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Session No. : 11**

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**Replies to supplementary questions raised by Finance Committee Members in
examining the Estimates of Expenditure 2008-09**

**Director of Bureau : Secretary for Labour and Welfare
Session No. : 11**

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Examination of Estimates of Expenditure 2008-09

**CONTROLLING OFFICER'S REPLY TO
SUPPLEMENTARY QUESTION**

Reply Serial No.

S-LWB(L)01

Question Serial No.

S042

Head: 90 – Labour Department

Subhead(No. & title):

Programme: (4) Employee Rights and Benefits

Controlling Officer: Commissioner for Labour

Director of Bureau: Secretary for Labour and Welfare

Question:

The 2007-08 revised estimate for the Employee Rights and Benefits Programme increased significantly by 46.1% over the original estimate. However, the estimated expenditure for the Programme this year is 27.6% lower than the revised estimate of the previous year. Would the Government advise on the reasons for the decrease in the estimated expenditure? Although the Government indicated that there were less wage defaults due to improvement in the economy, there was an incidence of wage arrears earlier when a Chinese restaurant closed down after just three months of operation. This is a forewarning of the seriousness of the problem which should not be overlooked. In this regard, would the Government give a detailed account of the distribution of resources in combating wage offences?

Asked by: Hon. LAM Wai-keung, Daniel

Reply:

In comparison with the revised estimate for 2007-08, the provision for the Employee Rights and Benefits Programme for 2008-09 decreases by \$78.5 million (or 27.6%). This is due to the fact that a one-off injection of \$89 million into the Pneumoconiosis Ex Gratia Fund made in 2007-08 will not be repeated in 2008-09. Discounting this one-off injection, there is in fact a net increase of \$10.5 million (or 5.4%) in the provision for this Programme for 2008-09.

In 2008-09, the Labour Department will continue its vigorous efforts in combating wage offences through targeted inspections, investigation of complaints, prosecution of offenders and launching public education programmes. As officers who are involved in combating wage offences also undertake other enforcement and publicity duties, we do not have a separate breakdown of the expenditure on these officers' involvement in combating wage offences.

Signature _____

Name in block letters _____ Mrs Cherry TSE

Post Title _____ Commissioner for Labour

Date _____ 9 April 2008

Examination of Estimates of Expenditure 2008-09

**CONTROLLING OFFICER'S REPLY TO
SUPPLEMENTARY QUESTION**

Reply Serial No.

S-LWB(L)02

Question Serial No.

S043

Head: 90 – Labour Department

Subhead(No. & title):

Programme: (2) Employment Services

Controlling Officer: Commissioner for Labour

Director of Bureau: Secretary for Labour and Welfare

Question:

In 2007, Labour Department secured 2 619 placements for job seekers with disabilities and 1 064 of them had monthly earnings below \$3,000. How many applications were received in 2007 and how many were rejected? What resources will be deployed to improve the performance and what is the estimated number of placements in 2008?

Asked by: Hon. LAU Wai-hing, Emily

Reply:

In 2007, the Selective Placement Division (SPD) of the Labour Department registered 3 666 disabled job seekers and achieved 2 619 placements. Of the 1 064 placements with monthly earnings below \$3,000, the majority (76%) were part-time jobs.

We estimate that the number of placements in 2008 will be maintained at around 2 600. SPD will utilise existing manpower resources to promote special employment programmes for people with disabilities, e.g. the Work Orientation and Placement Scheme and the Self Help Integrated Placement Service, in order to enhance the employability of people with disabilities. The division will also organise public education and publicity activities such as TV/radio programmes, newspaper/bus advertising and seminars to promote public understanding and acceptance of people with disabilities, with a view to helping disabled job seekers secure employment in the open market.

Signature _____

Name in block letters _____ Mrs Cherry TSE

Post Title _____ Commissioner for Labour

Date _____ 9 April 2008

Examination of Estimates of Expenditure 2008-09

**CONTROLLING OFFICER'S REPLY TO
SUPPLEMENTARY QUESTION**

Reply Serial No.

S-LWB(L)03

Question Serial No.

SV010

Head: 90 – Labour Department

Subhead(No. & title):

Programme: (1) Labour Relations
(2) Employment Services

Controlling Officer: Commissioner for Labour

Director of Bureau: Secretary for Labour and Welfare

Question:

1. At the request of Ms Emily LAU, the Administration undertook to provide information, statistics and breakdown in respect of :
 - a) number of cases involving arrears of wages, disputes and claims that had been referred to the Minor Employment Claims Adjudication Board (MECAB) and the Labour Tribunal (LT) in the year 2007;
 - b) number of cases where claims were successfully made under MECAB and LT and the amount of compensation claimed in the year 2007; and
 - c) assistance rendered to cases where claims were unsuccessful.
2. At the request of Ms LI Fung-ying, the Administration undertook to provide information and relevant paper(s) on the background, rationale and objectives of the pilot Transport Support Scheme set up in June 2007 to provide a time-limited transport allowance as an incentive for residents of remote districts to seek jobs and work across district.

Asked by: 1. Hon. LAU Wai-hing, Emily
2. Hon. LI Fung-ying

Reply:

1. a) Statistics with respect to labour disputes and claims which were referred by the Labour Department (LD) to the Minor Employment Claims Adjudication Board (MECAB) and the Labour Tribunal (LT) in 2007 are as follows:

No. of cases referred to MECAB	No. of cases referred to LT
1 750 (of which 676 involved arrears of wages)	4 930 (of which 1 318 involved arrears of wages)

- b) For LT, the number of cases where monetary awards (including arrears of wages, wages in lieu of notice, severance payment, etc.) were made in 2007 is 4 742. As claims generally have multiple items and in some cases there are more than one claimant, it is difficult to differentiate which cases in 2007 were successful or unsuccessful. For instance, a claimant may succeed in one or two items of a claim but fail in the others. The above figure only shows the number of awards for general reference. The respective total amount claimed is \$450 million, and the amount awarded is \$258 million.

As regards MECAB, the number of cases where monetary awards (including arrears of wages, wages in lieu of notice, etc.) were made in 2007 is 1 457. As claims generally have multiple items and in some cases there are more than one claimant, it is also difficult to differentiate which cases in 2007 were successful or unsuccessful. The respective total amount claimed is \$6.7 million, and the amount awarded is \$4.8 million.

- c) If the MECAB or LT award is in favour of the employees but the employer fails to make payment, where the employer has ceased business or become insolvent, LD will assist the affected employees to apply for ex gratia payment from the Protection of Wages on Insolvency Fund and also refer such employees to the Legal Aid Department for assistance in instituting winding-up or bankruptcy proceedings against the insolvent employer. If the employer is solvent and still in operation, LD will initiate vigorous enforcement action against the employer. Upon receipt of complaints by employees on defaulted payment of LT or MECAB awards, labour inspectors of LD will conduct follow-up investigation on the cases in respect of possible breaches under the Employment Ordinance (EO). If there is sufficient evidence, LD will prosecute employers who have violated the EO.
2. As recommended by the former Commission on Poverty (CoP), the pilot Transport Support Scheme (TSS) was introduced in June 2007 to encourage the unemployed and low-income employees with financial difficulties living in Tuen Mun, Yuen Long, Islands and North Districts to find jobs and work across districts. Papers on the background, rationale and objectives of the pilot TSS can be found from the resources materials on archived CoP's website (www.cop.gov.hk/eng/resource.htm). The relevant information is extracted as follows :

Background

At the 2nd meeting held on 11.4.2005, CoP adopted “working poor” as one of the priority groups that deserved the Commission’s priority concern (paragraph 5 of CoP Paper 11/2005 on the Work Programme of CoP). The Annex to the paper mentioned that “Members generally share that living expenses such as transport costs for commuters living in remote areas.....are of particular concern to the working poor,.....”

Rationale

In April 2006, a short-term travel support scheme for eligible graduates of the Employees Retraining Board (ERB) residing in Yuen Long, Islands and the North districts was introduced with a view to encouraging unemployed people in these remote districts who were not receiving Comprehensive Social Security Assistance to take up employment.

The 8th meeting held on 27.3.2006 discussed CoP Paper 5/2006 on Work Incentives for Working Poor – Transport Support for Those Living in Remote Areas which focused on long-term travel support to those with low-income and living in remote areas and having to commute to work across districts. Paragraph 8 of the paper mentioned that “There is also a general consensus in providing transport subsidies to low-income earners living in remote districts like Yuen Long, Tuen Mun, Islands and the North districts.”

Objectives

At the 12th and 13th meetings held on 8 and 23.1.2007 respectively, CoP discussed the new initiative to expand the trial travel support scheme of ERB. The objectives of the pilot TSS were explicitly spelt out in paragraph 3 of CoP Paper 1/2007 on Welfare to Self-reliance - TSS. The paper stated that “the subsidies should focus on assisting those living in remote districts (where there are a relative lack of local employment opportunities) to find employment and to facilitate their transition to work, instead of a territory-wide scheme” and “the subsidies are not meant to be a form of income support to supplement the low-wages of employees, and hence the support should be time-limited.”

Signature _____

Name in block letters _____ Mrs Cherry TSE

Post Title _____ Commissioner for Labour

Date _____ 11 April 2008

Examination of Estimates of Expenditure 2008-09

**CONTROLLING OFFICER'S REPLY TO
SUPPLEMENTARY QUESTION**

Reply Serial No.

S-LWB(L)04

Question Serial No.

S044

Head: 90 – Labour Department

Subhead(No. & title):

Programme: (1) Labour Relations

Controlling Officer: Commissioner for Labour

Director of Bureau: Secretary for Labour and Welfare

Question:

1. The Administration has pointed out that the booklet on enlightened employment practices will illustrate with actual cases the benefits of adopting such practices. Apart from publishing the booklet, will the Administration follow the example of the Independent Commission Against Corruption which produced the TV drama “ICAC Investigators” based on actual cases to put the real cases of enlightened employment practices on TV to make them widely known to the public?
2. As the booklet on enlightened employment practices will not focus on the promotion of family-friendly policies, will the Government allocate resources to develop and promote family-friendly policies?

Asked by: Hon. CHAN Yuen-han

Reply:

1. Apart from publishing the booklet, we will publicise the actual cases in a major local newspaper and upload the information on our departmental website in order to make the enlightened employment practices widely known to the public. We will also explore the feasibility of publicising the cases through TV.
2. The booklet will place particular emphasis on family-friendly employment practices (FFEPs). In addition to the production of the booklet, we will also promote FFEPs through various channels, including staging roving exhibitions.

Signature _____

Name in block letters _____ Mrs Cherry TSE

Post Title _____ Commissioner for Labour

Date _____ 9 April 2008

**CONTROLLING OFFICER'S REPLY TO
SUPPLEMENTARY QUESTION**

Reply Serial No.

S-LWB(L)05

Question Serial No.

S045

Head: 90 – Labour Department

Subhead(No. & title):

Programme: (1) Labour Relations

Controlling Officer: Commissioner for Labour

Director of Bureau: Secretary for Labour and Welfare

Question:

1. In 2007-08, appeal letters for support of the Wage Protection Movement for cleaning workers and security guards (WPM) were sent to some 16 000 companies/organisations in various sectors of the community, including non-governmental organisations, employers who had placed vacancies at the Labour Department as well as Owners' Corporations/Owners' Committees (OCs). However, as at the end of February 2008, there were only 1 089 participating entities. Does the Administration consider that implementation of the WPM effective or not?
2. How many briefings were organised by the Administration in 2007-08 to introduce the WPM and make contact with OCs, employer associations and other related bodies? How many employers expressed willingness to participate in the WPM on the spot? If the figures are low and the results unsatisfactory, will the Administration allocate resources in this area to the preparatory legislative work?

Asked by: Hon. CHAN Yuen-han

Reply:

1. The overall review of the WPM will be conducted in October this year, as pledged in the Chief Executive's 2007-08 Policy Address. It is premature to conclude whether the WPM is effective or not at this stage.
2. In 2007-08, the Labour Department (LD) attended 38 briefings to promote the WPM. We do not have the exact headcount in the number of employers who expressed interest on the spot to join the Movement. Besides these briefings, LD also took every opportunity to make contact with OCs, employer associations, private companies, and other related organisations. These include issuing some 16 000 appeal letters, distributing over 100 000 posters/leaflets and promoting WPM at sectoral tripartite meetings, as part of LD's concerted efforts to promote the awareness of wage protection in the territory.

A total of three additional staff, comprising one Senior Labour Officer, one Labour Officer and one Programme Officer (non-civil service contract staff), now provide dedicated support to undertake the preparatory work for introducing a statutory minimum wage for cleaning workers and security guards.

Signature _____

Name in block letters _____ Mrs Cherry TSE

Post Title _____ Commissioner for Labour

Date _____ 10 April 2008

Examination of Estimates of Expenditure 2008-09

**CONTROLLING OFFICER'S REPLY TO
SUPPLEMENTARY QUESTION**

Reply Serial No.

S-LWB(L)06

Question Serial No.

S046

Head: 90 – Labour Department

Subhead(No. & title):

Programme: (1) Labour Relations

Controlling Officer: Commissioner for Labour

Director of Bureau: Secretary for Labour and Welfare

Question:

At present, only 3 staff members are assigned to undertake the preparatory work for introducing a statutory minimum wage, is the manpower sufficient? Can they cope with all the preparatory legislative work before the end of the current legislative session?

Asked by: Hon. CHAN Yuen-han

Reply:

Labour Department (LD) is expediting the preparatory work for the possible introduction of a statutory minimum wage (SMW) for cleaning workers and security guards in consultation with stakeholders. The Chief Executive has made it clear in his 2007-08 Policy Address that if the overall review of the Wage Protection Movement to be conducted in October 2008 indicates that the movement has failed, the Government will introduce a bill on a SMW for cleaning workers and security guards as early as possible in the 2008-09 legislative session. Where necessary, LD will resort to internal staff deployment to assist in the preparatory work.

Signature _____

Name in block letters _____ Mrs Cherry TSE

Post Title _____ Commissioner for Labour

Date _____ 9 April 2008

Examination of Estimates of Expenditure 2008-09

**CONTROLLING OFFICER'S REPLY TO
SUPPLEMENTARY QUESTION**

Reply Serial No.

S-LWB(L)07

Question Serial No.

S048

Head: 90 – Labour Department

Subhead(No. & title):

Programme: (4) Employee Rights and Benefits

Controlling Officer: Commissioner for Labour

Director of Bureau: Secretary for Labour and Welfare

Question:

The Administration stated that it was reviewing the provisions of the Employment Ordinance on “continuous contract” and the issue of enforcement of Labour Tribunal awards. What are the respective completion dates of the two reviews? Will a bill be introduced to the Legislative Council for consideration this year?

Asked by: Hon. WONG Kwok-hing

Reply:

In respect of the review on the provisions of the Employment Ordinance on “continuous contract”, Labour Department’s plan is to complete the review by the end of 2008. As for the review relating to the enforcement of Labour Tribunal awards, we will in the first instance consult the Labour Advisory Board and the Legislative Council (LegCo) Panel on Manpower on this in April 2008. The question of whether a bill will be introduced into LegCo in the 2008-09 legislative session will depend on the outcome of the reviews and the consultation with stakeholders.

Signature _____

Name in block letters _____ Mrs Cherry TSE

Post Title _____ Commissioner for Labour

Date _____ 9 April 2008

Examination of Estimates of Expenditure 2008-09

**CONTROLLING OFFICER'S REPLY TO
SUPPLEMENTARY QUESTION**

Reply Serial No.

S-LWB(L)08

Question Serial No.

S049

Head: 90 – Labour Department

Subhead(No. & title):

Programme: (4) Employee Rights and Benefits

Controlling Officer: Commissioner for Labour

Director of Bureau: Secretary for Labour and Welfare

Question:

1. The Labour Department (LD) is conducting another recruitment exercise to fill the outstanding vacancies of Labour Inspector II. How many vacancies are involved?
2. More efforts would be made on surveillance against wage offences and illegal employment, etc. However, the LD has no plan to increase the establishment of the Labour Inspector grade. What are the reasons?

Asked by: Hon. WONG Kwok-hing

Reply:

1. As at 1.4.2008, there were 32 vacancies of Labour Inspector II in the Labour Department (LD).
2. LD has intensified its efforts in intelligence collection and analysis in order to mount more targeted operations to tackle wage offences and combat illegal employment. This targeted mode of enforcement has proved very effective in offence detection. There is currently no plan to increase the establishment of the Labour Inspector grade but LD is conducting a recruitment exercise to fill existing vacancies of Labour Inspector II so as to provide additional manpower for enforcement work.

Signature _____

Name in block letters _____ Mrs Cherry TSE

Post Title _____ Commissioner for Labour

Date _____ 9 April 2008

Examination of Estimates of Expenditure 2008-09

**CONTROLLING OFFICER'S REPLY TO
SUPPLEMENTARY QUESTION**

Reply Serial No.

S-LWB(L)09

Question Serial No.

S050

Head: 90 – Labour Department

Subhead(No. & title):

Programme: (2) Employment Services

Controlling Officer: Commissioner for Labour

Director of Bureau: Secretary for Labour and Welfare

Question:

In 2007, the Labour Department registered 182 ethnic minority job seekers and secured 71 placements under the Job Matching Programme. The success rate was less than 40%. Has the Administration reviewed the reasons for the comparatively low success rate? If yes, what are the results of the review? If no, what improvements will the Administration make to secure employment for ethnic minority job seekers?

Asked by: Hon. WONG Kwok-hing

Reply:

Labour Department's (LD) Job Matching Programme provides job seekers, including the ethnic minorities, with intensive and personalised employment services. Apart from referral of suitable jobs to registrants at the initial stage, placement officers provide career guidance on job search skills and encourage registrants to apply to employers direct for jobs posted by LD. The 71 placements in 2007 only recorded the placements through LD's referral under the Programme. Registrants who secure employment through direct application are not required to inform LD.

We will introduce suitable retraining and language courses to ethnic minority registrants as appropriate to enhance their employability and readiness for work. We will also strengthen district-based job fairs to canvass more local vacancies for ethnic minority job seekers in different districts.

Signature _____

Name in block letters _____ Mrs Cherry TSE

Post Title _____ Commissioner for Labour

Date _____ 9 April 2008

Examination of Estimates of Expenditure 2008-09

**CONTROLLING OFFICER'S REPLY TO
SUPPLEMENTARY QUESTION**

Reply Serial No.

S-LWB(L)10

Question Serial No.

S051

Head: 90 – Labour Department

Subhead(No. & title):

Programme: (2) Employment Services

Controlling Officer: Commissioner for Labour

Director of Bureau: Secretary for Labour and Welfare

Question:

Commencing this year, the Trade Development Council will organise the careers expo for young people on its own. Will participating exhibitors and visitors be charged? If yes, how much will be charged? What are the rates of increase/decrease as compared with the fees charged last year?

Asked by: Hon. WONG Kwok-hing

Reply:

The annual education and careers expo is open to the public with free admission. In 2007, the Hong Kong Trade Development Council charged exhibitors a rental of \$27,162 for each standard booth of size 3m x 3m. Labour Department does not have information on the rental in 2008.

Signature _____

Name in block letters _____ Mrs Cherry TSE

Post Title _____ Commissioner for Labour

Date _____ 9 April 2008