

LD responds to media enquiries

In response to media enquiries on the non-payment of employees' wages by Hsin Chong Group, a spokesman for the Labour Department (LD) today (December 13) replied as follows:

The LD is very concerned about the non-payment of employees' wages by Hsin Chong Group and has taken follow-up actions actively. The LD has repeatedly warned the related employers that they have to, without further delay, pay wages due to the affected employees in accordance with the Employment Ordinance and relevant terms in their employment contracts, and appropriate termination compensation to employees who have left employment.

The LD calls for affected employees to go to the Labour Relations Division's branch offices nearby to enquire on their rights and ask for assistance as soon as possible. They may also call the LD's dedicated enquiry hotline on employees' rights at 2927 7008.

The LD will continue to provide appropriate assistance to affected employees. In case of employers' inability to settle any outstanding employment-related payment, the department will assist the employees to apply for ex gratia payment from the Protection of Wages on Insolvency Fund (PWIF) on the wages and other statutory entitlements owed.

According to the Protection of Wages on Insolvency Ordinance, the affected employees have to submit their applications within six months after the date of termination of contract. The ex gratia payment that may be made by the PWIF covers:

- four months of arrears of wages (maximum \$36,000 in total);
- wages in lieu of notice up to the equivalent of one month's wages (maximum \$22,500 in total);
- severance payment: \$50,000 plus 50 per cent of any excess entitlement; and
- pay for untaken annual leave during the last two leave years and/or untaken statutory holidays in the last four months (maximum \$10,500 in total).

The LD has also carried out inspections and investigations into suspected offences involved proactively. Prosecutions have been taken out against relevant employers. Those prosecution cases are currently handled by magistrates' courts. Any employer or responsible officer of a company who wilfully and without reasonable excuse fails to pay wages to employees within the time limit in accordance with the Employment Ordinance is liable to prosecution and, upon conviction, to a fine of \$350,000 and to imprisonment for three years.

Woman fined for operating unlicensed guesthouse

A woman was fined \$7,000 at the Eastern Magistrates' Courts today (December 13) for contravening the Hotel and Guesthouse Accommodation Ordinance.

The courts heard that in February this year, officers of the Office of the Licensing Authority (OLA), Home Affairs Department, inspected a suspected unlicensed guesthouse on Jaffe Road in Wan Chai. The OLA officers posed as lodgers and successfully rented a room in the guesthouse on a daily basis.

According to the OLA's records, the guesthouse did not possess a licence under the Ordinance on the day of inspection. The woman responsible for operating the premises was charged with contravening section 5(1) of the Ordinance.

A department spokesman stressed that operating or managing an unlicensed guesthouse is a criminal offence and will lead to a criminal record. Upon conviction, the offender is liable to a maximum fine of \$200,000 and two years' imprisonment.

The spokesman appealed to anyone with information about suspected unlicensed guesthouses to report it to the OLA through the hotline (Tel: 2881 7498), by email (hadlaenq@had.gov.hk), by fax (2504 5805) using the report form downloaded from the OLA website (www.hadla.gov.hk), or through the mobile application "Hong Kong Licensed Hotels and Guesthouses".

Restaurant in Sham Shui Po convicted for generating excessive noise from its ventilation system

â€‹The ventilation system of Harbour Café, a restaurant on Yen Chow Street in Sham Shui Po, caused noise nuisance in early morning which affected nearby residents. The responsible person of the restaurant was fined \$7,500 at Kwun Tong Magistrates' Courts today (December 13) for contravening the Noise Control Ordinance (NCO).

A spokesman for the Environmental Protection Department (EPD) said that

the department received a complaint in March this year from a resident against the excessive noise emanating from Harbour Café. The investigation and assessment conducted by EPD enforcement officers confirmed that the noise generated by the restaurant's ventilation system at night-time exceeded the statutory limit and a noise abatement notice (NAN) was issued to the restaurant requesting that mitigation measures to be taken. EPD staff made a follow up inspection at the restaurant in July and found that the noise generated from its ventilation system in early morning (before 7am) still reached 63 decibels (dB) and exceeded the statutory limit by 8dB. The department subsequently prosecuted the responsible person of the restaurant in accordance with the law.

The spokesman reminded all operators of food premises to carry out regular inspection and maintenance of ventilation systems installed at their premises. They should hire a professional contractor to replace the parts and install noise abatement equipment for their ventilation systems to ensure their normal operation and avoid generating excessive noise which caused noise nuisance to nearby residents.

According to the NCO, anyone failing to comply with any requirement of a NAN commits an offence. First-time offenders are liable to a maximum fine of \$100,000. A maximum fine of \$200,000 may be imposed on second or subsequent convictions.

Quarterly Survey of Employment and Vacancies for December 2018 starts

The Census and Statistics Department has commenced a new round of the Quarterly Survey of Employment and Vacancies to collect data on employment and vacancies in major industry sections of the economy in respect of December 2018. This survey is conducted quarterly. The survey results are useful in serving as short-term economic indicators and providing information on the latest changes in the labour market.

This round of the survey covers about 30 000 establishments which are drawn from various industry sections including industrial sections (such as mining and quarrying; manufacturing; and electricity, gas and waste management) and the services sections (such as import/export, wholesale and retail trades; accommodation and food services; transportation, storage, postal and courier services; information and communications; financing and insurance; real estate; professional and business services; and social and personal services). Information on the number of persons engaged and vacancies, together with the characteristics of job vacancies, as at December 31, 2018, will be sought from each selected establishment.

Questionnaires are being sent by mail or by fax to selected establishments. In accordance with the Census and Statistics Ordinance, these establishments are required to complete and return the questionnaires to the department within the specified period. If individual establishments have any difficulties in completing the questionnaires, they may contact the department for assistance at 2234 3800.

Accrual-based consolidated Government accounts for 2017-18

The Government published today (December 13) its accrual-based consolidated accounts for the financial year 2017-18.

A government spokesman said that the accrual-based accounts differ from the cash-based ones in the purposes they serve. "Compiled on the basis of actual cash revenue and expenditure within a financial year, the cash-based accounts serve mainly to demonstrate that public money has been paid within the limits and ambits approved by the legislature. The accrual-based accounts, on the other hand, aim to present more information on the financial performance and position of the Government," he said.

"The cash-based accounts consolidate the General Revenue Account (GRA) and the Funds established under section 29 of the Public Finance Ordinance (Cap. 2) except the Bond Fund, the balance of which is not part of the Fiscal Reserves. In addition to the GRA and Funds consolidated in the cash-based accounts, the accrual-based accounts include the Exchange Fund, the Hong Kong Housing Authority (HKHA), government business enterprises such as the MTR Corporation Limited and the Kowloon-Canton Railway Corporation, and other government funds such as the Bond Fund, the Quality Education Fund and the Beat Drugs Fund. There are also more comprehensive disclosures of the Government's assets and liabilities in the accrual-based accounts, e.g. fixed assets and provision for pensions and government debts," he added.

The key figures shown in the accrual-based accounts as compared with those in the cash-based accounts are highlighted below:

	2017-18	
	Cash-based	Accrual-
	(HK\$ billion)	(HK\$ billion)
	_____	_____
Financial results		
* Fiscal surplus	148.9	
* Net surplus		320.1

Reserves			
* Fiscal Reserves		1,102.9	
* General Reserve			830.2
* Exchange Fund Reserve			714.7
* Capital Expenditure Reserve			486.3
		—	—
1,102.9	2,031.2	—	—
Net assets		1,102.9	2,031.2

The accrual-based Consolidated Statement of Financial Performance reports a surplus of HK\$320.1 billion, whereas the cash-based accounts show a surplus of HK\$148.9 billion. This is mainly due to the inclusion of the surpluses of the Exchange Fund, the HKHA and other funds as well as the share of surpluses from government business enterprises, partly offset by the provision for pension liabilities.

According to the accrual-based Consolidated Statement of Financial Position, the Government's net assets were HK\$2,031.2 billion as at March 31, 2018. These net assets were represented by three reserves: General Reserve of HK\$830.2 billion, Exchange Fund Reserve of HK\$714.7 billion and Capital Expenditure Reserve of HK\$486.3 billion. Notwithstanding these, the cash resources available for the Government's spending remain to be the Fiscal Reserves, which stood at HK\$1,102.9 billion as at March 31, 2018.

"The General Reserve represents the net financial assets of the Government. The Exchange Fund Reserve refers to the net assets of the Exchange Fund, the use of which is governed by the Exchange Fund Ordinance (Cap. 66), whereas the Capital Expenditure Reserve represents the total net book value of fixed assets," the government spokesman added.

"The Government's General Reserve as at March 31, 2018, was HK\$830.2 billion, HK\$272.7 billion less than the Fiscal Reserves of HK\$1,102.9 billion reported in the cash-based accounts. The difference arises because the net financial assets of the Government in the accrual-based accounts take into account the Government's liabilities such as government bonds and notes, pensions and untaken leave of staff, partly offset by financial assets such as investments in the MTR Corporation Limited and the Airport Authority.

"Totalling HK\$123.2 billion, the government bonds and notes refer to the debt instruments issued in 2004 and those under the Government Bond Programme. The provision for pensions of HK\$964.6 billion, in terms of present value, represents the statutory liabilities in relation to civil servants' pensions.

"Apart from the liabilities shown in the accrual-based Consolidated Statement of Financial Position, there are also outstanding commitments, largely for capital works, of HK\$538.1 billion and guarantees of HK\$109.0 billion provided under various schemes," the government spokesman said.

The public can access the accrual-based and cash-based accounts at the Treasury's website: www.try.gov.hk.