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Labour Department (Headquarters)

勞工處 (總處)

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5 March 2008

Mrs Sharon TONG
Clerk to Panel/Chief Council Secretary (2)1
Council Business Division 2
Legislative Council Secretariat
3rd floor, Citibank Tower
3 Garden Road
Hong Kong

Dear Mrs TONG,

**Panel on Manpower
Follow-up to Meeting on 17 January 2008**

Thank you for your letter of 18 January 2008 seeking the Administration's response to the motion passed at the Panel meeting on 17 January 2008 concerning the rights and benefits of employees who are not working under a continuous contract under the Employment Ordinance (EO). Our response to the motion is as follows.

The Labour Department commissioned the Census and Statistics Department (C&SD) to conduct a survey in the first quarter of 2006 to gather updated information on employees who did not have a "continuous contract"¹. C&SD published the survey report on 10 December 2007 and briefed the Labour Advisory Board on the survey results on the same day. The Manpower Panel was briefed on the survey results on 17 January 2008.

¹ An employee engaged under a continuous contract is defined as one who has been employed under a contract of employment by the same employer for four weeks or more and has worked for 18 hours or more in each week

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The Administration is conducting a review on the definition of "continuous contract" under the EO in the light of the survey findings and recent developments in the labour market. As the concept of "continuous employment" is the basis for determining an employee's eligibility for various statutory employment rights and benefits under the EO, any amendment to the statutory definition of "continuous contract" will have far-reaching implications on the labour market and the community as a whole. Therefore, it would be prudent and necessary for the Administration to conduct an in-depth and thorough study on the subject before arriving at any recommendation. In taking forward the review, we will consider Hong Kong's own circumstances to ensure that a balance is struck between the interests of employees and the affordability of employers.

Given the complexity of the subject, the review necessarily takes time. In the process, we will communicate with the relevant stakeholders and take into account their concerns and comments. We hope to complete the review by the end of this year.

Yours sincerely,



(Alan WONG)

for Secretary for Labour and Welfare