

## **ITEM FOR ESTABLISHMENT SUBCOMMITTEE OF FINANCE COMMITTEE**

### **HEAD 90 – LABOUR DEPARTMENT Subhead 000 Operational expenses**

Members are invited to recommend to the Finance Committee the creation of the following permanent post in the Labour Department with immediate effect upon approval by the Finance Committee –

1 Chief Labour Officer  
(D1) (\$144,100 - \$157,700)

### **PROBLEM**

We need dedicated support at the directorate level in the Labour Department (LD) to take forward various new measures to enhance statutory maternity leave (ML).

### **PROPOSAL**

2. We propose to create one permanent post of Chief Labour Officer (CLO) (D1) with immediate effect upon approval of the Finance Committee to lead a dedicated team in LD for taking forward various new measures to enhance statutory ML.

### **JUSTIFICATION**

#### **Background**

3. The Chief Executive announced in the 2018 Policy Address that the statutory ML under the Employment Ordinance (EO) be extended from the current 10 weeks to 14 weeks. Technical amendments relating to the definition of miscarriage and pre-natal medical examination will also be made to certain ML provisions under the EO. Details of the proposal (the ML proposal) are set out at

Encl. 1      Enclosure 1.

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4. We consulted the Labour Advisory Board (LAB) and the Legislative Council (LegCo) Panel on Manpower on the ML proposal on 30 November and 18 December 2018 respectively. Both were in general supportive of the proposal.

### **Need for a CLO Post**

5. Under the ML proposal, public money will be used to subsidise employers in providing employment benefits to their employees as required under EO on a perpetual basis, hence requiring comprehensive legislative and administrative work on LD. Based on the data in 2016, it is estimated that some 31 000 female employees would benefit from the proposed extension of ML and hence their employers are entitled to seek reimbursement from the Government for the additional ML pay (MLP) at a total cost of around \$479 million per annum. To take forward this initiative, we have to introduce meticulous legislative amendments to EO, and to design and develop a brand-new administrative and information technology (IT) infrastructure for calculating and processing the applications submitted by employers for reimbursement of MLP. All these important tasks involve high-level policy co-ordination and meticulous implementation requiring directorate input of a CLO (D1). Major tasks include –

- (a) spearheading the legislative amendments with the assistance of the Department of Justice (DoJ) to give legal effect to the new ML regime;
- (b) setting up a dedicated office for effective implementation of the new ML regime and the reimbursement mechanism;
- (c) developing the reimbursement mechanism, including a customised and scalable IT system, and mapping out the implementation arrangements by working with concerned government bureaux and departments;
- (d) working with the Treasury, Audit Commission and Independent Commission Against Corruption (ICAC) and DoJ, etc. on formulating guidelines on case processing to facilitate the development of a user-friendly and flexible reimbursement mechanism while ensuring prudent and proper use of public funds;
- (e) overseeing and ensuring the effective implementation of the reimbursement mechanism including complaint handling and review, and reviewing the operational arrangements from time to time;

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- (f) liaising with the Food and Health Bureau/Department of Health and organisations in the medical profession, where appropriate, on issues concerning miscarriage as well as appropriate documentary proof of having attended pre-natal medical examination;
- (g) launching territory-wide publicity campaigns as well as reaching out activities to promulgate legislative requirements and operational arrangements of the new ML regime to employer and employee groups as well as the general public;
- (h) monitoring the evolvement of the labour relations scene after the implementation of the new ML regime, and reviewing the level of the cap on the additional four weeks' MLP<sup>1</sup> where necessary; and
- (i) engaging major stakeholders, including the LegCo Panel on Manpower, LAB, major employer and employee groups, and women's groups, etc. in the process of delivering the above-mentioned tasks.

6. In view of the complexity of the multi-faceted tasks involved in the formulation and implementation of this new ML regime as outlined above, an officer of sufficiently senior position and with rich experiences in labour issues will be required to take charge of the matter. We therefore propose to create one permanent post of CLO at D1 level, underpinned by a dedicated office in LD, to spearhead the development of a holistic policy and implementation framework for the new ML regime. A preparatory team of three non-directorate permanent posts<sup>2</sup>, which will eventually form part of the dedicated office, will be set up to take forward the ML proposal at the initial stage. We will seek additional resources for the dedicated office for effective operation and monitoring of the reimbursement mechanism in accordance with the established mechanism at a suitable juncture.

7. The proposed CLO will lead the dedicated office to see through the policy formulation, legislative amendments and implementation of the new ML regime, including the arrangements for reimbursing employers for the additional four weeks' MLP (the reimbursement mechanism). Specifically, the CLO will provide strategic input in shaping ML policy, including the future review of the

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<sup>1</sup> The cost for the additional four weeks' MLP (i.e. MLP for the 11<sup>th</sup> to 14<sup>th</sup> weeks) would be funded by Government, which should be subject to a cap of \$36,822 per employee. The cap is equivalent to four-fifths of the wages of an employee with a monthly wage of \$50,000 in four weeks.

<sup>2</sup> Three non-directorate permanent posts comprising one Senior Labour Officer, one Labour Officer and one Assistant Labour Officer I posts.

cap on the additional four weeks' MLP, taking account of Hong Kong's socio-economic circumstances and the interests of both employees and employers. The CLO will be responsible for finalising the drafting instructions for amending the relevant legislative provisions and working closely with DoJ and other relevant parties on the contents and technicalities of the bill to give effect to the proposed new ML regime. If the proposed post is approved for the new office to start work as soon as possible, we aim at introducing the enabling bill to the LegCo before end 2019. The CLO will assist the Secretary for Labour Welfare in securing passage of the bill.

8. In parallel, the CLO will be tasked to oversee the whole development process that leads to the roll-out of the reimbursement mechanism as well as its smooth implementation. In developing the reimbursement mechanism, due consideration has to be given to the employers' expectation for user-friendliness, convenience and efficiency in the submission and processing of applications, while safeguarding the prudent use of public funds, minimising potential abuses and reducing the costs for administering the scheme as far as practicable. The CLO will have to weave all these competing parameters in the design and implementation of the mechanism, which requires strong administrative and political skills.

9. Hitherto LD does not have any IT infrastructure that supports the operation of the reimbursement mechanism. The CLO will have to lead the dedicated office in working closely with the IT specialists in developing the entire system infrastructure. In addition, close liaison with the Treasury, Audit Commission, ICAC and DoJ, etc. will be required in thrashing out various issues in connection with the processing of the voluminous applications for subsidies which are expected to be in the region of over 30 000 cases per annum. This will include verifying supporting documents, working out the accounting procedures, monitoring and checking the processed applications and ensuring speedy disbursement of government subsidies.

10. In reimbursing employers for the additional MLP, the CLO, supported by his office, will have to put in place a user-friendly and flexible mechanism which can accommodate different modes of wage components and calculation in the labour market for determining the exact amount of government subsidy for each and every application. The dedicated office is also expected to assist employers and employees to settle discrepancies of MLP uncovered in the course of processing the reimbursement applications, and ascertain the accurate amount of subsidy. Necessary safeguards should also be put in place to ensure prudent use of public funds and minimise potential abuses. Apart from daily supervision of the dedicated office, the CLO will be required to provide high-level steer in reviewing regularly the reimbursement arrangements, relevant operation

guidelines, IT system, dispute handling mechanism, etc., in light of the actual operational experience garnered to ensure efficient and timely processing of the reimbursement applications.

11. To enhance public awareness and understanding of the new ML regime, a carefully crafted territory-wide publicity campaign will have to be launched. Targeted educational and promotional efforts will be directed towards employers and employees on the details of the enhanced ML regime and reimbursement mechanism. Public expectation on efficiency and certainty of application and payment processing would sustain. All these major publicity, educational efforts and public relations management would warrant a high-level steer and coordination from a directorate officer. The CLO will also be required to monitor closely the potential impact of extending the duration of ML from 10 weeks to 14 weeks on the labour relations scene, and review the level of cap of the government's subsidy and put forth enhancement proposals where appropriate.

12. Delivering the tasks mentioned above requires both long-term and high-level strategic planning and co-ordination work. The government subsidy to employers for the additional four weeks' MLP will be provided on a permanent basis. The continuous and efficient processing of over 30 000 reimbursement applications every year, which involves the disbursement of some \$500 million of public money, calls for close supervision and regular review of the modus operandi (including the MLP cap) by an officer at directorate level. Hence it is essential to create the CLO post on a permanent basis and as soon as possible if we are to meet the targets of submitting the enabling bill to LegCo before end-2019 and effecting the reimbursement mechanism by 2021.

13. Upon creation of the post, the CLO will assist the Assistant Commissioner for Labour (ACL) (Labour Relations) in the legislative work. After the passage of the enabling legislation, the CLO will report to the ACL (Development) in respect of responsibilities concerning the establishment and operation of the reimbursement mechanism.

Encl. 2 14. The job description of the proposed CLO post is at Enclosure 2 and  
Encl. 3 the proposed organisation chart of the Labour Administration (LA) Branch of LD is  
at Enclosure 3.

## ALTERNATIVES CONSIDERED

15. We have critically examined the possibility of redeployment to absorb the duties of the proposed permanent post. There are currently only three permanent and one time-limited CLO posts in LD. They are respectively

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responsible for overseeing the statutory minimum wage regime, labour relations, trade union matters, abolition of using employers' mandatory contributions under the Mandatory Provident Fund System to offset severance payment and long service payment, and working hours policy. They have already been fully stretched coping with their own work and it is operationally not possible for them to take up the new and demanding duties of the proposed CLO post. As the Government aims at introducing the enabling bill into the LegCo by late 2019 and implementing the reimbursement mechanism in 2021, there is a pressing need to create the proposed CLO post to take forward this important initiative which would benefit over 30 000 female employees each year.

Encl. 4      16.            The areas of work for the existing five ACLs and the other four CLOs in the LA Branch are set out at Enclosure 4.

## **FINANCIAL IMPLICATIONS**

17.            The proposed creation of the permanent CLO post will require an additional notional annual salary cost at mid-point of \$1,836,600. The full annual average staff cost, including salaries and on-cost, is about \$2,493,000. As for the three additional non-directorate permanent posts as set out in paragraph 6 above, the additional notional annual salary cost at mid-point is \$3,286,620 and the full annual average staff cost, including salaries and on-cost, is about \$4,893,000.

18.            We have included the necessary provision in the Draft Estimates of 2019-20 to meet the cost of the relevant proposed posts.

## **PUBLIC CONSULTATION**

19.            We briefed the LegCo Panel on Manpower on 19 March 2019 on the proposed creation of the CLO post, during which the work of the proposed post was discussed. Members had no objection to submit this proposal to the Establishment Subcommittee.

## **ESTABLISHMENT CHANGES**

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

/Establishment .....

Establishment (Note)	Number of posts		
	Existing (as at 1 April 2019)	As at 1 April 2018	As at 1 April 2017
A	16+(1) <sup>#</sup>	15+(1)	15+(1)
B	431	386	382
C	2 022	1 993	1 990
<b>Total</b>	<b>2 470</b>	<b>2 395</b>	<b>2 388</b>

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

() – number of supernumerary directorate posts

<sup>#</sup> – as at 1 April 2019, there was no unfilled directorate post

## CIVIL SERVICE BUREAU COMMENTS

21. The Civil Service Bureau supports the creation of the proposed CLO post. The grading and ranking of the proposed post are considered appropriate having regard to the level and scope of responsibilities required.

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

22. The Standing Committee on Directorate Salaries and Conditions of Service has advised that the grading proposed for the permanent CLO post is appropriate.

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Labour and Welfare Bureau  
April 2019

**Proposed enhancement of  
Statutory Maternity Leave (ML)**

To allow mothers more time to spend with and take care of their newborn babies, it is proposed to extend the statutory ML under the Employment Ordinance (EO) from the current 10 weeks to 14 weeks.

2. If an employee is entitled to statutory maternity leave pay (MLP), the employer may seek reimbursement from the Government for the additional four weeks' MLP paid to the employee. Two technical amendments to certain ML provisions relating to the definition of miscarriage and pre-natal medical examination under EO are also recommended. Main features of the recommendations are set out in paragraphs 3 and 4 below.

**ML and its pay**

3. It is recommended that ML be extended from the current 10 weeks to 14 weeks under EO with details as follows –

- (a) the proposed extension of ML by a continuous period of four weeks should take effect in one go to become the 11<sup>th</sup> to 14<sup>th</sup> weeks of statutory ML;
- (b) the rate of MLP in relation to the additional four weeks of ML should be maintained at four-fifths of the employees' average daily wages;
- (c) the cost for this additional four weeks' MLP (i.e. MLP for the 11<sup>th</sup> to 14<sup>th</sup> weeks) would be funded by the Government. If an employee is entitled to the existing 10 weeks' MLP under EO, the employer will be required to pay the additional four weeks' MLP to the employee on the normal pay day as what the employer does now for payment of the current 10 weeks' MLP. The employer may seek reimbursement from the Government subject to proof of payment; and
- (d) the additional four weeks' MLP should be subject to a cap of \$36,822 per employee. The cap is equivalent to four-fifths of the wages of an employee with a monthly wage of \$50,000 in four weeks.

**/Technical .....**



## **Technical amendments to EO**

4. The following two technical amendments to EO are also recommended –

- (a) to update the definition of miscarriage in EO from before 28 weeks of pregnancy to before 24 weeks of pregnancy. According to EO, the current definition of miscarriage is ‘the expulsion of the products of conception which are incapable of survival after being born before 28 weeks of pregnancy’; and
- (b) to entitle an employee who has attended pre-natal medical examination in relation to her pregnancy<sup>1</sup> to sickness allowance<sup>2</sup> by producing, other than a medical certificate, relevant documentary proof of having attended such medical examination.

## **Other arrangements**

5. Apart from the above proposed changes, the other arrangements concerning maternity protection provisions under EO shall continue to operate as they currently do.

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<sup>1</sup> Currently section 33(3A) of EO stipulates that where a female employee who is pregnant and is required to attend a medical examination in relation to her pregnancy, any day on which she is absent from work for such examination shall be a sickness day. However, section 33(5)(a) provides that an employer shall not be liable to pay sickness allowance to an employee in respect of any sickness day, unless such day is a day specified in the appropriate medical certificate as a day on which the employee is unfit for work on account of sickness or injury.

<sup>2</sup> Subject to the employee having fulfilled the other required conditions for receiving sickness allowance.

**Job Description  
Chief Labour Officer**

**Rank** : Chief Labour Officer (D1)

**Responsible to** : Assistant Commissioner for Labour (Development)  
[ and at the initial stage also the Assistant Commissioner for  
Labour (Labour Relations) in legislative work ]

**Main Duties and Responsibilities –**

- (i) To spearhead the legislative amendments with the assistance of the Department of Justice (DoJ) to give legal effect to the new Maternity Leave (ML) regime.
- (ii) To lead the setting up of a dedicated office for effective implementation of the new ML regime and the reimbursement mechanism.
- (iii) To develop the proposed reimbursement mechanism, including a customised and scalable information technology system, and map out the implementation arrangements by working with concerned government bureaux and departments.
- (iv) To work with the Treasury, Audit Commission, Independent Commission Against Corruption and DoJ, etc. on formulating the guidelines on case processing to facilitate the development of a user-friendly and flexible reimbursement mechanism while ensuring prudent and proper use of public funds.
- (v) To oversee and ensure the effective implementation of the reimbursement mechanism including complaint handling and review, and to conduct necessary reviews on the operational arrangements from time to time.
- (vi) To liaise with the Food and Health Bureau/Department of Health and organisations in the medical profession, where appropriate, on issues concerning miscarriage as well as appropriate documentary proof of having attended pre-natal medical examination.
- (vii) To launch territory-wide publicity programmes as well as reaching out activities to promulgate the legislative requirements and operational arrangements of the new regime to employer and employee groups as well as the general public.

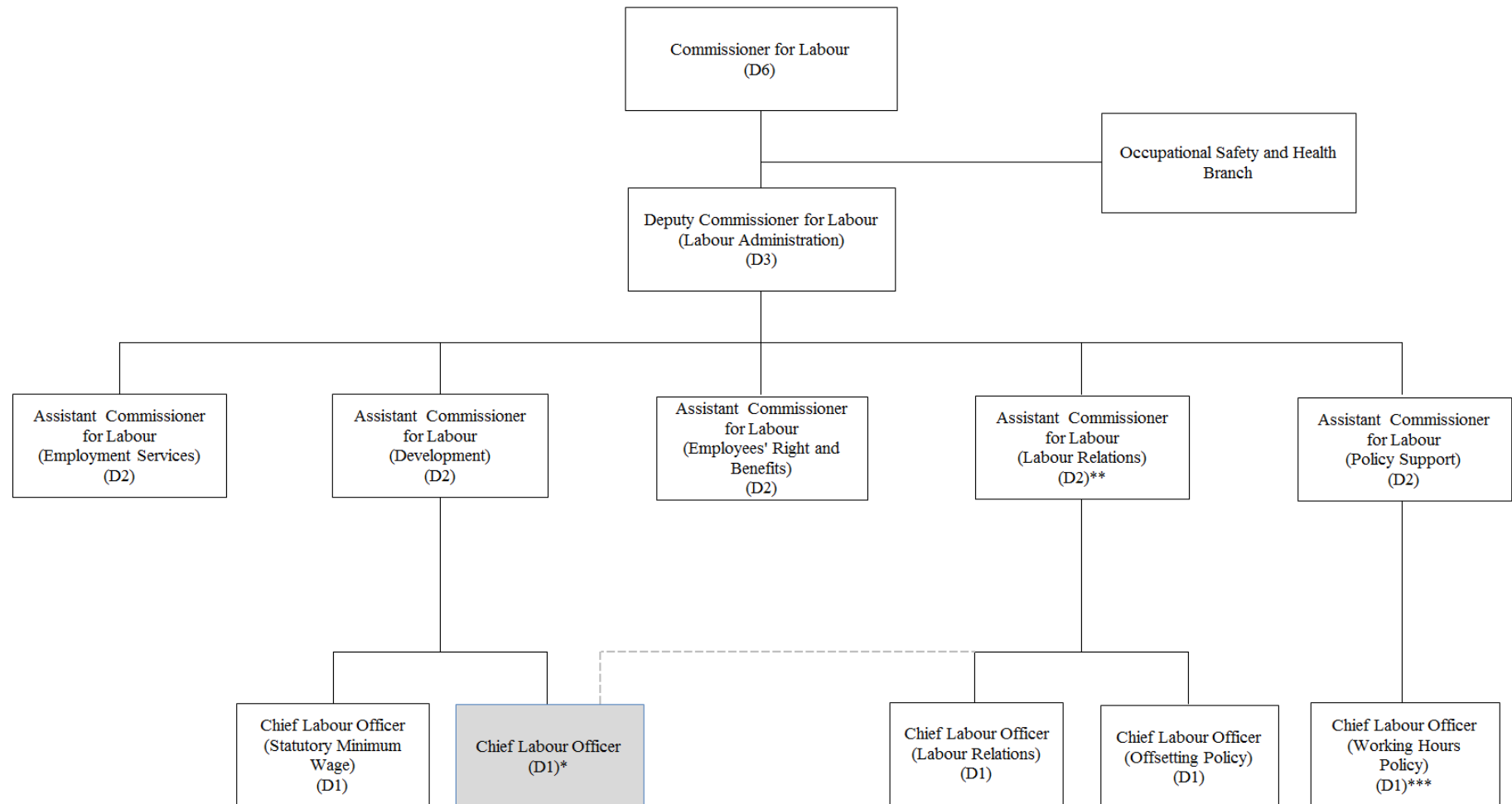
- (viii) To monitor the evolvement of the labour relations scene after the implementation of the new ML regime and review the level of the cap on the additional four weeks' ML pay (MLP)<sup>Note</sup> where necessary.
- (ix) To engage major stakeholders, including the Legislative Council Panel on Manpower, the Labour Advisory Board, major employer and employee groups, and women's groups, etc. in the process of delivering the above-mentioned tasks.

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<sup>Note</sup> The cost for the additional four weeks' MLP (i.e. MLP for the 11<sup>th</sup> to 14<sup>th</sup> weeks) would be funded by Government, which should be subject to a cap of \$36,822 per employee. The cap is equivalent to four-fifths of the wages of an employee with a monthly wage of \$50,000 in four weeks.

## Proposed Organisation Chart of the Labour Administration Branch of the Labour Department



### Note

\* Proposed permanent post of Chief Labour Officer (CLO) to be created.

\*\* Upon creation of the post, the CLO will at the initial stage assist Assistant Commissioner for Labour (Labour Relations) in the legislative work, while at the same time and the later stage reporting to the Assistant Commissioner for Labour (Development) on the establishment and operation of the reimbursement mechanism.

\*\*\* The supernumerary CLO (Working Hours Policy) post will lapse on 1 April 2021.

**Areas of work for the existing directorate officers  
in the Labour Administration (LA) Branch of Labour Department (LD)**

Assistant Commissioner for Labour (ACL) (Employment Services) formulates, implements and reviews policies and strategies on employment services for all job seekers and employment programmes targeting vulnerable groups. These include overseeing the operation of employment services for the able-bodied and persons with disabilities, the dissemination of labour market information to jobs seekers, the recruitment services for employers, the career advisory services and training cum employment programme for young people, the special employment project for the vulnerable youths and ethnic minorities, the Employment Programme for the Elderly and Middle-aged, the Work Orientation and Placement Scheme for persons with disabilities, the Work Trial Scheme for job-seekers with difficulties in finding employment; taking up the overall responsibilities of the management of the Employment Cluster under the one-stop e-portal of the HKSAR Government to deliver information and services related to employment; and designing and implementing employment initiatives to assist vulnerable and other target groups of job-seekers to keep up with the economy and needs of the society. Besides, the Assistant Commissioner oversees the work of the Employment Services Division, Employment Information and Promotion Division, Selective Placement Division and Youth Employment Division.

2. ACL (Labour Relations) formulates, implements and reviews policies and strategies on the Employment Ordinance (EO) (Cap. 57), Labour Relations Ordinance (Cap. 55) and Minor Employment Claims Adjudication Board Ordinance (Cap. 453); maintains and fosters harmonious labour relations in establishments outside the government sector; oversees the consultation and conciliation services for resolving employment disputes, and the adjudication of minor employment claims by the Minor Employment Claims Adjudication Board (MECAB); maintains a network with stakeholders in labour relations; oversees the regulation of trade unions affairs; promotes effective communication and voluntary negotiation between employers and employees and their respective organisations; enhances public awareness of EO and encourages adoption of good people management and family-friendly employment practices; spearheads studies and reviews on various EO-related labour rights and benefits subjects; leading the legislative amendment exercise in abolishing the arrangement of “offsetting” severance payment (SP) and long service payment (LSP) against the accrued benefits attributable to employers’ mandatory contributions under the Mandatory Provident Fund (MPF) System, and works on legislative amendment exercises on EO and other related legislative instruments within his purview. Besides, the Assistant Commissioner oversees the work of the Labour Relations Division through Chief Labour Officer (CLO) (Labour Relations) and oversees directly the Workplace Consultation Promotion Division, as well as MECAB.

3. ACL (Employees' Rights and Benefits) formulates, implements and reviews policies and strategies on five employees' compensation-related ordinances; monitors the processing of employees' compensation cases; oversees the work of four related statutory boards; oversees the work of the Task Force on Improving Work Injury Protection for Employees in High-risk Industries; formulates and reviews labour inspection policies and strategies and supervises labour inspection work for labour and immigration laws; formulates and reviews complaint investigation and offence detection policies and strategies for suspected breaches against labour laws; formulates and reviews prosecution policies and strategies and supervises prosecution work in labour legislation; formulates policies on the Protection of Wages on Insolvency (PWI) Ordinance (Cap. 380) and undertakes its reviews and enforcement; oversees the provision of secretariat support to the PWI Fund Board which administers the PWI Fund, and the processing of applications for ex gratia payments from the PWI Fund. Besides, the Assistant Commissioner oversees the work of the Administration and Assessment Section, Central Services Section and Task Force Section of the Employees' Compensation Division, Employment Claims Investigation Division, Wage Security Division, Labour Inspection Division and Prosecutions Division.

4. ACL (Policy Support) formulates, implements and reviews policies and strategies on the importation of foreign domestic helpers (including the Minimum Allowable Wage and food allowance), as well as formulates suitable measures for protecting the rights and benefits of these helpers; formulates and reviews policies and strategies relating to the regulation of employment agencies; liaise with the Legislative Council (in particular the Panel on Manpower) and District Councils on matters relating to LD; oversees the implementation of the working hours policy framework; coordinates LD-related matters in relation to international conventions; formulates and coordinates policy inputs on LD-related matters; formulates policies on the Working Holiday Scheme and explores the possibility of establishing new schemes with other economies or expansion of existing schemes; oversees matters of the General Holidays Ordinance (Cap. 149); provides inputs to the Quality Migrants Admission Scheme of the Immigration Department; and oversees the information technology management of LD. The Assistant Commissioner also oversees the work of the Employment Agencies Administration, Information Technology Management Division, Policy Support Division, and Working Hours Policy Division.

5. ACL (Development) formulates, implements and reviews policies and strategies on the Statutory Minimum Wage (SMW), the Minimum Wage Ordinance (Cap. 608) (MWO) and the Trade Unions Ordinance (TUO) (Cap. 332), and takes forward legislative exercises on the adjustment of the SMW rate; oversees the secretariat support provided to the tripartite Labour Advisory Board; coordinates assessments on applicability of specific international labour conventions to Hong Kong, monitors observance of international labour

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conventions applied to Hong Kong, and formulates and coordinates inputs to reports on compliance with international labour standards; coordinates Hong Kong's participation in the International Labour Organisation's activities; oversees side agreements on labour issues involved in free trade agreements; liaises with LA counterparts in the Mainland and other jurisdictions through visits and participation in relevant activities; as well as implements and reviews policies and strategies on the Supplementary Labour Scheme for the importation of workers at technician level or below. Besides, the Assistant Commissioner oversees the work of the Statutory Minimum Wage Division and the Registry of Trade Unions (RTU) via CLO (SMW) and oversees directly the International Liaison Division and the Supplementary Labour Division, and serves as the chairpersons of the Departmental Tender Committee and Departmental Consultants Selection Committee.

6. CLO (Labour Relations) provides support to the ACL (Labour Relations) in formulating policies and strategies in respect of the maintenance of sound labour relations in the territory, putting forward proposals in legislative reviews and conducting legislative amendment exercises concerning EO. The CLO steers the operation of the Labour Relations Division for resolving labour disputes and maintaining the industrial peace of Hong Kong. The CLO conciliates in major industrial disputes and also establishes and fosters partnership with various stakeholders of industrial relations for upholding of harmonious labour relations.

7. CLO (SMW)/Registrar of Trade Unions provides support to the ACL (Development) in formulating policies and strategies in respect of SMW and MWO. The CLO coordinates the implementation of MWO involving other enforcement divisions and spearheads community-wide publicity and promotional activities; supports the statutory Minimum Wage Commission which reviews and recommends the SMW rate on the basis of the evidence-based approach and extensive consultation with various sectors of the community; collaborates with the Office of the Government Economist of the Financial Secretary's Office and the Census and Statistics Department in evaluating the impact of SMW; and oversees the research and analysis of local views and overseas experiences on reviewing minimum wage rates. As the Registrar of Trade Unions, the CLO is responsible for performing the statutory functions as required under TUO with a view to fulfilling at the same time the HKSAR Government's international responsibilities, and overseeing the administration of TUO as well as the running of RTU.

8. CLO (Working Hours Policy) provides support to the ACL (Policy Support) in following up on the working hours policy framework as endorsed by the Chief Executive in Council in June 2017. The CLO assists in examining the working hours policy by taking account of the views of the community, and steers the formulation of sector-specific working hours guidelines through the industry-based tripartite committees for 11 sectors (namely the catering, cement

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and concrete, cleaning services, construction, elderly homes, hotel and tourism, logistics, printing, property management, retail and theatre) to provide guidance on suggested working hours arrangements, overtime compensation arrangements and good working hours management measures. The CLO is also responsible for devising supportive and publicity strategies to enhance public understanding of the working hours policy, overseeing implementation of the publicity plans and conducting household surveys on working hours to monitor the working hours situation in Hong Kong.

9. CLO (Offsetting Policy) provides support to the ACL (Labour Relations) in taking forward the policy of abolishing the “offsetting” of SP and LSP with employers’ mandatory contributions under the MPF System. The CLO assists in undertaking the preparatory work for the abolition of the “offsetting”, including engaging major stakeholders on the Government’s enhanced arrangements for abolishing the “offsetting” as announced by the Chief Executive in the 2018 Policy Address; working with relevant Government bureaux and departments, the MPF Schemes Authority and its relevant trustees etc., on the operational details of the supporting measures for the abolition of the “offsetting”; preparing the relevant draft legislative instruments in conjunction with the Department of Justice to give effect to the new regime and seeing through the legislative exercise. After the passage of the enabling legislation by the Legislative Council, the CLO is responsible for overseeing and ensuring the effective implementation of the abolition of the “offsetting” and the supporting measures, devising and launching full-scale publicity programmes to promulgate the legislative requirements and the operation arrangements of the new regime to employer and employees groups as well as the public. The CLO is also responsible for formulating suitable strategies for handling the new labour relations trend emerging after the abolition of the “offsetting” with a view to promoting the healthy development of labour relations in the long run.

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