

Annual Report 2012

FOREWORD

I am pleased to present the Annual Report of the Department of Labour for the year 2012.

13 Divisions operate under the Head Office and 11 Zonal Labour Offices, 39 District Labour Offices, 18 Sub Labour Offices and 10 District Factory Inspecting Engineers' Offices operate divisionally under the department. The legislature has adopted 50 Ordinances and Acts for the protection and welfare of the working population. The supervision aspect was widened to make the labour inspection process efficient and as a result it was possible to reduce the industrial disputes island-wide reported annually to a considerable extent.

Parallel to the increase of the salaries of employees of the state sector based on a policy decision of the Government, increasing the minimum salary of the private sector employees commenced in year 2012. Accordingly action was taken to increase the minimum wage level of 18 Wages Boards, out of the 44 in operation at present, commencing on 01.01.2013. It is expected to enhance the minimum wages of the remaining Wages Boards during the first quarter of year 2013.

In keeping with the e-government project programme implemented with the object of providing services of the government more closer to the people and efficiently, the activities of the Employees Provident Fund of the Department could be done more efficiently using modern communication technology which was a success achieved by the Department. Action has been initiated to create a new computer software and providing infrastructure facilities for the supervision of labour inspection process of the Department. It is the final hope to establish industrial peace in the country in order to create a Sri Lanka economy which can highly compete in the International Economy by further strengthening the labour inspection process which is also the Vision of the Department.

I appreciate the contribution made by all the officers of the Department amounting to about 2220 in all these progressive activities. Also I gratefully endorse the assistance extended by the Ministry of Labour and Labour Relations and the Sri Lanka Office of the International Labour Organization.

Department of Labour,
Labour Secretariat,
Colombo 05.

V.B.P.K. Weerasinghe
Commissioner General of Labour

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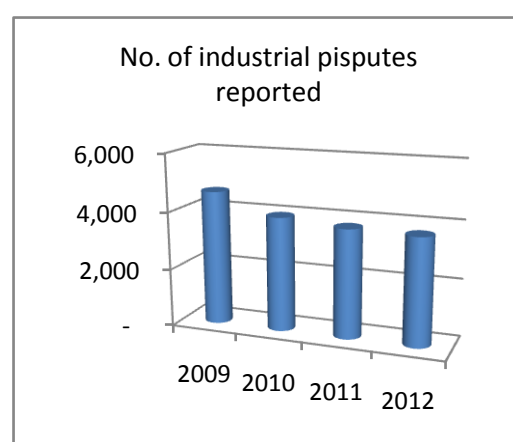
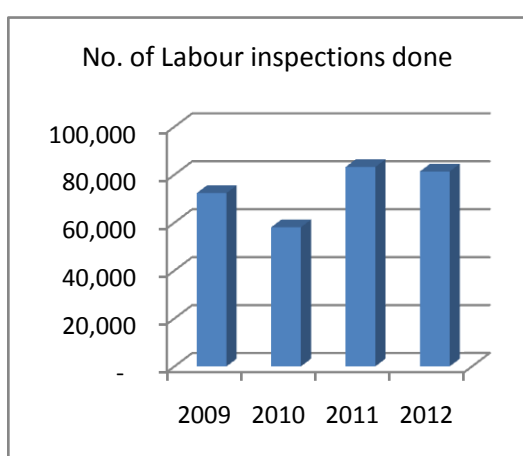
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INDUSTRIAL PEACE

Work Place Co-operation and Industrial Peace are essential factors for enhancing national productivity while safeguarding local productions in the face of the International competition. Industrial Peace can be established by minimizing industrial disputes through a proper Labour Inspection Process, implementing prescribed wages and service conditions and by creating social protection schemes for retired life.

Labour Inspections

The chart given below depicts the number of Labour inspections carried out by the officers of the Department and the number of industrial disputes reported during the last 4 years.



Prior to year 2006 the number of Labour inspections carried out generally during one year in the whole Island was less than 30,000. However at present the Departmental Officers carry out about 80,000 labour inspections per year. In relation to the increase in the number of labour inspections, a marked decrease in the number of industrial disputes was seen.

Enhancement of the quality of labour inspections

Although the above mentioned chart depicts the increase in the number of labour inspections, it is also very important to maintain the quality of such inspections. With this object, the Department conducts Progress Review Meetings at Zonal level. During the year 2012, 5 such progress reviews were conducted. At these meetings, the short-falls in the inspections by the officers were identified and instructions were given to them to correct their shortfalls. The Labour Audit Unit deeply look into the special short-falls.

Economic Development and Industrial Peace

The Department takes the necessary legal steps regarding the violation of the provisions of the Labour Ordinances and Acts and the particulars regarding the number of cases filed under different Ordinances and Acts are given in the statistics manual. Similarly the Department conduct special investigations and take necessary steps in the case of industrial disputes and unrest of national concern where immediate intervention is necessary.

WAGES AND SERVICE CONDITIONS

The Department takes steps for supervision of activities to stipulate standards for determining service conditions and terms affecting the security of employment and welfare of the employees of the Private Sector and to grant legal status to them under the following Ordinances and Acts:

1. Wages Boards Ordinance, No. 27 of 1941
2. Shop and Office Employees' (Regulation of Employment & Remuneration) Act, No. 19 of 1954.
3. Budgetary Relief Allowance of Workers Act, No. 36 of 2005

Wages Boards

At present there are 44 Wages Boards in operation in Sri Lanka. During the year 2012 the under-mentioned actions were taken regarding them:

- Appointments were made to 06 Wages Boards of which the period of validity had expired and new Members were appointed in place of deceased and resigned Members as well as those who have gone abroad in 11 Wages Boards.
- Service conditions of the Wages Boards of the Hotels and Restaurant Service were given publicity.
- Action was taken to establish the Wages Board for flowers, ornamental plants, vegetables and fruit cultivation & export trade.
- Objections were called for the extension of the coverage of the Wages Board for Rubber Growing and Manufacturing Trade.
- 4 awareness Programmes were conducted regarding wages and service conditions of establishments associated with the Deyata Kirula Programme.

Increasing the Minimum level of wages of the employees of the private sector

During this year, action was taken to increase the minimum wage level of employees of the Private Sector covered by the Wages Boards. In this connection, the relevant representatives of 38 Wages Boards were summoned for discussion. Out of them the wages of 18 Wages Boards were made known effective from 01.01.2013. It is planned to complete the activities regarding the increase of the minimum wages level of other Wages Boards during the first quarter of the coming year.

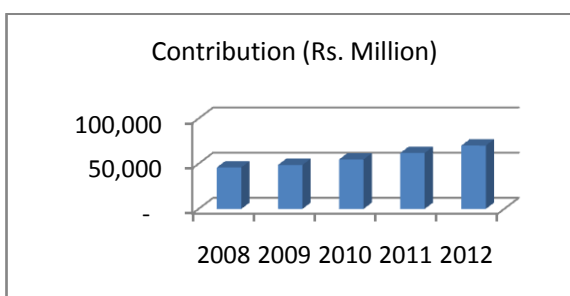
SOCIAL SECURITY

The Employees' Provident Fund was established with effect from 01st of June, 1958 as an important Social Protection Scheme with the object of becoming a sound support to the retired life of the employees of the Private Sector and Corporation Sector who are not entitled to a pension. This Fund is administered by the Commissioner of Labour and the financial control is done by the Central Bank.

Collection of contribution

The relevant employer should deposit the contribution on behalf of all the employees covered by this Act on account of any month in the Central Bank on or before the last day of the next month. The chart below depicts the progress of collection of contribution during the last 5 years.

year	Contribution Rs. million
2008	45,951
2009	48,712
2010	54,796
2011	61,879
2012	70,157



Automatic recovery of arrears of contributions

Software required for automatic reporting and recovery of arrears of contributions defaulted by employers has been improved and the infrastructure facilities required have been provided. Arrangements have been made to commence these activities in year 2013 on a trial basis.

Automation of the payment of contributions

The necessary regulations have been formulated after making necessary amendments to facilitate the employers to pay the Employees' Provident Fund contributions automatically through Bank Accounts. It is planned to commence this, next year.

Decentralizing the registration of employers (establishments)

Registration of Employers at the District Labour Offices without referring to the Head Office commenced during this year and is proceeding successfully.

Investment of Money and Interest

Total amount of money invested during the year 2012 was rupees million 1,105,544. The investment has been done in Government Securities, Treasury Bills, Treasury Bonds, Company Credit slips and the Share Market. Action has been taken to pay an interest rate of 10% (estimated) during the year 2012.

Payment of the benefits of the Employees' Provident Fund

In year 2012 a sum of Rs. million 48,015 was paid to the relevant Members or the legal beneficiaries by the Fund on 115,654 applications.

OCCUPATIONAL SAFETY AND HEALTH

The Department is concerned with the adverse health conditions associated with accidents and hazards, industrial diseases and diseases related to employment and is taking action to minimize same. It is no secret that a working environment free of accidents and hazards and where industrial health is preserved would result in the enhancement of productivity as well as maintaining the quality of the goods produced and the services provided. Health and safety of employees is a legal requirement in terms of the Factories Ordinance, No. 45 of 1942.

World Safety Day

The World Safety Day is commemorated on April 28 every year. A walk was organized in the Biyagama Investment Zone headed by Hon. Gamini Lokuge, Minister of Labour and Labour Relations and sponsored by the Sri Lanka Office of the International Labour Organization this year. Also there was a programme with presentations by the employees of the Investment Zone on this day.

National Occupational Safety and Health Week

The National Industrial Safety and Health Week is held during the second week of October every year. In year 2012 programmes during the week were implemented covering both the formal and the informal sector:

- Awareness Programme for those in the Masons' trade in the Kalutara District.
- Awareness Programme for Officers authorized to inspect the condition of steam boilers in industrial establishments Island-wide.
- Programme for creating awareness among officers of the Insurance Establishments regarding Industrial Safety and Health.
- Awareness Programme on Industrial Safety and Health held in Koggala, Anuradhapura and Hatton areas.

Occupational Hygiene

The Department carries out environment measuring to check the service environments vulnerable to occupational diseases. Sophisticated measuring equipment belonging to the Department are used for this purpose. These tests are carried out entirely free of charge. The environmental measurements are done at work places and also in the laboratory by collecting samples. In addition various biological tests are done at initial stage to identify whether occupational diseases or symptoms exist.

During the year –

- 147 Lung function tests,
- 115 Audiometry tests, and
- 230 On the spot environmental measurements were carried out.

SPECIAL FIELDS

Women's employment makes a special contribution in the production process of Sri Lanka and protecting the trade rights of working women and providing protection, health and welfare facilities and privileges to them is a responsibility of the Department of Labour.

Also, the child generation being the life line of the nation, the Department is obliged to ensure their rights as a world-wide responsibility and to make them stable physically and mentally. The Department of Labour is engaged in deciding the working age of a child and the prevention of engaging children in dangerous and hazardous employment, inquiring into complaints regarding such instances and also taking legal action against such employers.

International Women's Day

The International Women's Day commemoration was celebrated at Sri Sumanarama temple, Deltara, Kesbawa headed by Hon. Gamini Lokuge, Minister of Labour and Labour Relations on 08.03.2012. 3 self-employment awareness Workshops for 200 women of low-income families were conducted from 03.03.2012 and at the women's commemoration ceremony 200 self-employment kits were offered to them by the Shrama Vasana Fund to strengthen them.

Awareness programmes for women

Action was taken to conduct 19 awareness programmes for women employed in the Plantation Sector and 15 consultancy programmes were conducted for female employees in the Investment Promotion Zone. Action had also been taken to conduct 70 awareness programmes for female employees, at Institution level.

International Children's Day

The International Children's Day was held on 01.10.2012 headed by Hon. Gamini Lokuge, Minister of Labour and Labour Relations at the Jagaddala Welfare Children's Home, Kindelpitiya, Badaragama. On this occasion, the Tower Hall Artistes staged a short drama for the children. A magic show was also organized by the Department of Labour in addition to enjoyable games programme.

Elimination of worst forms of child labour

The Department is taking action in terms of the Road Map for preventing the employment of children between the ages of 14-18 years in employment identified as hazardous employment. For this purpose action was taken to print a Training Hand Book and a Legal Hand Book to make the Departmental officers and other social partners aware of this. Action was taken to conduct 15 programmes regarding the prevention of child Labour in hazardous employment in identified risky areas. Also the "Sumudu" teledrama made to create awareness regarding this through media was telecast.

GENERAL ADMINISTRATION

For the purpose of providing a satisfactory service to the employer-employee community, it is necessary for the Department to organize the Physical, Human and Financial Resources and maintain same in an excellent manner. Accordingly, the progress regarding the administration of the Department is as follows:

Human Resources

By the end of year 2012 the number of officers in different positions in the Department was 2,219. Particulars of additions to the Department and the departures are given in the statistics manual.

During the year, action was taken to enlist 9 Departmental Asst. Commissioners of Labour. Recruitment of 10 Stenographers was also done. Action has also been taken to recruit 7 Drivers.

Particulars regarding the training programmes conducted for capacity building of the officers of the Department are depicted in the statistics manual.

Development of Physical Resources

The piling of the proposed “Mehewara Piyasa” building has been completed. Bids have been obtained from contractors for commencing the construction of the building, and evaluation is in progress. After offering the tenders, it is expected to commence construction work in year 2013. The expenditure during the year was Rs. 98.9 million. The particulars regarding the Divisional Offices of which the construction was completed in year 2012 are given below:

Office	Total expenditure (Rs. million)
Kuliyapitiya	12.8
Kalutara	19.5
Anuradhapura	19.1
Kantale	6.9
Jaffna (Stage I)	31.0

Library and Labour Museum

Collecting subject-wise information to suit the requirements of establishments relating to the field of Labour including this Department, disseminating them when necessary and thereby providing knowledge and information is done through the Departmental Library regarding the field of labour to the employees of establishments and the general public. In the Labour Museum maintained by the Department the evolution of the field of labour is attractively displayed. Also collecting old labour Ordinances and Acts and other documents connected to the field of Labour and conserving them is done by the Labour Museum.

Publications and Surveys

With a view to providing updated and credible data relating to the field of labour to Plan Makers, Researchers and others who use such data, the Department carries out the under-mentioned surveys:

- Annual Employment Survey
- Survey on Average Earnings and Hours Worked

STATISTICAL MANUAL

Industrial Relations Division

		2009	2010	2011	2012
Statistics on Industrial Disputes					
Number reported		4,653	3,948	3,756	3,702
Number Settled		4,294	3,462	3,384	3,695
Collective Agreements registered		17	42	66	43
Trade Unions					
Trade Unions / Federations registered		117	107	76	114
Trade Unions / Federations cancelled		55	106	38	02
Industrial Courts					
Referred to compulsory arbitration		59	24	69	43
Issue of awards		32	29	35	26
Statistics on strikes					
Reported Strikes	Estates	02	09	14	14
	Establishments	06	06	07	20
No. of workers participated	Estates	300	3,185	2,713	4,338
	Establishments	4,720	1,923	3,742	5,626
Man days lost	Estates	300	23,037	9,877	25,043
	Establishments	7,365	2,034	15,543	10,774
Activities of the Termination of Employment Division					
No. of complaints received		186	110	86	92
No. of complaints settled		90	175	111	143
Applications allowed on termination of employment		46	25	29	31
Programs on Social Dialogue					
By the Social Dialogue Unit	No. of programs held	90	86	98	153
	No. of workers attended	5,390	4,041	4,800	4,751
By District and Sub Offices	No. of programs held	108	100	124	225
	No. of workers attended	3,953	3,496	4,478	7,902

Number of Trade Unions operating as at 31.12.2012 - 2,177
 Number of Trade Union Federations operating as at 31.12.2012 - 28

Enforcement Division

Act	Number of Cases filed			
	2009	2010	2011	2012
01. Payment of Gratuity Act	1653	2459	4092	3404
02. Industrial Disputes Act	60	59	72	77
03. Termination of Employment Act	32	39	65	59
04. Wages Boards Ordinance	139	166	238	290
05. Shop and Office Employees' Act	20	51	80	132
06. Maternity Benefits Ordinance	02	-	01	02
07. Employment of Women, Young Persons and Children's Act	14	15	05	10
08. Employees' Provident Fund Act	1743	1484	3483	3210
09. Labour Tribunals Orders	212	134	153	165
10. Budget Relief allowance Act	-	-	54	134
11. Approved Provident Funds	04	-	-	07

Special Investigations Division

	2009	2010	2011	2012
Investigations on complaints	264	401	241	264
Amount of EPF arrears calculated (Rs. Thousand)	17,708	31,498	153,483	313,770
Amount of Statutory monies calculated (Rs. Thousand)	6,360	10,798	12,295	40,831

Employees' Provident Fund Division

	Up to 2009.12.31	Up to 2010.12.31	Up to 2011.12.31	Up to 2012.12.31
Total Member Accounts	12,837,602	13,412,847	14,162,590	14,195,726***
Total Number of Employers	180,991	185,647	192,044	197,146***
Value of the Fund (Rs. million)	769,652	899,650	1,020,072	1,144,931
Number of Active Members (million) *	2.05	2.16	2.21	2.25
Number of Active employers **	61,396	62,295	64,562	68,771

		2009	2010	2011	2012
New registrations	Employees	591,211	719,988	750,941	127,138
	Employers	5,624	5,234	6,403	10,060
Payment of Benefits	Number of Beneficiaries	108,066	104,528	120,109	115,654
	Benefits paid (Rs. million)	31,901	34,896	47,311	48,015
Collection of contributions (Rs. million)		48,712	54,796	61,879	70,157
E.P.F. Housing Loans	Number of applications approved	10,383	13,848	19,709	11,182
	Value of loans approved (Rs. million)	2,680	4,512	6,253	3,951

* Member Accounts where contributions were paid at least once during the year

** Employers who have paid the contributions on behalf of the employees at least once during the year

*** Up to 30.09.2012

Industrial Safety Division

	2009	2010	2011	2012
Total number of factories registered	18,247	20,053	20,971	22,459
Number of Inspections carried out	4,636	4,482	4,749	6,700
Number of Inspectors (Engineers)	28	28	27	28
Approval of Plans	75	104	122	106
Lectures and Seminars	155	265	294	229

Occupational Hygiene Division

	2009	2010	2011	2012
Number of Factory Inspections	853	1,042	220	410
Number of Awareness Programmes	66	186	193	137

Planning, Research, Training and Publications Division

	2009	2010	2011	2012
Training Programmes for Staff Officers	12	8	22	4
Training Programmes for Management Assistants	4	1	14	8
Computer Training Programmes	24	33	16	33
Other Training Programmes	9	2	2	2
Post-Graduate Courses	48	8	26	20
External Trainings	13	16	37	57
Progress Review Meetings	6	8	7	5
Labour Auditing	-	-	13	19

Finance Division

		2010	2011	2012
Recurrent Expenditure	Provision (Rs.)	769,571,000.00	982,340,000.00	967,407,000.00
	Expenditure (Rs.)	760,752,134.00	970,274,622.00	953,894,760.00
Capital Expenditure	Provision (Rs.)	222,000,000.00	371,936,197.00	372,365,000.00
	Expenditure (Rs.)	218,993,558.00	333,633,002.00	299,512,890.00

Establishments Branch

Total cadre at the commencement of the year

- New recruitments by the Department
- Additions as new appointments of the Combined Service
- Transfers (net)
- Additions to the staff of the Department due to other reasons
- Retirements
- Leaving the Department Staff due to other reasons

2010	2011	2012
2,185	2,184	2,271
105	-	23
25	159	30
2	15	(7)
-	-	1
(69)	(67)	(52)
(64)	(20)	(47)
<u>2,184</u>	<u>2,271</u>	<u>2,219</u>

Total cadre at the end of the year

