.6%) higher than the revised estimate for 2002-03. This is mainly due to the increased cashflow requirements of the Youth Work Experience and Training Scheme launched in 2002 and salary increments for staff, partly offset by the full-year effect of civil service pay cut in 2002.

Programme (3)

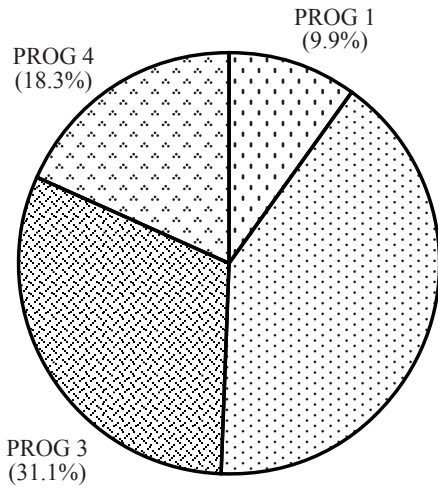
Provision for 2003-04 is \$0.3 million (0.1%) higher than the revised estimate for 2002-03. This is mainly due to salary increments for staff and increased provision for filling existing vacancies, partly offset by the full-year effect of civil service pay cut in 2002.

Programme (4)

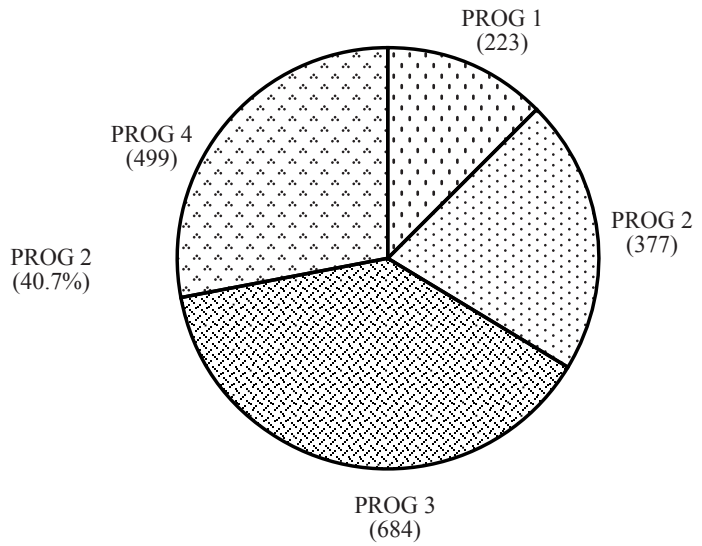
Provision for 2003-04 is \$2.6 million (1.3%) higher than the revised estimate for 2002-03. This is mainly due to the increased provision for employing additional temporary staff to cope with the rising number of applications for Protection of Wages on Insolvency Fund and salary increments for staff, partly offset by the full-year effect of civil service pay cut in 2002.

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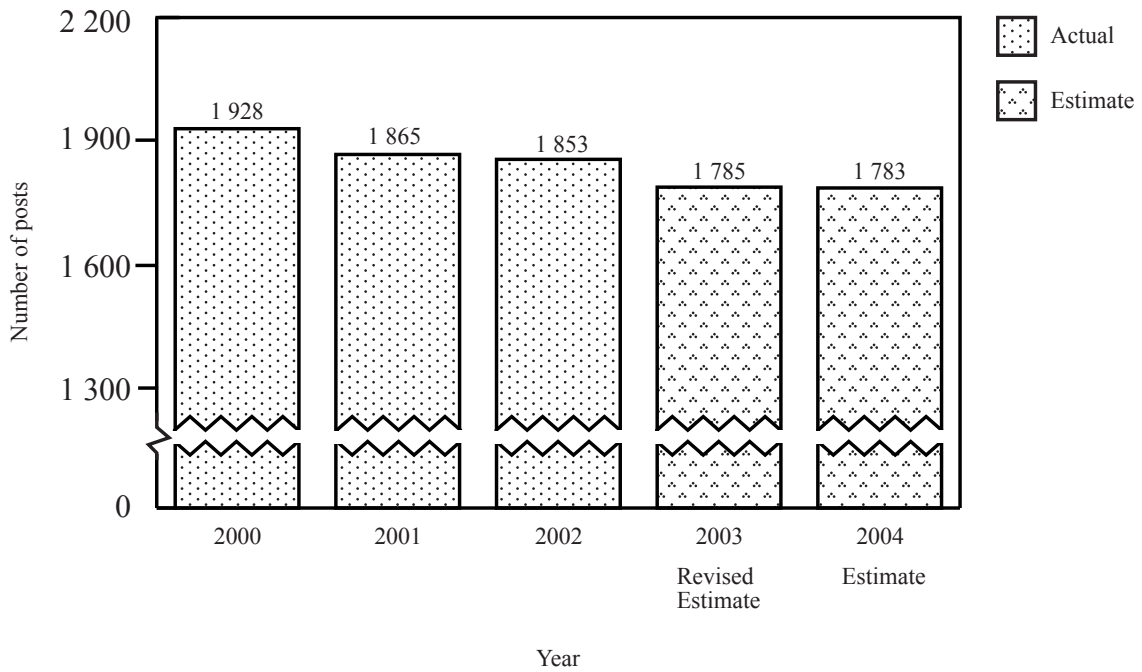
*Allocation of provision
to programmes
(2003-04)*



*Staff by programme
(as at 31 March 2004)*



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



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Sub-head (Code)	Actual expenditure 2001-02	Approved estimate 2002-03	Revised estimate 2002-03	Estimate 2003-04	
	\$'000	\$'000	\$'000	\$'000	
Recurrent Account					
000	Operational expenses.....	787,554	873,317	844,663	888,158
280	Contribution to the Occupational Safety and Health Council	3,972	3,089	5,093	5,345*
295	Contribution to the Occupational Deafness Compensation Board.....	4,567	3,552	5,134	3,261*
	Total, Recurrent Account	<u>796,093</u>	<u>879,958</u>	<u>854,890</u>	<u>896,764</u>
Capital Account					
I — Plant, Equipment and Works					
	Minor plant, vehicles and equipment (block vote).....	—	1,600	1,600	—
	Total, Plant, Equipment and Works	<u>—</u>	<u>1,600</u>	<u>1,600</u>	<u>—</u>
II — Other Non-Recurrent					
700	General other non-recurrent	72,573	59,960	128,002	194,842
	Total, Other Non-Recurrent	<u>72,573</u>	<u>59,960</u>	<u>128,002</u>	<u>194,842</u>
	Total, Capital Account	<u>72,573</u>	<u>61,560</u>	<u>129,602</u>	<u>194,842</u>
	Total Expenditure.....	<u><u>868,666</u></u>	<u><u>941,518</u></u>	<u><u>984,492</u></u>	<u><u>1,091,606</u></u>

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Details of Expenditure by Subhead

The estimate of the amount required in 2003–04 for the salaries and expenses of the Labour Department is \$1,091,606,000. This represents an increase of \$107,114,000 over the revised estimate for 2002–03 and of \$222,940,000 over actual expenditure in 2001–02.

Recurrent Account

2 Provision of \$888,158,000 under *Subhead 000 Operational expenses* is for the salaries and allowances for staff of the Labour Department and its other operational expenses. The increase of \$43,495,000 (5.1%) over the revised estimate for 2002–03 is mainly due to the full-year provision for implementing the Youth Pre-employment Training Programme under the recurrent account and the increased provision for filling existing vacancies.

3 The establishment as at 31 March 2003 will be 1 785 permanent posts. It is expected that two non-directorate posts will be deleted in 2003–04. Subject to certain conditions, the controlling officer may under delegated powers create or delete non-directorate posts during 2003–04, but the notional annual mid-point salary value of all such posts must not exceed \$644,462,000.

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

	2001–02 (Actual) (\$'000)	2002–03 (Original Estimate) (\$'000)	2002–03 (Revised Estimate) (\$'000)	2003–04 (Estimate) (\$'000)
Personal Emoluments				
- Salaries.....	716,907	735,899	714,960	719,268
- Allowances.....	11,442	14,521	12,600	10,463
- Job-related allowances	70	70	30	3
Personnel Related Expenses				
- Mandatory Provident Fund contribution.....	—	—	—	327
Departmental Expenses				
- General departmental expenses.....	53,361	116,680	110,926	142,638
Other Charges				
- Campaigns, exhibitions and publicity	5,774	6,147	6,147	15,459
	787,554	873,317	844,663	888,158

5 Provision of \$5,345,000 under *Subhead 280 Contribution to the Occupational Safety and Health Council* represents an increase of \$252,000 (4.9%) over the revised estimate for 2002–03. This is mainly due to an anticipated increase in the amount of levy to be received by the Occupational Safety and Health Council, thus leading to a corresponding rise in the contribution to be made by the Government.

6 Provision of \$3,261,000 under *Subhead 295 Contribution to the Occupational Deafness Compensation Board* represents a decrease of \$1,873,000 (36.5%) against the revised estimate for 2002–03. This is mainly due to the reduced requirement as a result of the downward adjustment in the proportion of levy allocated to the Occupational Deafness Compensation Board stipulated under the Employees' Compensation Insurance Levies Ordinance.

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Capital Account

Commitments

Sub-head (Code)	Item (Code)	Ambit	Approved commitment	Accumulated expenditure to 31.3.2002	Revised estimated expenditure for 2002-03	Balance
			\$'000	\$'000	\$'000	\$'000
700		<i>General other non-recurrent</i>				
	527	Re-employment pilot programme for the middle-aged (previously known as pilot project for the long-term unemployed)	9,800	2,944	4,000	2,856
	528	To publicise major provisions of the Employees' Compensation Ordinance through a series of promotional and educational activities.....	1,345	949	335	61
	531	Trial placement scheme for people with a disability.....	1,400	88	450	862
	532	Youth work experience and training scheme	400,000	—	71,000	329,000
		Total.....	<u>412,545</u>	<u>3,981</u>	<u>75,785</u>	<u>332,779</u>