

## Head 90 — LABOUR DEPARTMENT

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

<b>Estimate 2002–03</b> .....	<b>\$941.5m</b>
<b>Establishment ceiling 2002–03</b> (notional annual mid-point salary value) representing an estimated 1 839 non-directorate posts at 31 March 2002 reducing by 65 posts to 1 774 posts at 31 March 2003 ..	<b>\$663.5m</b>
In addition there will be an estimated 14 directorate posts at 31 March 2002 and at 31 March 2003.	
<b>Capital Account commitment balance</b> .....	<b>\$129.3m</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

	2000–01 (Actual)	2001–02 (Approved)	2001–02 (Revised)	2002–03 (Estimate)
Financial provision (\$m)	100.4	100.8 (+0.4%)	105.3 (+4.5%)	<b>108.4</b> <b>(+2.9%)</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	2000 (Actual)	2001 (Actual)	2002 (Plan)
waiting time for arranging conciliation meetings for claims .....	within 5 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	2000 (Actual)	2001 (Actual)	2002 (Plan)
inspection to trade unions .....	360	361	362	365

@ The previous target was within 4 weeks. It is revised to within 5 weeks because the waiting time for arranging conciliation meetings has increased as a result of the drastic rise in the number of claims.

### Indicators

	2000 (Actual)	2001 (Actual)	2002 (Estimate)
labour disputes and claims handled.....	28 928	31 698	31 700
labour disputes and claims with conciliation service rendered#.....	27 454	29 504	29 500
labour disputes and claims resolved through conciliation.....	16 971	18 892	18 900
percentage of labour disputes and claims resolved through conciliation.....	61.8	64.0	64.0
working days lost from labour disputes known .....	934	780	N.A.§
consultation meetings held.....	127 915	145 943	145 950
promotional activities undertaken including trade union educational courses.....	1 487	1 490	1 120†
claims adjudicated by MECAB.....	2 640	2 611	2 650
actual cases on registration of new trade unions and changes of union names/rules.....	162	131@	N.A.§

# 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.

§ Not applicable.

† The reduction is mainly due to the planned re-deployment of resources from organising promotional activities to processing applications for payment under the Protection of Wages on Insolvency Fund.

@ The number of new trade unions registered in 2001 remained at the same level of 2000. The decrease is due to a small number of applications for registering changes of union names/rules received.

### Matters Requiring Special Attention in 2002–03

5 Major new plans for 2002–03 include:

- publishing a guide book on the successful experience of Hong Kong enterprises to encourage the adoption of enlightened people management practices;
- producing a reference kit on good people management practices and major provisions of labour legislation for the handy reference of employers and human resource management practitioners; and
- producing a video to promote sound union administration and the major provisions of the Trade Unions Ordinance for distribution to all registered trade unions.

### Programme (2): Employment Services

	2000–01 (Actual)	2001–02 (Approved)	2001–02 (Revised)	2002–03 (Estimate)
Financial provision (\$m)	196.5	275.1 (+40.0%)	253.0 (–8.0%)	280.9 (+11.0%)

### 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.

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

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### *Targets*

	Target	2000 (Actual)	2001 (Actual)	2002 (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	1 101	1 211	<b>1 300</b>

### *Indicators*

	2000 (Actual)	2001 (Actual)	2002 (Estimate)
able-bodied job-seekers			
persons registered .....	154 194	180 852	<b>190 000</b>
placements@ .....	59 164	62 838	<b>62 000</b>
disabled job-seekers			
persons registered .....	3 789	4 128	<b>4 200</b>
placements .....	2 007	2 348	<b>2 520</b>
young people participating in careers guidance activities .....	749 318	960 485	<b>980 000</b>
employment agency licences issued .....	1 335	1 447	<b>1 500</b>
applications under labour importation schemes processed.....	1 082	894†	<b>890</b>

@ Same as that of 2000, the actual number of placements for 2001 and the estimated figure for 2002 include both the number of placements achieved by the Labour Department through job referral and the 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.

### *Matters Requiring Special Attention in 2002–03*

10 Major new plans for 2002–03 include:

- extending the Re-employment Pilot Programme for the Middle-aged for another 12 months to provide long term unemployed persons aged 40 or above with one-stop counselling and placement service;
- continuing the Youth Pre-employment Training Programme to provide young school leavers aged between 15 and 19 with a wide range of employment-related and on-the-job training;
- setting up user-friendly self-help Digital Job Centres so that job-seekers can obtain up-to-date vacancy information and make use of the supporting office equipment for job application;
- strengthening the promotion of various employment measures to assist job-seekers to find jobs; and
- implementing a new Trial Placement cum Mentor Scheme for People with a Disability with a view to promoting the open employment of people with a disability and enhancing peer acceptance of employees with a disability.

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

	2000–01 (Actual)	2001–02 (Approved)	2001–02 (Revised)	2002–03 (Estimate)
Financial provision (\$m)	327.1	336.0 (+2.7%)	342.0 (+1.8%)	<b>347.1 (+1.5%)</b>

### *Aim*

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

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### *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 will be issued to remove imminent risk to lives and limbs. Improvement notices will be 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	2000 (Actual)	2001 (Actual)	2002 (Plan)
inspections under the FIUO and the OSHO .....	125 000	131 455	130 464	<b>125 000</b>
inspections per field inspector under the FIUO and the OSHO .....	450	470.3	478.0	<b>450</b>
investigation of accidents at workplaces.....	11 850	13 196	12 993	<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	6 223	6 223	<b>4 950</b>
inspections under the BPVO .....	6 200	6 488	6 503	<b>6 200</b>
inspections per field inspector under the BPVO .....	1 030#	1 081	1 080	<b>1 030</b>
process pressure equipment registration .....	within 3 weeks	within 3 weeks	within 3 weeks	<b>within 3 weeks</b>
talks, lectures, seminars organised .....	2 500†	2 609	2 617	<b>2 540</b>

# This target is improved from 950 in 2001 to 1 030 in 2002 to reflect a larger capacity for inspection following the improvement of inspection arrangements.

† This target is improved from 2 300 in 2001 to 2 500 in 2002 as more health talks will be organised to promote occupational health at workplaces.

### *Indicators*

	2000 (Actual)	2001 (Actual)	2002 (Estimate)
fatal accidents in industrial undertakings .....	43	34@	N.A.§
non-fatal accidents in industrial undertakings.....	33 609	26 454@	N.A.§
accident rate per 1 000 industrial employees .....	51.7	41.2@	N.A.§
fatal accidents in non-industrial undertakings#.....	156	132@	N.A.§
non-fatal accidents in non-industrial undertakings .....	24 284	23 098@	N.A.§
accident rate per 1 000 employees in non-industrial undertakings .....	13.3	12.5@	N.A.§
warnings issued by occupational safety officers .....	35 467	35 977	N.A.§
prosecutions taken.....	3 071	2 773	N.A.§
suspension/improvement notices issued .....	2 524	2 369	N.A.§
investigations/surveys/examinations/assessments/clinical consultations on occupational health conducted.....	19 198	19 571	<b>19 200</b>
pressure equipment registered.....	2 342	2 225	<b>2 200</b>
examinations conducted and exemptions granted, for the issue or endorsement of certificates of competence .....	581	445	<b>480</b>
warnings issued under the BPVO .....	4 957	4 462	N.A.§

@ The accident statistics for 2001 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.

### *Matters Requiring Special Attention in 2002–03*

14 Major new plans for 2002–03 include:

- mounting a campaign to enhance the safety and health awareness of cleansing workers employed by government contractors;

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- publishing a series of pamphlets on causation of common or serious accidents in the construction and catering industries to raise the safety awareness of frontline supervisors and workers; and
- preparing new Codes of Practice to promulgate standards in electric arc welding safety and health, tower crane safety, electric steam boilers safety and control of air impurities at the workplace.

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

	2000-01 (Actual)	2001-02 (Approved)	2001-02 (Revised)	2002-03 (Estimate)
Financial provision (\$m)	198.2	200.6 (+1.2%)	202.8 (+1.1%)	<b>205.1</b> <b>(+1.1%)</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	2000 (Actual)	2001 (Actual)	2002 (Plan)
inspections to workplaces.....	161 000	162 640	163 185	<b>163 000</b>
inspections per field labour inspector.....	994	1 056	1 110	<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

	2000 (Actual)	2001 (Actual)	2002 (Estimate)
warnings issued.....	676	648	N.A.§
prosecutions taken.....	4 812	3 927	N.A.§
general telephone enquiries handled.....	1 352 846	1 470 183†	<b>1 400 000</b>
sick leave clearance interviews for injured employees conducted.....	75 515	69 129#	<b>68 000</b>
employee compensation claims processed.....	71 708	67 741#	<b>68 000</b>
applications for payment under the Protection of Wages on Insolvency Fund processed.....	13 582	13 314	<b>18 000</b>
cases related to imported workers investigated.....	164	121^	<b>120</b>

† The increase in general telephone enquiries was mainly attributable to increased number of enquiries on mandatory provident fund schemes and termination of contracts.

# The decline was attributable to the reduction in the number of occupational accidents in 2001.

^ The decrease in the number of cases investigated was attributable to the drop in the number of workers imported under the Supplementary Labour Scheme.

§ Not applicable.

#### Matters Requiring Special Attention in 2002-03

- 18 Major new plans for 2002-03 include:

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- introducing legislative amendments to the Occupational Deafness (Compensation) Ordinance to implement improvements to employee benefits;
- modifying the Employees Compensation Assistance Scheme with a view to maintaining its long-term financial viability;
- introducing legislative amendments and administrative measures to give effect to the proposal on recognition of Chinese medicine for entitlement to employee benefits under labour legislation and administrative scheme;
- examining and implementing measures to maintain the long-term financial viability of the Protection of Wages on Insolvency Fund; and
- strengthening the 24-hour telephone enquiry service.

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### ANALYSIS OF FINANCIAL PROVISION

Programme	2000-01 (Actual) (\$m)	2001-02 (Approved) (\$m)	2001-02 (Revised) (\$m)	2002-03 (Estimate) (\$m)
(1) Labour Relations .....	100.4	100.8	105.3	<b>108.4</b>
(2) Employment Services .....	196.5	275.1	253.0	<b>280.9</b>
(3) Safety and Health at Work .....	327.1	336.0	342.0	<b>347.1</b>
(4) Employee Rights and Benefits .....	198.2	200.6	202.8	<b>205.1</b>
	822.2	912.5 (+11.0%)	903.1 (-1.0%)	<b>941.5</b> (+4.3%)

#### Analysis of Financial and Staffing Provision

##### Programme (1)

Provision for 2002-03 is \$3.1 million (2.9%) higher than the revised estimate for 2001-02. This is mainly due to the additional provision for improving the conciliation service and salary increments for staff, partly offset by the deletion of five posts under the Enhanced Productivity Programme.

##### Programme (2)

Provision for 2002-03 is \$27.9 million (11.0%) higher than the revised estimate for 2001-02. This is mainly due to the additional provision (including funds for the upgrading of four posts and creation of one post) for implementing the Youth Pre-employment Training Programme, the increase in expenditure for implementing the re-employment pilot programme for the middle-aged, the additional provision for maintaining new job vacancy terminals and salary increments for staff, partly offset by the deletion of seven posts under the Enhanced Productivity Programme, the deletion of two posts resulting from the installation of job vacancy terminals in Job Centres and the deletion of one post as a result of the rationalisation of administrative support service.

##### Programme (3)

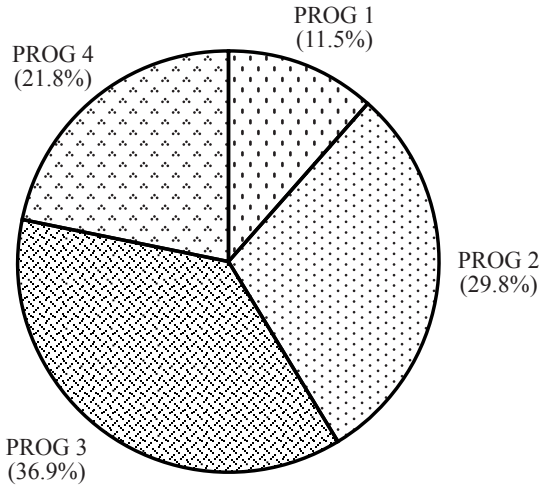
Provision for 2002-03 is \$5.1 million (1.5%) higher than the revised estimate for 2001-02. This is mainly due to the salary increments for staff and the additional provision for maintaining the new Occupational Safety and Health Management Information System (OSHMIS), partly offset by the deletion of 18 posts under the Enhanced Productivity Programme and the deletion of 15 posts resulting from the implementation of the OSHMIS.

##### Programme (4)

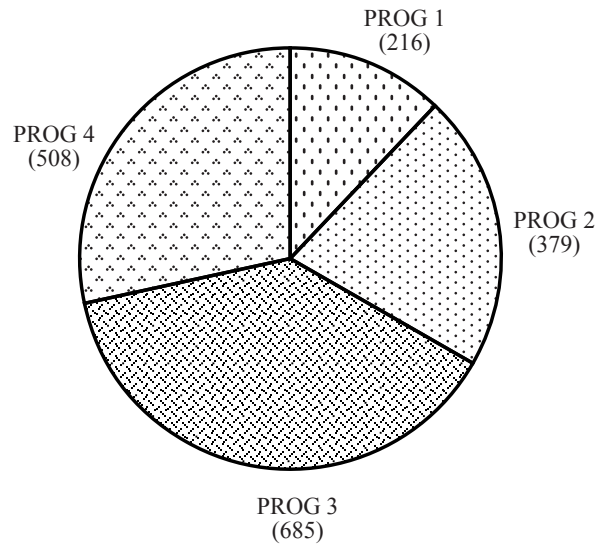
Provision for 2002-03 is \$2.3 million (1.1%) higher than the revised estimate for 2001-02. This is mainly due to additional provisions for enhancement of the Telephone Enquiry Service and for implementing the proposal on recognising Chinese medicine for entitlement to employee benefits under labour legislation and the Pnenmoconiosis Ex Gratia Scheme and salary increments for staff, partly offset by the deletion of 18 posts under the Enhanced Productivity Programme.

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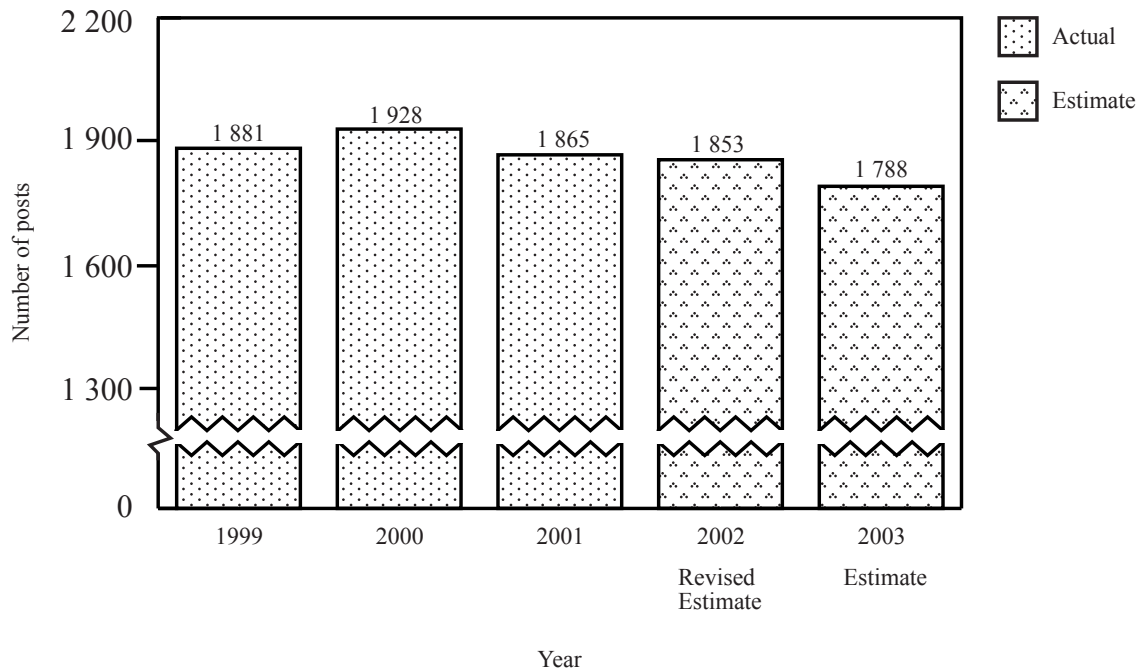
*Allocation of provision  
to programmes  
(2002-03)*



*Staff by programme  
(as at 31 March 2003)*



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





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Sub-head (Code)	Actual expenditure 2000-01	Approved estimate 2001-02	Revised estimate 2001-02	<b>Estimate 2002-03</b>
	\$'000	\$'000	\$'000	<b>\$'000</b>
<b>Recurrent Account</b>				
000	—	787,325	804,174	<b>873,317</b>
280	3,089	2,837	3,089	<b>3,089*</b>
295	3,552	3,263	3,552	<b>3,552*</b>
	692,256	—	—	—
	15,292	—	—	—
	62	—	—	—
	57,929	—	—	—
	6,117	—	—	—
	<u>778,297</u>	<u>793,425</u>	<u>810,815</u>	<u><b>879,958</b></u>
<b>Capital Account</b>				
I — Plant, Equipment and Works				
661	—	—	—	<b>1,600</b>
	<u>—</u>	<u>—</u>	<u>—</u>	<u><b>1,600</b></u>
II — Other Non-Recurrent				
700	43,948	119,098	92,308	<b>59,960</b>
	<u>43,948</u>	<u>119,098</u>	<u>92,308</u>	<u><b>59,960</b></u>
	<u>43,948</u>	<u>119,098</u>	<u>92,308</u>	<u><b>61,560</b></u>
	<u>822,245</u>	<u>912,523</u>	<u>903,123</u>	<u><b>941,518</b></u>

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### Details of Expenditure by Subhead

The estimate of the amount required in 2002–03 for the salaries and expenses of the Labour Department is \$941,518,000. This represents an increase of \$38,395,000 over the revised estimate for 2001–02 and of \$119,273,000 over actual expenditure in 2000–01.

#### *Recurrent Account*

**2** Provision of \$873,317,000 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 \$69,143,000 (8.6%) over the revised estimate for 2001–02 is mainly due to salary increments for staff and additional provision for various initiatives, including the continuation of the Youth Pre-employment Training Programme beyond 2001–02, enhancement of telephone enquiry service and improvement of conciliation service. Management and control of the department's operational expenses take the form of a one-line vote.

**3** As a vote-funded department, the department is subject to establishment control. The establishment at 31 March 2002 will be 1 853 permanent posts. The department expects a net deletion of 65 posts in 2002–03. Subject to certain conditions, the controlling officer may under delegated powers create or delete non-directorate posts during 2002–03, but the notional annual mid-point salary value of all such posts must not exceed \$663,493,000.

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

	2000–01 (Actual) (\$'000)	2001–02 (Original Estimate) (\$'000)	2001–02 (Revised Estimate) (\$'000)	2002–03 (Estimate) (\$'000)
Personal Emoluments				
- Salaries .....	692,256	710,290	728,598	<b>735,899</b>
- Allowances .....	15,292	15,338	13,877	<b>14,521</b>
- Job-related allowances .....	62	68	70	<b>70</b>
Departmental Expenses				
- General departmental expenses .....	57,929	55,220	55,220	<b>116,680</b>
Other Charges				
- Campaigns, exhibitions and publicity .....	6,117	6,409	6,409	<b>6,147</b>
	<u>771,656</u>	<u>787,325</u>	<u>804,174</u>	<u><b>873,317</b></u>

**5** Provision of \$3,089,000 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 is based on a proportion of the amount of levy received by the Council, with the proportion equivalent to the ratio of the size of the civil service to the working population in Hong Kong.

**6** Provision of \$3,552,000 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 31.3.2001	Revised estimated expenditure for 2001-02	Balance
			\$'000	\$'000	\$'000	\$'000
700		<i>General other non-recurrent</i>				
	526	Youth pre-employment training programme .....	246,000	37,966	86,500	121,534
	527	Re-employment pilot programme for the middle-aged (previously known as pilot project for the long-term unemployed).....	9,800	86	3,500	6,214
	528	To publicise major provisions of the Employees' Compensation Ordinance through a series of promotional and educational activities .....	1,100	—	950	150
	530	To produce a video on promoting sound union administration and the Trade Unions Ordinance.....	312	—	156	156
	531	Trial placement scheme for people with a disability .....	1,400	—	140	1,260
		Total.....	<u>258,612</u>	<u>38,052</u>	<u>91,246</u>	<u>129,314</u>