

Head 90 — LABOUR DEPARTMENT

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

Estimate 2012–13	\$2,930.3m
Establishment ceiling 2012–13 (notional annual mid-point salary value) representing an estimated 2 178 non-directorate posts as at 31 March 2012 rising by 13 posts to 2 191 posts as at 31 March 2013	\$870.1m
In addition, there will be an estimated 15 directorate posts as at 31 March 2012 and as at 31 March 2013.	
Commitment balance	\$8,562.0m

Controlling Officer's Report

Programmes

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

Programme (1): Labour Relations

	2010–11 (Actual)	2011–12 (Original)	2011–12 (Revised)	2012–13 (Estimate)
Financial provision (\$m)	114.4	123.7	121.1 (–2.1%)	130.6 (+7.8%)
				(or +5.6% on 2011–12 Original)

Aim

- 2 The aim is to maintain and foster 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 disputes and claims. It promotes understanding of labour laws and encourages good people management practices.

4 To foster frank communication and voluntary negotiations, a seminar on employer-employee dialogue was staged in September 2011 for representatives of employer associations, employers and trade unions. To enhance public awareness of false self-employment, two new radio Announcements in the Public Interest were launched in August 2011. A new leaflet illustrating the “without reasonable excuse” clause under the Employment (Amendment) Ordinance 2010 was published in October 2011.

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	2010 (Actual)	2011 (Actual)	2012 (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

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	Target	2010 (Actual)	2011 (Actual)	2012 (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
inspections to trade unions	360	379	374	370

Indicators

	2010 (Actual)	2011 (Actual)	2012 (Estimate)
consultation meetings held.....	68 795	73 882	74 000
labour disputes and claims handled	20 502	18 172	18 000
labour disputes and claims with conciliation service rendered^.....	19 706	17 486	17 000
labour disputes and claims resolved through conciliation.....	14 362	12 546	12 100
labour disputes and claims resolved through conciliation (%).....	72.9	71.7	71.0
working days lost from labour disputes known.....	329	590	590
claims adjudicated by MECAB	2 112	1 845	1 900
cases of registration of new trade unions and changes of union names/rules.....	119	133	130

^ 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 2012–13

7 Major new plans for 2012–13 include:

- launching large-scale public educational activities on the Employment Ordinance (Cap. 57) (EO) and good people management practices; and
- conducting a study on legislating for paternity leave.

Programme (2): Employment Services

	2010–11 (Actual)	2011–12 (Original)	2011–12 (Revised)	2012–13 (Estimate)
Financial provision (\$m)	387.7	523.7	595.7 (+13.7%)	2,123.2 (+256.4%)

(or +305.4% on
2011–12 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 find recruits.

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.

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

11 The Transport Support Scheme (TSS) provides time-limited transport allowances to encourage the needy unemployed and low-income employees residing in four designated remote districts to “go out” to seek jobs or work across districts. TSS admitted a total of 43 578 applicants but ceased to receive fresh applications upon the launch of the territory-wide Work Incentive Transport Subsidy (WITS) Scheme in October 2011. As at the end of 2011, the funds disbursed under TSS totalled \$225 million.

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12 To relieve the burden of work-related travelling expenses on low-income households with employed members so as to promote sustained employment, the WITS Scheme has started receiving applications from October 2011. As at the end of 2011, there were 23 804 applicants, and the funds disbursed totalled \$35 million.

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

Targets

	Target	2010 (Actual)	2011 (Actual)	2012 (Plan)
displaying vacancy information upon receipt of request from employers ^Ω	90% of vacancies displayed within 5 working days	within 24 hours	85% 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
arranging employment consultation for job seekers enrolling for the Pilot Employment Navigator 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	1 329	1 330	1 300

^Ω In 2011, owing to the continual upsurge in the number of vacancies received from employers and the need to process the vacancy information having regard to statutory minimum wage (SMW) requirements, more time was taken in displaying the vacancies. In 2012, the planned target is revised to a more realistic level.

Indicators

	2010 (Actual)	2011 (Actual)	2012 (Estimate)
able-bodied job seekers			
persons registered	135 236	106 160	135 000
placements	149 609	177 047	150 000
job seekers with disabilities			
persons registered	3 051	2 672	3 000
placements	2 405	2 403	2 400
young people receiving employment and self-employment advisory and support services provided by the Youth Employment Resource Centres	72 606	74 136	72 000
employment agency licences issued.....	2 168	2 334	2 300
applications under the SLS processed.....	855	784	800

Matters Requiring Special Attention in 2012–13

14 Major new plans for 2012–13 include:

- implementing integrated employment services at Tin Shui Wai “Employment in One-stop” to enhance employment support to job seekers;
- launching large-scale and district job fairs to help job seekers find work; and
- monitoring the implementation of the WITS Scheme.

Programme (3): Safety and Health at Work

	2010–11 (Actual)	2011–12 (Original)	2011–12 (Revised)	2012–13 (Estimate)
Financial provision (\$m)	337.9	354.0	363.4 (+2.7%)	370.2 (+1.9%)

(or +4.6% on
2011–12 Original)

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Aim

15 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

16 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, organising of seminars and rendering advice to stakeholders on the prevention of accidents, work hazards, and publication of guide books and other publicity materials to disseminate such information. In addition, special promotional visits are conducted to encourage employers to take ownership in managing 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 deter others from committing similar offence.

17 In enforcing the law, the policy is to target at industries or establishments with poor performance records. In addition to routine surprise inspections, enforcement campaigns targeted at specific risks or accident-prone work situations are launched. In 2011, enforcement campaigns were conducted in several areas, including construction works (with emphasis on work-at-height and work activities on temporary platforms/gangways); renovation, maintenance, alteration and addition (RMAA) works; lifting operations; waste recycling work; and cleansing work, etc.

18 In 2011, two large-scale promotional programmes were launched to promote safety awareness in the catering and construction industries. A series of intensive promotion and publicity campaigns targeting work-at-height safety, scaffolding safety and safety of RMAA works were also organised to raise the safety awareness of all parties involved.

19 In 2011, publicity and enforcement targeting outdoor workplaces with a higher risk of heat stroke continued. Besides, in collaboration with the Occupational Safety and Health Council (OSHC) and relevant trade unions, occupational safety and health messages were promoted among professional drivers, which included the prevention of heat stroke at work. A focused publicity campaign was also launched to raise awareness of the prevention of work-related leg disorders among workers of the retail and catering industries. To help employers and employees better understand respiratory protection, leaflets on the proper use of respirators were published.

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

Targets

	Target	2010 (Actual)	2011 (Actual)	2012 (Plan)
inspections under the FIUO and the OSHO	113 400 ^Ψ	124 010	118 694	113 400
inspections per field inspector under the FIUO and the OSHO	450	507	493	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	4 800 ^Ψ	6 041	4 961	4 800
inspections under the BPVO	4 630	4 608	4 719	4 630
inspections per field inspector under the BPVO	1 030	1 024	1 049	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	2 214	2 146	2 100

^Ψ The targets for inspections and promotional visits to workplaces under the FIUO and the OSHO are revised upwards from 108 450 and 4 620 respectively to reflect the increase in safety officer manpower.

Indicators

	2010 (Actual)	2011 (Actual)	2012 (Estimate)
fatal accidents in industrial undertakings.....	18	28 ^δ	N.A.
non-fatal accidents in industrial undertakings.....	13 997	12 383 ^δ	N.A.
accident rate per 1 000 industrial employees.....	24.9	21.5 ^δ	N.A.
fatal accidents in non-industrial undertakings ^Δ	165	150 ^δ	N.A.
non-fatal accidents in non-industrial undertakings.....	27 727	24 518 ^δ	N.A.
accident rate per 1 000 employees in non-industrial undertakings.....	13.0	11.2 ^δ	N.A.

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	2010 (Actual)	2011 (Actual)	2012 (Estimate)
investigation of accidents at workplaces.....	11 582	11 859	12 000
warnings issued by occupational safety officers	30 826	30 537	31 000
prosecutions taken	1 897	1 909	1 900
suspension/improvement notices issued.....	1 473	1 707	1 700
investigations/surveys/examinations/assessments/clinical consultations on occupational health conducted.....	25 413	26 420	26 000
pressure equipment registered.....	1 579	1 613	1 600
examinations conducted and exemptions granted for the issue or endorsement of certificates of competency	295	366	370
warnings issued under the BPVO	3 320	3 134	3 200

δ The accident statistics for 2011 are provisional as some of the accidents which occurred towards the end of the year have yet to be verified. The figures are subject to change owing to data processing and pending accident investigations. In particular, the figures on accident rate per 1 000 employees can only be confirmed when the annual employment figures are provided by the Census and Statistics Department in late March 2012.

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

Matters Requiring Special Attention in 2012–13

21 Major new plans for 2012–13 include:

- enhancing the regulatory system for mandatory safety training courses;
- stepping up enforcement and publicity programmes targeting building renovation and maintenance works;
- intensifying systematic preventive and enforcement measures to forestall high accident toll in the construction sector;
- launching large-scale promotional campaigns for the construction and catering industries; and
- stepping up publicity and enforcement on prevention of carbon monoxide poisoning among kitchen workers.

Programme (4): Employees' Rights and Benefits

	2010–11 (Actual)	2011–12 (Original)	2011–12 (Revised)	2012–13 (Estimate)
Financial provision (\$m)	234.5	297.0	269.8 (-9.2%)	306.3 (+13.5%)
				(or +3.1% on 2011–12 Original)

Aim

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

Brief Description

23 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.

24 The Department takes rigorous enforcement action against wage offences, including breaches of the SMW provisions, through speedy investigation into reported offences, conducting trade-targeted campaigns to detect offences, strengthening intelligence gathering and evidence collection, and taking out prompt prosecution.

25 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 adverse consequences of employing illegal workers.

26 Since the passage of the Minimum Wage Ordinance (Cap. 608) (MWO) in July 2010, the Department has organised territory-wide publicity activities to promote SMW and assist employers and employees in understanding their respective obligations and entitlements under the SMW system. The Department will continue with public education and publicity campaigns to promote understanding of the minimum wage legislation among employers and employees.

27 The Protection of Wages on Insolvency (Amendment) Bill 2011 was introduced into the Legislative Council on 13 July 2011 to expand the scope of the PWIF to cover pay for untaken annual leave and statutory holidays under the EO. The Bill is under scrutiny by a Bills Committee and will be implemented upon passage.

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28 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 arranged in September 2011 and two more would be arranged in January 2012. In addition, a publicity video with important guidelines on the employment of FDHs was screened at public venues.

29 To promote equal employment opportunities, the Department continues to keep up its publicity efforts in enhancing public awareness of the importance of eliminating age discrimination in employment.

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

Targets

	Target	2010 (Actual)	2011 (Actual)	2012 (Plan)
inspections to workplaces.....	130 000@	140 267	138 395	140 000
inspections per field labour inspector.....	780@	830	795	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 targets for inspections to workplaces and inspections per field labour inspector are adjusted to take account of the increased level of workplace inspections and the longer time required for inspections following the enforcement of the MWO.

Indicators

	2010 (Actual)	2011 (Actual)	2012 (Estimate)
warnings issued.....	607	464	460
prosecutions taken	4 947	3 219	3 200
sick leave clearance interviews for injured employees conducted	42 730	43 531	43 000
employee compensation claims processed.....	58 791	56 996	58 000
applications for payment under the PWIF processed.....	5 046	4 439	4 400
cases related to imported workers investigated.....	49	44	50

Matters Requiring Special Attention in 2012–13

31 Major new plans for 2012–13 include:

- supporting the work of the Minimum Wage Commission;
- pressing ahead with enforcement action against wage offences, including breaches of the SMW provisions and offences of wilful defaults of Labour Tribunal or MECAB awards; and
- completing the policy study on standard working hours.

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ANALYSIS OF FINANCIAL PROVISION

Programme	2010–11 (Actual) (\$m)	2011–12 (Original) (\$m)	2011–12 (Revised) (\$m)	2012–13 (Estimate) (\$m)
(1) Labour Relations	114.4	123.7	121.1	130.6
(2) Employment Services	387.7	523.7	595.7	2,123.2
(3) Safety and Health at Work	337.9	354.0	363.4	370.2
(4) Employees' Rights and Benefits	234.5	297.0	269.8	306.3
	1,074.5	1,298.4	1,350.0 (+4.0%)	2,930.3 (+117.1%)
				(or +125.7% on 2011–12 Original)

Analysis of Financial and Staffing Provision

Programme (1)

Provision for 2012–13 is \$9.5 million (7.8%) higher than the revised estimate for 2011–12. This is mainly due to the increase of four posts, salary increments for staff, filling of vacancies and increase in operating expenses.

Programme (2)

Provision for 2012–13 is \$1,527.5 million (256.4%) higher than the revised estimate for 2011–12. This is mainly due to increased non-recurrent cash flow requirement for meeting the full-year expenditure of the WITS Scheme launched in late 2011, increased expenditure in employment programmes, the increase of 27 posts, salary increments for staff and filling of vacancies, partly offset by deletion of 19 posts.

Programme (3)

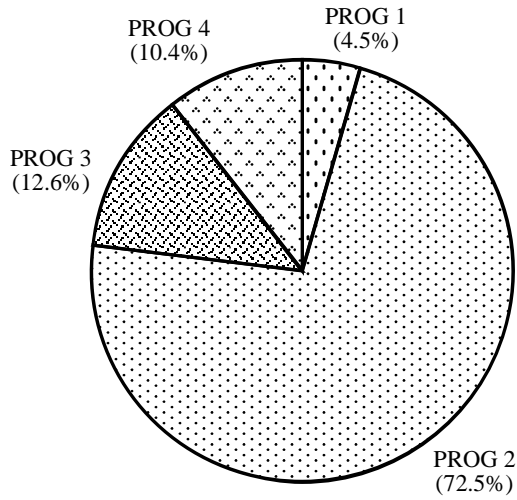
Provision for 2012–13 is \$6.8 million (1.9%) higher than the revised estimate for 2011–12. This is mainly due to the salary increments for staff, filling of vacancies and increased operating expenses in publicity.

Programme (4)

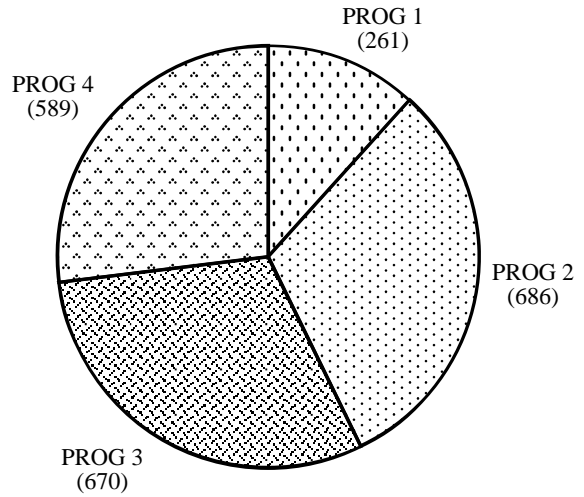
Provision for 2012–13 is \$36.5 million (13.5%) higher than the revised estimate for 2011–12. This is mainly due to the implementation of the MWO, increase of one post, salary increments for staff and filling of vacancies.

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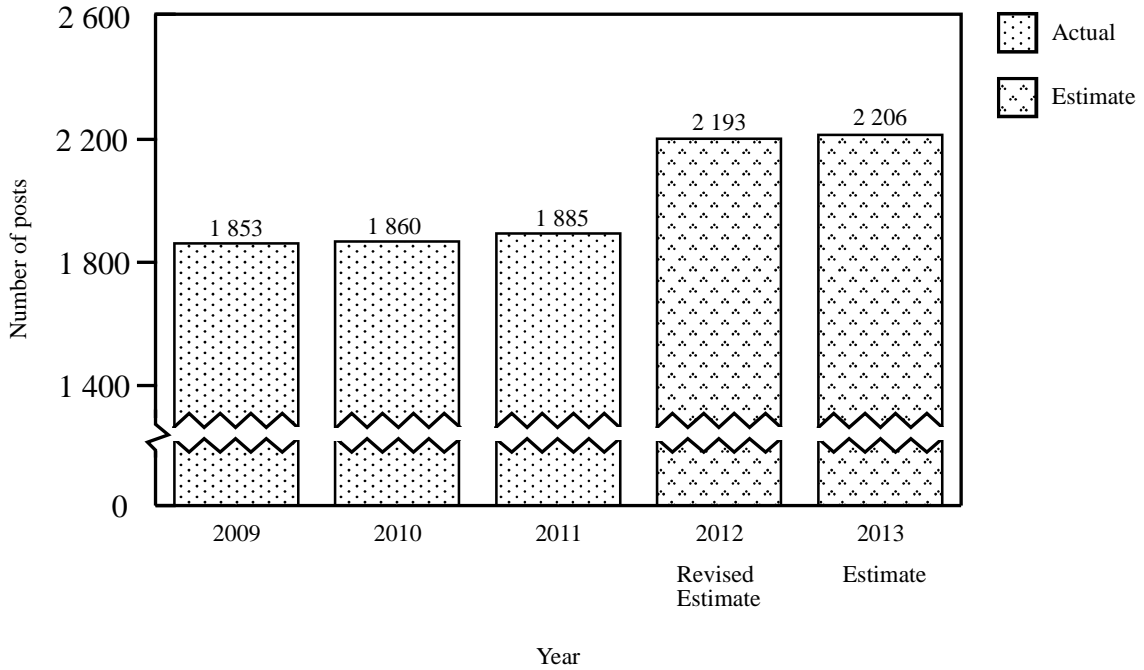
Allocation of provision to programmes (2012-13)



Staff by programme (as at 31 March 2013)



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



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Sub-head (Code)	Actual expenditure 2010-11	Approved estimate 2011-12	Revised estimate 2011-12	Estimate 2012-13
	\$'000	\$'000	\$'000	\$'000
Operating Account				
Recurrent				
000	909,113	1,144,048	1,077,129	1,300,096
280	3,888	4,369	4,052	4,246
295	2,927	3,932	1,418	1,486
	<u>915,928</u>	<u>1,152,349</u>	<u>1,082,599</u>	<u>1,305,828</u>
Total, Recurrent				
Non-Recurrent				
700	156,043	146,059	267,401	1,624,475
	<u>156,043</u>	<u>146,059</u>	<u>267,401</u>	<u>1,624,475</u>
	<u>1,071,971</u>	<u>1,298,408</u>	<u>1,350,000</u>	<u>2,930,303</u>
	Total, Operating Account			
Capital Account				
Plant, Equipment and Works				
	2,529	—	—	—
	<u>2,529</u>	<u>—</u>	<u>—</u>	<u>—</u>
	Total, Plant, Equipment and Works			
	2,529	—	—	—
	<u>2,529</u>	<u>—</u>	<u>—</u>	<u>—</u>
	Total, Capital Account			
	<u>1,074,500</u>	<u>1,298,408</u>	<u>1,350,000</u>	<u>2,930,303</u>
	Total Expenditure			

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Details of Expenditure by Subhead

The estimate of the amount required in 2012–13 for the salaries and expenses of the Labour Department is \$2,930,303,000. This represents an increase of \$1,580,303,000 over the revised estimate for 2011–12 and of \$1,855,803,000 over the actual expenditure in 2010–11.

Operating Account

Recurrent

2 Provision of \$1,300,096,000 under *Subhead 000 Operational expenses* is for the salaries, allowances and other operating expenses of the Labour Department. The increase of \$222,967,000 (20.7%) over the revised estimate for 2011–12 is mainly due to the increased requirement for enhancing employment support services and implementing the Minimum Wage Ordinance (Cap. 608).

3 The establishment as at 31 March 2012 will be 2 193 permanent posts. It is expected that there will be a net increase of 13 posts in 2012–13. Subject to certain conditions, the controlling officer may under delegated power create or delete non-directorate posts during 2012–13, but the notional annual mid-point salary value of all such posts must not exceed \$870,062,000.

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

	2010–11 (Actual) (\$'000)	2011–12 (Original) (\$'000)	2011–12 (Revised) (\$'000)	2012–13 (Estimate) (\$'000)
Personal Emoluments				
- Salaries	751,759	858,669	857,562	923,707
- Allowances	12,840	12,465	15,934	11,359
- Job-related allowances.....	—	3	3	3
Personnel Related Expenses				
- Mandatory Provident Fund contribution	2,116	3,305	2,755	2,601
- Civil Service Provident Fund contribution	4,286	11,260	8,945	12,993
Departmental Expenses				
- General departmental expenses	118,370	236,589	169,580	326,641
Other Charges				
- Campaigns, exhibitions and publicity	19,742	21,757	22,350	22,792
	909,113	1,144,048	1,077,129	1,300,096

5 Provision of \$4,246,000 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 \$1,486,000 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 31.3.2011	Revised estimated expenditure for 2011-12	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	31,649	104	3,468,247
841	Work Incentive Transport Subsidy Scheme		4,805,000	—	195,000	4,610,000
863	Enhanced and integrated employment programmes.....		398,600	139,130	42,052	217,418
873	Pilot Employment Navigator Programme		124,500	218	4,768	119,514
874	Special Employment Project for Vulnerable Youths		33,000	590	5,000	27,410
891	Pilot Transport Support Scheme.....		365,000	228,531	17,085	119,384
	Total		<u>9,226,100</u>	<u>400,118</u>	<u>264,009</u>	<u>8,561,973</u>