

## Head 90 — LABOUR DEPARTMENT

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

<b>Estimate 2013–14</b> .....	<b>\$2,040.4m</b>
<b>Establishment ceiling 2013–14</b> (notional annual mid-point salary value) representing an estimated 2 191 non-directorate posts as at 31 March 2013 rising by 50 posts to 2 241 posts as at 31 March 2014 .....	<b>\$931.5m</b>
In addition, there will be an estimated 15 directorate posts as at 31 March 2013 rising by one post to 16 posts as at 31 March 2014.	
<b>Commitment balance</b> .....	<b>\$8,394.0m</b>

### 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

	2011–12 (Actual)	2012–13 (Original)	2012–13 (Revised)	<b>2013–14 (Estimate)</b>
Financial provision (\$m)	120.0	130.6	129.2 (–1.1%)	<b>135.7</b> (+5.0%)
				(or +3.9% on 2012–13 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 settle disputes and claims. It promotes understanding of labour laws and encourages good people management practices.

**4** In 2012, large-scale public educational activities on the Employment Ordinance (Cap. 57) (EO) and good people management practices were organised. Four large-scale seminars were staged in different districts to enhance employers' and employees' understanding of the EO. New television and radio Announcements in the Public Interest were broadcast and new posters were published in the year to promote the use of written employment contract and the adoption of fair and reasonable employment terms. The public were also alerted to the trap of false self-employment through publicity on public transport and the posting of thematic posters.

**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	2011 (Actual)	2012 (Actual)	<b>2013 (Plan)</b>
waiting time for consultation meetings.....	within 30 mins.	within 30 mins.	within 30 mins.	<b>within 30 mins.</b>
waiting time for conciliation meetings for claims.....	within 5 weeks	within 5 weeks	within 5 weeks	<b>within 5 weeks</b>

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	Target	2011 (Actual)	2012 (Actual)	2013 (Plan)
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	<b>within 5 weeks</b>
processing registration of new trade unions .....	within 4 weeks	within 4 weeks	within 4 weeks	<b>within 4 weeks</b>
processing registration of changes of union names/rules .....	within 10 days	within 10 days	within 10 days	<b>within 10 days</b>
inspections to trade unions .....	360	374	377	<b>380</b>

### *Indicators*

	2011 (Actual)	2012 (Actual)	2013 (Estimate)
consultation meetings held .....	73 882	68 594	<b>69 000</b>
labour disputes and claims handled .....	18 172	18 999	<b>19 000</b>
labour disputes and claims with conciliation service rendered^ .....	17 486	18 382	<b>18 000</b>
labour disputes and claims resolved through conciliation .....	12 546	13 450	<b>13 000</b>
labour disputes and claims resolved through conciliation (%) .....	71.7	73.2	<b>72.0</b>
working days lost from labour disputes known .....	590	375	<b>380</b>
claims adjudicated by MECAB .....	1 845	1 561	<b>1 600</b>
cases of registration of new trade unions and changes of union names/rules .....	133	150	<b>150</b>

^ 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 2013–14*

7 Major new plans for 2013–14 include:

- pursuing the introduction of an amendment bill relating to the reinstatement and re-engagement provisions under the EO;
- formulating details of the proposal on statutory paternity leave; and
- promoting good people management practices through launching a new television Announcement in the Public Interest and organising a large-scale seminar for employers and employees.

### **Programme (2): Employment Services**

	2011–12 (Actual)	2012–13 (Original)	2012–13 (Revised)	2013–14 (Estimate)
Financial provision (\$m)	507.9	2,123.2	651.8 (–69.3%)	<b>1,166.9</b> (+79.0%)
				(or –45.0% on 2012–13 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.

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11 The Work Incentive Transport Subsidy (WITS) Scheme seeks to relieve the burden of work-related travelling expenses on low-income earners so as to promote sustained employment. In 2012, a mid-term review of the Scheme was completed. As at the end of 2012, there were 51 337 applicants, and the funds disbursed totalled \$232.4 million.

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

### *Targets*

	Target	2011 (Actual)	2012 (Actual)	2013 (Plan)
displaying vacancy information upon receipt of request from employers .....	90% of vacancies displayed within 5 working days	85% of vacancies displayed within 5 working days	93% of vacancies displayed within 5 working days	<b>90% of vacancies displayed within 5 working days</b>
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	<b>within 30 mins. of appointment time</b>
arranging employment consultation for job seekers enrolling in the Pilot Employment Navigator Programme (ENP) .....	within 1 week	within 1 week	within 1 week	<b>N.A.@</b>
issuing employment agency licences .....	within 2 weeks	within 2 weeks	within 2 weeks	<b>within 2 weeks</b>
inspections to employment agencies .....	1 300	1 330	1 328	<b>1 300</b>

@ The two-year ENP ended on 13 December 2012.

### *Indicators*

	2011 (Actual)	2012 (Actual)	2013 (Estimate)
able-bodied job seekers			
persons registered .....	106 160	99 812	<b>100 000</b>
placements .....	177 047	145 017	<b>145 000</b>
job seekers with disabilities			
persons registered .....	2 672	2 686	<b>2 700</b>
placements .....	2 403	2 512	<b>2 400</b>
young people enrolled in the Youth Pre-employment Training Programme and Youth Work Experience and Training Scheme (YPTP&YWETS)Ω .....	11 922	9 434	<b>10 000</b>
young people receiving employment and self-employment advisory and support services provided by the Youth Employment Resource Centres .....	74 136	73 758	<b>72 000</b>
employment agency licences issued .....	2 334	2 346	<b>2 300</b>
applications under the SLS processed .....	784	1 009	<b>1 000</b>

Ω New indicator as from 2013. The YPTP&YWETS operates on a programme year basis, running from September each year to August of the following year. The number of trainees enrolled in 2011 and 2012 referred to the number of trainees enrolled in the 2010/11 programme year (i.e. 1 September 2010 to 31 August 2011) and the 2011/12 programme year (i.e. 1 September 2011 to 31 August 2012) respectively.

### *Matters Requiring Special Attention in 2013–14*

13 Major new plans for 2013–14 include:

- setting up a job centre in Tung Chung; and
- implementing the enhancement measures of the WITS Scheme, including the option of individual-based applications as an alternative to household-based applications.

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

	2011–12 (Actual)	2012–13 (Original)	2012–13 (Revised)	2013–14 (Estimate)
Financial provision (\$m)	376.1	370.2	382.1 (+3.2%)	<b>409.8</b> (+7.2%)

(or +10.7% on  
2012–13 Original)

#### Aim

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

#### Brief Description

15 This programme covers the enforcement of the Occupational Safety and Health Ordinance (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.

16 In enforcing the law, the policy is to target at industries or establishments with poor performance records. In addition to regular surprise inspections, enforcement campaigns targeted at specific risks or accident-prone work situations are launched. In 2012, enforcement campaigns were conducted in several areas, including construction works (with emphasis on work-at-height and electrical works); renovation, maintenance, alteration and addition (RMAA) works; logistics, cargo and container handling works; and waste treatment works, etc.

17 In 2012, 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 were also organised to raise the safety awareness of work-at-height, electrical works and RMAA works.

18 In 2012, publicity and enforcement targeting outdoor workplaces with a higher risk of heat stroke continued. Besides, in collaboration with the Occupational Safety and Health Council and relevant trade unions, occupational safety and health messages were promoted among professional drivers and workers in the retail, catering and cleansing industries.

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

#### Targets

	Target	2011 (Actual)	2012 (Actual)	2013 (Plan)
inspections under the FIUO and the OSHO .....	113 400	118 694	128 821	<b>113 400</b>
inspections per field inspector under the FIUO and the OSHO .....	450	493	503	<b>450</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 workplaces under the FIUO and the OSHO .....	4 800	4 961	5 373	<b>4 800</b>
inspections under the BPVO .....	4 630	4 719	4 769	<b>4 630</b>
inspections per field inspector under the BPVO .....	1 030	1 049	1 060	<b>1 030</b>
processing registration of pressure equipment .....	within 3 weeks	within 3 weeks	within 3 weeks	<b>within 3 weeks</b>
organising talks, lectures and seminars .....	2 050 <sup>Ψ</sup>	2 146	2 023	<b>2 050</b>

Ψ The target number of talks, lectures and seminars is slightly reduced from 2 100 to 2 050 as certain talks and lectures of similar topics will be combined to enhance the cost-effectiveness of the activities having regard to past attendance.

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### *Indicators*

	2011 (Actual)	2012 (Actual)	2013 (Estimate)
fatal accidents in industrial undertakings .....	29	28δ	N.A.
non-fatal accidents in industrial undertakings .....	13 629	11 376δ	N.A.
accident rate per 1 000 industrial employees .....	23.6	19.4δ	N.A.
fatal accidents in non-industrial undertakingsΔ .....	162	147δ	N.A.
non-fatal accidents in non-industrial undertakings .....	26 758	24 795δ	N.A.
accident rate per 1 000 employees in non-industrial undertakings .....	12.2	11.1δ	N.A.
investigation of accidents at workplaces .....	11 859	13 442	13 000
warnings issued by occupational safety officers .....	30 537	31 498	31 000
prosecutions taken .....	1 909	2 515	2 500
suspension/improvement notices issued .....	1 707	2 403	2 400
investigations/surveys/examinations/assessments/clinical consultations on occupational health conducted .....	26 420	26 437	26 000
pressure equipment registered .....	1 613	1 813	1 800
examinations conducted and exemptions granted for the issue or endorsement of certificates of competency .....	366	380	380
warnings issued under the BPVO .....	3 134	3 237	3 200

δ The accident statistics for 2012 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 2013.

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

### *Matters Requiring Special Attention in 2013–14*

**20** Major new plans for 2013–14 include:

- intensifying systematic preventive and enforcement measures in construction safety in anticipation of the increase in the number of new works projects and expected growth in building renovation and maintenance works; and
- launching large-scale promotional programmes to raise the safety awareness of stakeholders in the construction and catering industries.

### **Programme (4): Employees' Rights and Benefits**

	2011–12 (Actual)	2012–13 (Original)	2012–13 (Revised)	2013–14 (Estimate)
Financial provision (\$m)	266.3	306.3	283.9 (–7.3%)	328.0 (+15.5%)
				(or +7.1% on 2012–13 Original)

### *Aim*

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

### *Brief Description*

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

**23** 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.

**24** 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.

**25** 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 Ordinance (Cap. 608) (MWO) among employers and employees.

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**26** With the Protection of Wages on Insolvency (Amendment) Ordinance 2012 coming into force on 29 June 2012, the scope of the PWIF is expanded to cover pay for untaken annual leave and untaken statutory holidays under the EO, thereby enhancing protection to employees in the event of the insolvency of employers.

**27** The Department has continued its promotional efforts to enhance the understanding of employers and foreign domestic helpers (FDHs) on their statutory and contractual rights and obligations. Four information kiosks were set up at the popular gathering places of FDHs to screen a publicity video on the employment of FDHs and distribute information packs. In addition, the publicity video was screened at public venues to reach more FDHs and their employers.

**28** 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.

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

### *Targets*

	Target	2011 (Actual)	2012 (Actual)	2013 (Plan)
inspections to workplaces.....	130 000	138 395	143 680	<b>145 000</b>
inspections per field labour inspector.....	780	795	777	<b>780</b>
starting investigation of complaints by labour inspector .....	within 1 week upon receipt	within 1 week upon receipt	within 1 week upon receipt	<b>within 1 week upon receipt</b>
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	<b>within 30 mins. of appointment time</b>
issuing certificates of compensation assessment.....	within 3 weeks	within 3 weeks	within 3 weeks	<b>within 3 weeks</b>
effecting payment in respect of applications to the PWIF .....	within 10 weeks	within 10 weeks	within 10 weeks	<b>within 10 weeks</b>

### *Indicators*

	2011 (Actual)	2012 (Actual)	2013 (Estimate)
warnings issued.....	464	472	<b>470</b>
prosecutions taken .....	3 219	2 896	<b>2 900</b>
sick leave clearance interviews for injured employees conducted .....	43 531	43 680	<b>44 000</b>
employees' compensation claims processed .....	56 996	56 763	<b>58 000</b>
applications for payment under the PWIF processed.....	4 439	3 374	<b>3 400</b>
cases related to imported workers investigated.....	44	48	<b>45</b>

### *Matters Requiring Special Attention in 2013–14*

**30** Major new plans for 2013–14 include:

- preparing for the implementation of a new SMW rate;
- undertaking targeted enforcement action to check employers' compliance with the new SMW rate; and
- supporting the work of the Special Committee on Standard Working Hours.

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### ANALYSIS OF FINANCIAL PROVISION

Programme	2011–12 (Actual) (\$m)	2012–13 (Original) (\$m)	2012–13 (Revised) (\$m)	2013–14 (Estimate) (\$m)
(1) Labour Relations .....	120.0	130.6	129.2	135.7
(2) Employment Services .....	507.9	2,123.2	651.8	1,166.9
(3) Safety and Health at Work .....	376.1	370.2	382.1	409.8
(4) Employees' Rights and Benefits .....	266.3	306.3	283.9	328.0
	1,270.3	2,930.3	1,447.0 (–50.6%)	2,040.4 (+41.0%)
				(or –30.4% on 2012–13 Original)

#### Analysis of Financial and Staffing Provision

##### Programme (1)

Provision for 2013–14 is \$6.5 million (5.0%) higher than the revised estimate for 2012–13. This is mainly due to increased operating expenses, salary increments for staff and filling of vacancies.

##### Programme (2)

Provision for 2013–14 is \$515.1 million (79.0%) higher than the revised estimate for 2012–13. This is mainly due to increased non-recurrent cash flow requirement for meeting the expenditure of the WITS Scheme, increased expenditure in employment programmes, an increase of 29 posts, salary increments for staff and filling of vacancies.

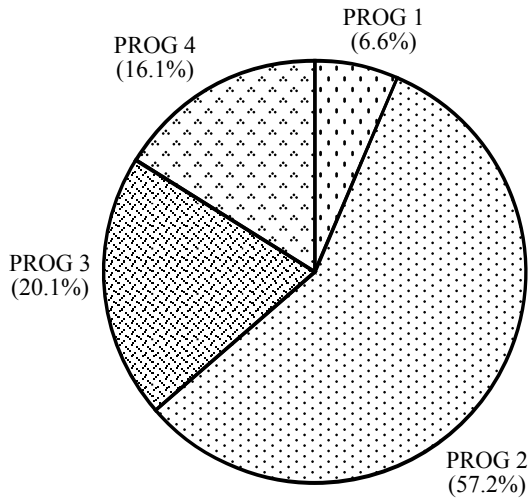
##### Programme (3)

Provision for 2013–14 is \$27.7 million (7.2%) higher than the revised estimate for 2012–13. This is mainly due to a net increase of 12 posts, salary increments for staff, filling of vacancies and increased publicity expenses.

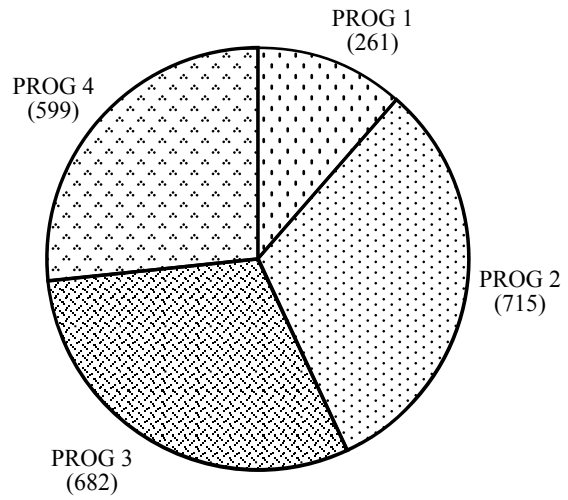
##### Programme (4)

Provision for 2013–14 is \$44.1 million (15.5%) higher than the revised estimate for 2012–13. This is mainly due to the implementation of the MWO, an increase of ten posts, salary increments for staff and filling of vacancies.

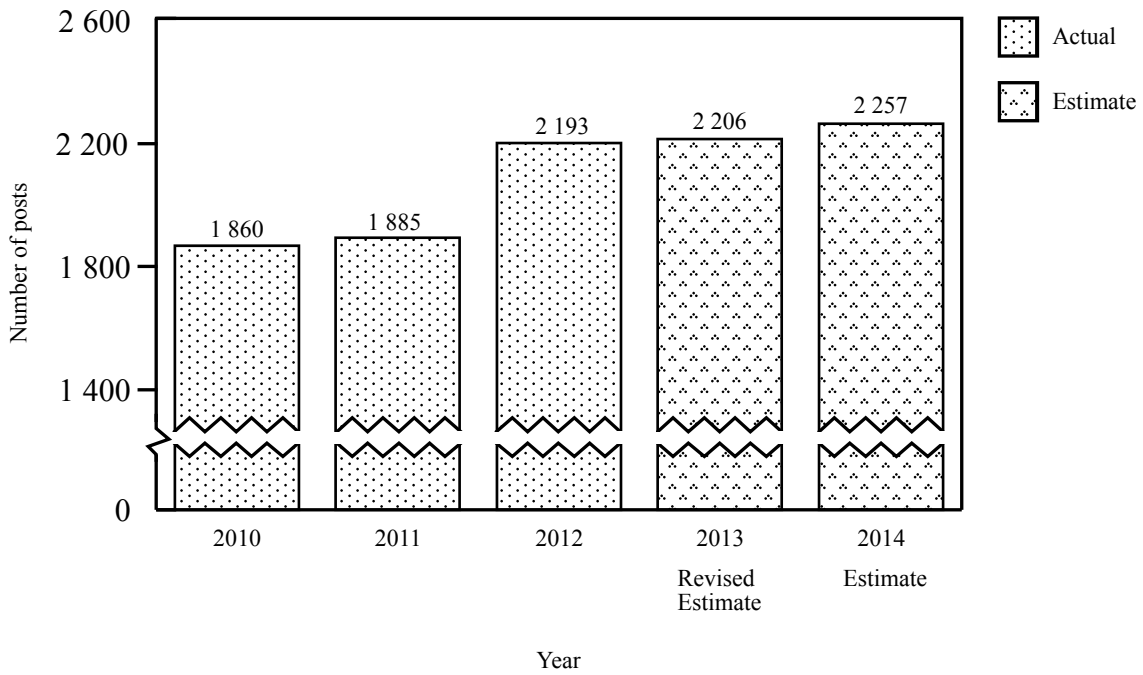
*Allocation of provision  
to programmes  
(2013-14)*



*Staff by programme  
(as at 31 March 2014)*



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





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Sub-head (Code)		Actual expenditure 2011–12	Approved estimate 2012–13	Revised estimate 2012–13	Estimate 2013–14
		\$'000	\$'000	\$'000	\$'000
<b>Operating Account</b>					
	Recurrent				
000	Operational expenses .....	1,089,386	1,300,096	1,180,273	1,486,931
280	Contribution to the Occupational Safety and Health Council .....	4,014	4,246	5,162	5,420
295	Contribution to the Occupational Deafness Compensation Board .....	1,405	1,486	1,807	1,897
	Total, Recurrent .....	1,094,805	1,305,828	1,187,242	1,494,248
	Non-Recurrent				
700	General non-recurrent .....	175,509	1,624,475	259,783	546,184
	Total, Non-Recurrent .....	175,509	1,624,475	259,783	546,184
	Total, Operating Account.....	1,270,314	2,930,303	1,447,025	2,040,432
<hr/>					
	Total Expenditure .....	1,270,314	2,930,303	1,447,025	2,040,432

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### Details of Expenditure by Subhead

The estimate of the amount required in 2013–14 for the salaries and expenses of the Labour Department is \$2,040,432,000. This represents an increase of \$593,407,000 over the revised estimate for 2012–13 and of \$770,118,000 over the actual expenditure in 2011–12.

#### *Operating Account*

##### Recurrent

**2** Provision of \$1,486,931,000 under *Subhead 000 Operational expenses* is for the salaries, allowances and other operating expenses of the Labour Department. The increase of \$306,658,000 (26.0%) over the revised estimate for 2012–13 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 2013 will be 2 206 permanent posts. It is expected that there will be a net increase of 51 posts in 2013–14. Subject to certain conditions, the controlling officer may under delegated power create or delete non-directorate posts during 2013–14, but the notional annual mid-point salary value of all such posts must not exceed \$931,474,000.

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

	2011–12 (Actual) (\$'000)	2012–13 (Original) (\$'000)	2012–13 (Revised) (\$'000)	2013–14 (Estimate) (\$'000)
Personal Emoluments				
- Salaries .....	850,481	923,707	924,494	1,001,034
- Allowances .....	19,046	11,359	11,893	10,292
- Job-related allowances.....	—	3	3	3
Personnel Related Expenses				
- Mandatory Provident Fund contribution .....	2,758	2,601	3,068	4,395
- Civil Service Provident Fund contribution .....	8,953	12,993	13,950	16,887
Departmental Expenses				
- General departmental expenses .....	172,459	326,641	205,759	431,828
Other Charges				
- Campaigns, exhibitions and publicity .....	35,689	22,792	21,106	22,492
	<u>1,089,386</u>	<u>1,300,096</u>	<u>1,180,273</u>	<u>1,486,931</u>

**5** Provision of \$5,420,000 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 \$1,897,000 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 31.3.2012	Revised estimated expenditure for 2012–13	Balance
			\$'000	\$'000	\$'000	\$'000
<b><i>Operating Account</i></b>						
700		<i>General non-recurrent</i>				
	050	Loan guarantee scheme for Severe Acute Respiratory Syndrome impacted industries.....	3,500,000	31,720	70	3,468,210
	841	Work Incentive Transport Subsidy Scheme .....	4,805,000	99,799	233,702	4,471,499
	863	Enhanced and integrated employment programmes.....	398,600	186,907	11,382	200,311
	873	Pilot Employment Navigator Programme .....	124,500	4,458	5,321	114,721
	874	Special Employment Project for Vulnerable Youths .....	33,000	5,551	7,000	20,449
	891	Pilot Transport Support Scheme .....	365,000	243,848	2,308	118,844
		Total .....	<u>9,226,100</u>	<u>572,283</u>	<u>259,783</u>	<u>8,394,034</u>