



COMMISSIONER FOR LABOUR

勞工處處長箋札

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12 October 2007

The Hon. LAU Chin-shek, JP
Chairman
Panel on Manpower
Legislative Council
(c/o Secretary, Panel on Manpower
Legislative Council)
8 Jackson Road
Hong Kong

Dear Chairman,

Decisions taken by the Labour Advisory Board

I attach for information a summary of decisions taken by the Labour Advisory Board at its meeting on 10 October 2007.

Yours sincerely,
Cherry

(Mrs Cherry TSE)
Commissioner for Labour /
Chairman, Labour Advisory Board

Decisions taken by the Labour Advisory Board at its meeting on 10 October 2007

Review on the levels of compensation under the Employees' Compensation Ordinance and Pneumoconiosis (Compensation) Ordinance

It is an established practice for the Administration to review the levels of compensation provided for under the Employees' Compensation Ordinance (ECO) and the Pneumoconiosis (Compensation) Ordinance (PCO) every two years mainly in the light of the wage movement or price movement in the intervening years. The Administration has reviewed the changes in wage and price indices and other relevant factors for the period of 2005 to 2006 to assess whether any changes in the compensation levels should be recommended.

Having considered the review findings and its implications to employers and employees, it is proposed that-

- (1) the amounts for various compensation items under the ECO and PCO should be maintained at their existing levels; and
- (2) the cumulative negative wage and price movements since the last adjustment in 1998 should be taken into account in future reviews. In other words, the levels of compensation would not be revised upwards until the cumulative rates of decrease in wage or price movements have been offset by future increases.¹

The Labour Advisory Board endorsed the recommendation of the review at the meeting.

¹ This practice was agreed by the Labour Advisory Board in the last three review exercises in 2000, 2003 and 2005.

Proposal to make mesothelioma a compensable disease under the Pneumoconiosis (Compensation) Ordinance

As mesothelioma and pneumoconiosis share a common cause and some common characteristics, the Administration proposed to amend the Pneumoconiosis (Compensation) Ordinance (PCO) with a view to making mesothelioma a compensable disease under the PCO.

It is recommended to amend the PCO to:

- (a) extend its coverage to include malignant mesothelioma as a compensable disease under the PCO;
- (b) subject the mesothelioma sufferers to the same eligibility criteria as the pneumoconiotics under the PCO for the purpose of applying for compensation, i.e. to be eligible for compensation under the PCO, a person diagnosed as suffering from mesothelioma should have to be resident in Hong Kong for five years or more; mesothelioma sufferers with less than five years' residence are also eligible if they contracted the disease in Hong Kong;
- (c) provide to eligible mesothelioma sufferers the same compensation and benefits as those for pneumoconiotics;
- (d) empower the Pneumoconiosis Medical Board to assess whether the claimants are suffering from mesothelioma and the degree of incapacity, and to determine the cause of death of the sufferers; and
- (e) amend the title of the PCO to reflect the extension of its coverage to include mesothelioma.

The Labour Advisory Board endorsed the proposed amendments at the meeting.

Proposal to reduce the Business Registration Certificate levy for the Protection of Wages on Insolvency Fund

Concomitant with the continual improvement in the local economy in recent years and the all-out efforts of the Labour Department (LD) in combating wage default, claims payment by the Protection of Wages on Insolvency Fund (the Fund) has subsided significantly and the financial position of the Fund has improved steadily. As a result, the LD together with the Protection of Wages on Insolvency Fund Board, having reviewed the level of the Business Registration Certificate (BRC) levy, proposed to reduce the rate of the BRC levy for the Fund from the current level of \$600 per annum to \$450 per annum.

The Labour Advisory Board supported the proposal at the meeting.