

ITEM FOR ESTABLISHMENT SUBCOMMITTEE OF FINANCE COMMITTEE

HEAD 90 – LABOUR DEPARTMENT Subhead 000 Operational expenses

Members are invited to recommend to Finance Committee the following proposals to rationalise the existing directorate structure of the Labour Department –

- (a) the deletion of the following permanent post with immediate effect –

1 Chief Labour Officer
(D1) (\$97,250 - \$103,200); and

- (b) redistribution of duties among the directorate posts responsible for the Labour Relations Programme of the Labour Department.

PROBLEM

After review, the Commissioner for Labour considers that there is scope to streamline the existing directorate structure of the Labour Relations Programme (LRP) of the Labour Department (LD) in order to achieve greater efficiency and economy.

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PROPOSAL

2. We propose to rationalise the existing directorate structure of the LRP of the LD. The proposal will entail the following changes to the number and deployment of directorate posts on the establishment of LD –

- (a) the deletion of one permanent post of Chief Labour Officer (CLO) (D1); and
- (b) redistribution of duties among the remaining directorate posts in the LRP of the LD.

JUSTIFICATION

3. The LRP is currently headed by an Assistant Commissioner for Labour (D2), designated as Assistant Commissioner (Labour Relations) (AC(LR)). It is organised into five divisions/units with the following major functions –

- (a) Labour Relations Division (LRD) for maintaining harmonious labour relations in the non-government sector, and providing voluntary conciliation service to assist employers and employees in the non-government sector to settle their disputes and claims;
- (b) Workplace Consultation Promotion Division^{Note} (WCPD) for promoting understanding of labour laws and encouraging good people management practices;
- (c) Wage Security Division^{Note} (WSD) for administering the Protection of Wages on Insolvency Fund (PWIF) and processing claims under PWIF;
- (d) Employment Claims Investigation Division^{Note} (ECID) for investigating complicated cases involving suspected offences under the Employment Ordinance and pursuing prosecution against offenders; and
- (e) Registry of Trade Unions (RTU) for administering the Trade Unions Ordinance and other trade unions matters.

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^{Note} Before July 2004, the WCPD was named as the Labour Relations Promotion Unit, and the WSD and ECID were named as Units (vs Divisions).

4. Prior to May 1994, AC(LR) was underpinned by one CLO, designated as CLO(Labour Relations) (CLO(LR)), in assisting him to oversee the LRD, WCPD, WSD and the Imported Workers Unit (IWU). Each of the latter three units was then under the charge of a Senior Labour Officer (MPS Point 45 - 49).

5. In May 1994, one additional post of CLO was created with the approval of the Finance Committee vide EC(94-95)2 after the merger of the RTU with LD in April 1994. Apart from overseeing the operation of the RTU, the new CLO post, designated as CLO(2), took over from CLO(LR) a number of duties, including the supervision of WCPD and WSD. Consequential to the above changes, CLO(LR) was retitled as CLO(1) responsible for supervising the operation of the LRD and IWU.

6. In 2002, as the workload arising from trade unions matters stabilised while the demand for labour relations service continued to increase, CLO(2) further took up the additional responsibility of overseeing the operation of the then newly established ECID so as to enable CLO(1) to devote greater time and efforts to the expanding labour relations portfolio. The job description of the CLO(2) post is at Enclosure 1.

Encl. 1

7. Since the merger of RTU with LD, AC(LR) has made continuous efforts to streamline the work of the LRP. As the various units and RTU have been running smoothly over the years and their work has by and large been absorbed into the ongoing duties of the LRP, the demand for supervision at the D1 level has gradually diminished. In view of this, we reviewed the workload and activities of LRP in 2004 and concluded that by restructuring the LRP and redistributing the duties among the directorate officers thereof, one of the CLO posts could be deleted to achieve greater efficiency and economy and to provide a leaner directorate structure.

8. The restructuring was implemented on a trial basis in July 2004 and the duties previously under the purview of CLO(2) have been redistributed between AC(LR) and CLO(1). The latter was then retitled as CLO(LR) and has taken up the responsibility of overseeing the operation of RTU. The three units which were previously headed by the CLO(2) (viz. the WCPD, WSD and ECID) have been put under the direct supervision of AC(LR).

9. Although the CLO(2) post has been left vacant and frozen since the above trial exercise, we have not initiated any action to delete the post in the past

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four years, as we consider it prudent to first assess in the light of operational experience whether the restructuring would adversely affect the overall efficiency and service quality of the LRP. Having reviewed the restructured arrangement and current service demand, we conclude that the streamlined directorate structure of the LRP has been functioning smoothly. AC(LR) and CLO(LR) are able to discharge their duties efficiently and effectively. They can also provide timely steer and adequate attention to various units under their purview whenever directorate input is called for. We therefore propose to formally rationalise the organisation structure and delete the CLO(2) post from the establishment.

Encls. 2 - 5 10. The organisation charts of the LD before and after the restructuring of the LRP are at Enclosures 2 and 3 respectively. The revised job descriptions of AC(LR) and CLO(LR) are at Enclosures 4 and 5 respectively.

FINANCIAL IMPLICATIONS

11. The proposed deletion of the CLO(2) post will bring about savings of \$1,201,200 in terms of notional annual salary cost at mid-point and \$1,643,000 in terms of full annual average staff cost, including salaries and staff on-cost.

PUBLIC CONSULTATION

12. We consulted the Legislative Council Panel on Manpower (the Panel) on the proposal vide an information paper issued on 21 May 2008. Members noted the proposal and raised no comments on the proposed deletion of the CLO post at the Panel meeting on 27 May 2008.

ESTABLISHMENT CHANGES

13. The establishment changes in LD for the last two years are as follows –

Establishment (Note)	Number of posts			
	Existing (as at 1 June 2008)	As at 1 April 2008	As at 1 April 2007	As at 1 April 2006
A	14#	14	14	14
B	315	316	304	298
C	1 516	1 512	1 406	1 410
Total	1 845	1 842	1 724	1 722

/Note

Note:

- A - ranks in the directorate pay scale or equivalent
- B - non-directorate ranks the maximum pay point of which is above MPS Point 33 or equivalent
- C - non-directorate ranks the maximum pay point of which is at or below MPS Point 33 or equivalent
- # - As at 1 June 2008, there was one unfilled directorate post in the LD.

14. This proposal will reduce the size of the directorate establishment of LD by one and is in line with the Government's collective effort to contain the overall size of the civil service.

CIVIL SERVICE BUREAU COMMENTS

15. Having regard to the justification set out in paragraphs 3 to 9 above, the Civil Service Bureau supports the deletion of the CLO post.

ADVICE OF THE STANDING COMMITTEE ON DIRECTORATE SALARIES AND CONDITIONS OF SERVICE

16. The deletion of the post, if approved, will be reported to the Standing Committee on Directorate Salaries and Conditions of Service.

Labour and Welfare Bureau
June 2008

**Job Description
Chief Labour Officer (2)**

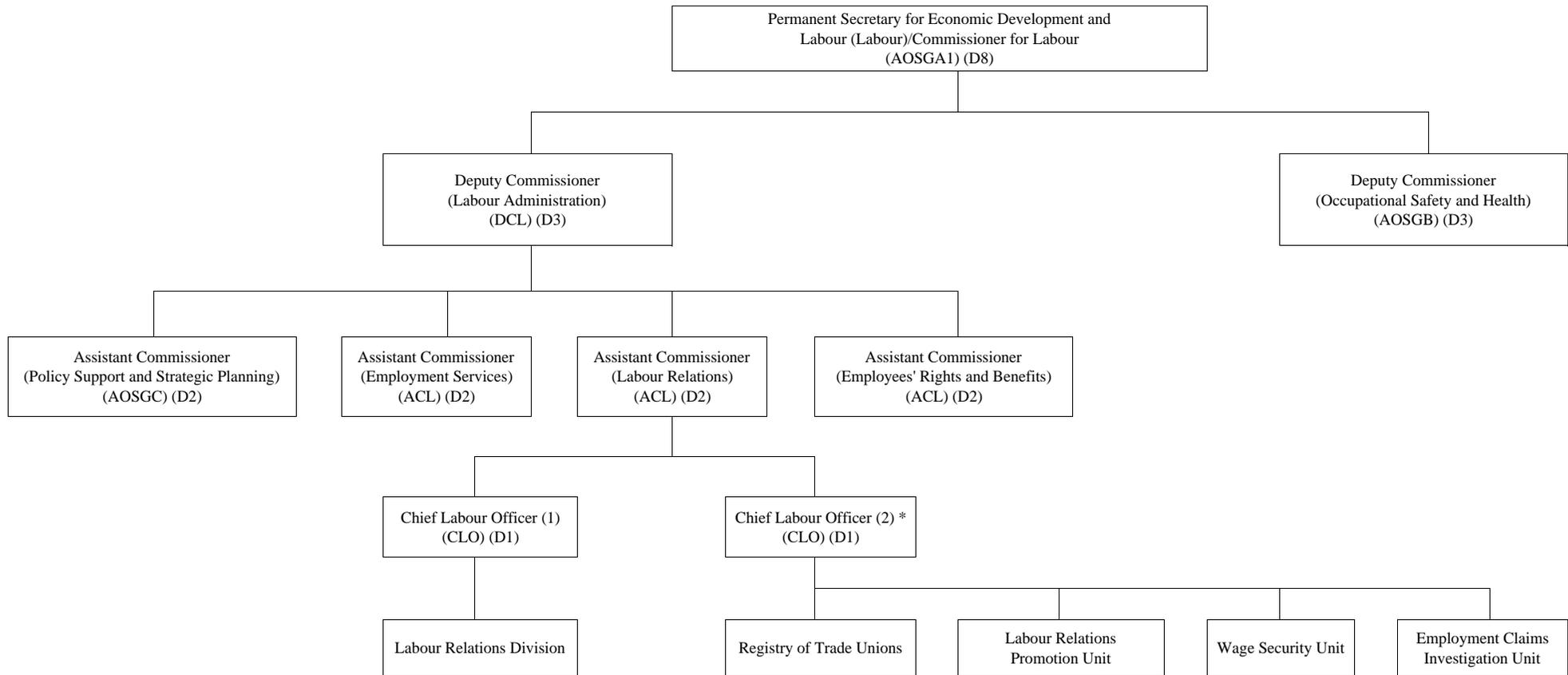
Rank : Chief Labour Officer (D1)

Responsible to : Assistant Commissioner for Labour
(Labour Relations)

Main Duties and Responsibilities –

1. To provide support to the Assistant Commissioner for Labour (Labour Relations) in formulating policy and strategies in respect of the Protection of Wages on Insolvency Fund, investigation of wage offences and trade union matters.
2. To assist in supervising and directing the activities of the Labour Relations Promotion Unit, the Wage Security Unit, the Employment Claims Investigation Unit and the Registry of Trade Unions.
3. To perform the statutory functions of the Registrar of Trade Unions and to administer the Trade Unions Ordinance.
4. To co-ordinate the overall strategy of industry-based tripartite committees.
5. To co-ordinate the organisation of large-scale promotional programmes and special projects.

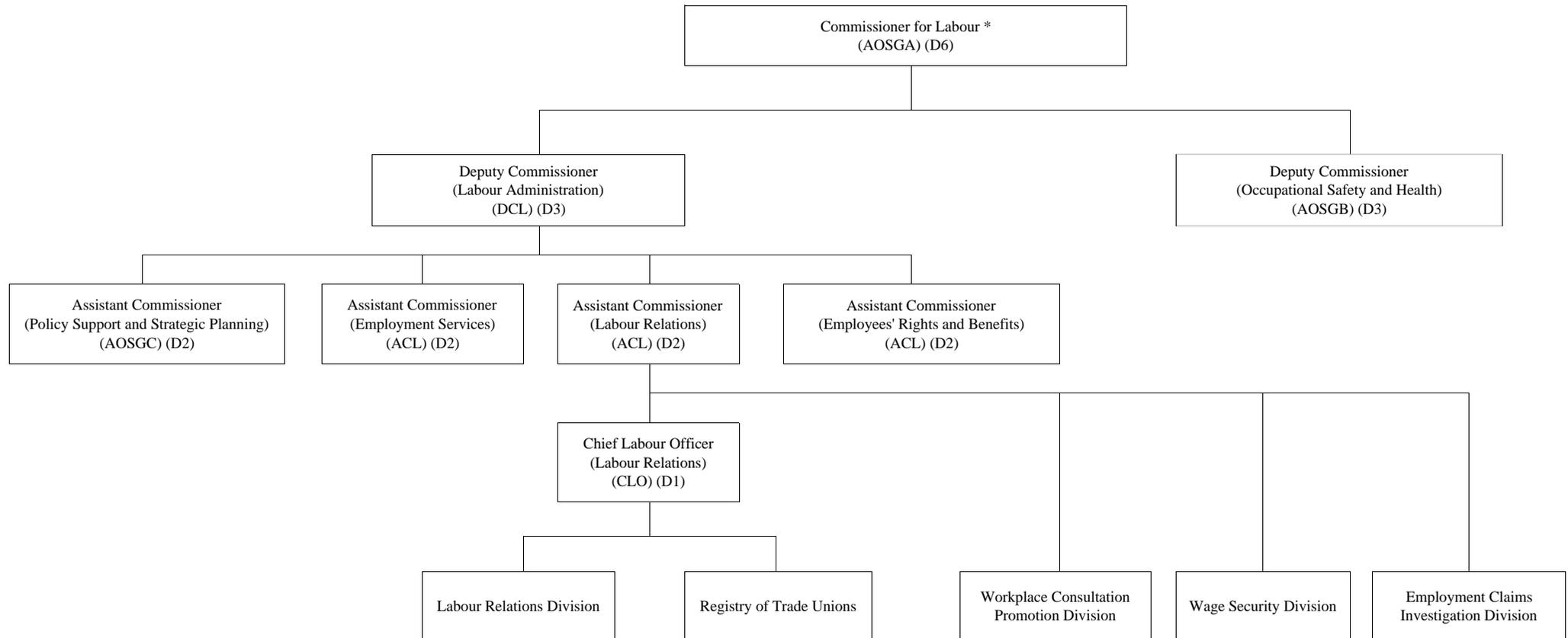
Organisation Chart of Labour Department
(Before restructuring of the Labour Relations Programme in July 2004)



Legend

- * - Post proposed for deletion.
- ACL - Assistant Commissioner for Labour
- AOSGA1 - Administrative Officer Staff Grade A1
- AOSGB - Administrative Officer Staff Grade B
- AOSGC - Administrative Officer Staff Grade C
- CLO - Chief Labour Officer
- DCL - Deputy Commissioner for Labour

Organisation Chart of Labour Department
(After restructuring of the Labour Relations Programme in July 2004)



Legend

- * - The Commissioner for Labour post was reinstated on 1 July 2007 upon reorganisation of the Government Secretariat on the same day.
- ACL - Assistant Commissioner for Labour
- AOSGA - Administrative Officer Staff Grade A
- AOSGB - Administrative Officer Staff Grade B
- AOSGC - Administrative Officer Staff Grade C
- CLO - Chief Labour Officer
- DCL - Deputy Commissioner for Labour

Job Description
Assistant Commissioner for Labour (Labour Relations)

Rank : Assistant Commissioner for Labour (D2)

Responsible to : Deputy Commissioner for Labour
(Labour Administration)

Main Duties and Responsibilities –

1. To assist in the formulation of policies and strategies in respect of labour relations, promotion of tripartite collaboration and good labour-management practices, protection of wages on insolvency, investigation of wage offences and trade union administration.
2. To oversee the activities of the Registry of Trade Unions.
3. To review and amend the existing legislation on labour relations, trade unions and employees' rights and benefits.
4. To oversee the activities of the Labour Relations Division, the Wage Security Division[#], the Workplace Consultation Promotion Division[#] and the Employment Claims Investigation Division[#].

Duties taken over from the CLO(2) post proposed for deletion.

Job Description
Chief Labour Officer (Labour Relations)

Rank : Chief Labour Officer (D1)

Responsible to : Assistant Commissioner for Labour
(Labour Relations)

Main Duties and Responsibilities –

1. To provide support to the Assistant Commissioner for Labour (Labour Relations) in formulating policies and strategies in respect of labour relations, in putting forward proposals in legislative reviews and in conducting legislative amendment exercises.
2. To assist in steering the operation of the Labour Relations Division and maintaining the industrial peace of Hong Kong.
3. To assist in establishing and fostering partnership with various stakeholders of industrial relations.
4. To perform the statutory functions of the Registrar of Trade Unions and administer the Trade Unions Ordinance.[#]

Duties taken over from the CLO(2) post proposed for deletion.
