

立法會
Legislative Council

LC Paper No. LS75/11-12

**Paper for the House Committee Meeting
on 8 June 2012**

**Legal Service Division Report on
Proposed Resolution under section 36 of the
Pneumoconiosis and Mesothelioma (Compensation) Ordinance (Cap. 360)**

The Secretary for Labour and Welfare (the Secretary) has given notice to move a motion at the Legislative Council (LegCo) meeting of 20 June 2012 under section 36 of the Pneumoconiosis and Mesothelioma (Compensation) Ordinance (Cap. 360) (the Ordinance).

2. Section 36 of the Ordinance stipulates that LegCo may by resolution prescribe the rate of levy on the value of construction works and quarry products. The levy provides a source of income for the Pneumoconiosis Compensation Fund (Fund) set up under the Ordinance. The Fund is managed by the Pneumoconiosis Compensation Fund Board (Board).

3. The proposed resolution seeks to amend Part 2 of the Schedule 5 to the Ordinance to reduce the present rate of levy at 0.25% to 0.15% on the value of

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- (a) construction operations (Division 1 of Part 2 of Schedule 5); and
- (b) quarry products (Division 2 of Part 2 of Schedule 5).

The levy is payable by the contractor of the construction operations of a value exceeding \$1 million and the operator of the quarry from or in which the quarry products are extracted or produced.

4. According to the Administration, the accumulated balance of the Fund as at the end of 2011 was approximately equal to the expenses of the Board for seven years. The proposed lower levy rate would not affect the financial viability of the Board in meeting its commitments for compensation payment and launching of new programmes over the next few years. Members of the Labour Advisory Board supported the proposal. Members may refer to the LegCo Brief (with no file reference) issued by the Labour and Welfare Bureau/Labour Department in May 2012 for further background information.

5. In accordance with section 36(2) and (5) of the Ordinance, the proposed resolution, if passed, shall come into effect on the expiry of the period of 30 days after the publication of the resolution in the Gazette.
6. The Panel on Development was consulted on 22 May 2012 on the Administration's proposal. The Panel members supported the proposal.
7. No difficulties relating to the legal and drafting aspects of the proposed resolution have been identified.

Prepared by

TAM Shuk-fong, Clara
Assistant Legal Adviser
Legislative Council Secretariat
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