

Annual Report
2013

FOREWORD

I am pleased to submit the Annual Report of the Department of Labour for the year 2013. I believe that this publication which depicts briefly the mission of the Department during the year would be an important publication to all those who are interested in the field of Labour.

It was possible to make a contribution of the Department during this year towards the development of the National Economy by guiding the establishments to maintain industrial peace in them by settling instances where employer-employee unrest occurs and by referring to court action where necessary. Non-payment of gratuity to the retired employees of the Sri Lanka Transport Board, which created a great confusion in the country, specially during the last decade, was referred to the Department of Labour by His Excellency the President.

Payment of gratuity to the retired employees by the Department by utilizing the excess balance of the Approved Provident Fund of the Sri Lanka Transport Board was done during the year and it is planned to continue the payments during the coming year as well.

By decentralizing progress review activities of the Department to zonal level, the officers of the District and sub Labour offices were granted the opportunity of comparing the progress of their zone with other offices. By this method the creation of a competitiveness and thereby more productivity services to the clients has become possible. Similarly, taking speedy remedial action became possible through the identification of the requirements of the Divisional Offices.

Every Division of the Department acted in their fullest capacity and dedication to achieve the expected targets and I commend all the officers who contributed for same. Also I remember with gratitude the contribution made in the activities of the Department by the Ministry of Labour and Labour Relations and the Colombo Office of the International Labour Organization.

V.B.P.K. Weerasinghe
Commissioner General of Labour
Department of Labour
Labour Secretariat
Colombo 05.

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Department of Labour

The function of the Department of Labour is to strengthen the national economy by continuing the tripartite coordination among employer, employee and Government.

History

The commencement of the present Department of Labour marks with the establishment of the Department of the Controller of Indian Migrant Labour in terms of the Indian Emigrant Labour Ordinance, No. 01 of 1923 with the object of the welfare of the labourers of Indian nationality who were brought to Sri Lanka by the colonial rulers for work in the estates in Sri Lanka. With the identification of the local contribution in the workforce and the necessity of their welfare, the Department of Labour became the foremost establishment which looked after the welfare and protection of Sri Lankan working community as well as the establishment which functions to ensure employer, employee coordination.

Vision

A country with everlasting Industrial Peace for an internationally competitive economy

Mission

Contribute to the development process of Sri Lanka through establishment of a Decent Work environment within secured Industrial Peace.

The present

The Department is in the process of implementing 50 Acts and Ordinances approved by the Sri Lanka Legislature pertaining to the field during the last 90 years commencing from 1923. With the expansion of the contribution of the private sector in the national economy, the activities of the Department too were widened and the present cadre is 2169. 13 Divisions operate affiliated to the Head Office of the Department.

Under the divisional administration 11 zonal Labour offices, 39 District Labour offices, 18 sub Labour offices and 10 District Factory Inspecting Engineer's offices are in operation.

Industrial Peace

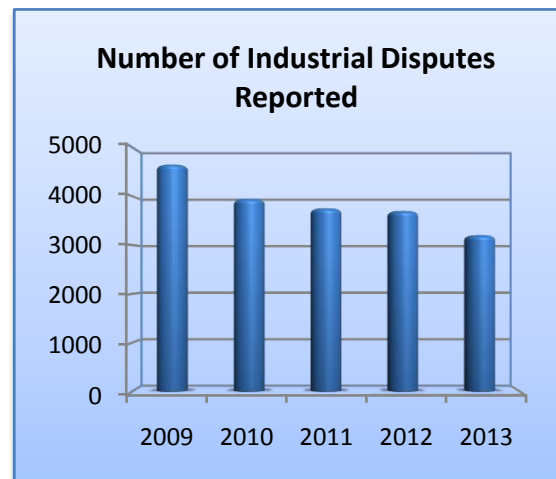
Sri Lankan Community which expects a speedy economic development after a 30 year war, prevalence of a sound Industrial peace would be of utmost importance in achieving the said object. The foremost factors for achieving economic development are the employer-employee community maintaining a mutual environment in the workplace and carrying out daily activities without strikes and disputes.

Labour Inspections

A great support is extended for creating a contented workforce in the country through Labour Inspections.

The constant Labour Inspections support the enhancement of industrial peace in the establishments and thereby the productivity in the country also goes up as a whole. Similarly in a state where Labour Inspections are not carried out, a situation where Labour disputes and lower productivity would be caused.

The two graphs indicated below depict the number of Labour Inspections carried out by officers of the Department of Labour and the number of industrial disputes reported.



It can be observed that the number of industrial disputes reported has continued to reduce this year too. A strong factor which leads to the reduction of disputes in this manner are the strengthening of the Labour inspection activity, the awareness created at establishment level by the Social Dialogue and Work Place Co-operation Unit of the Department and awareness created through media by various other Divisions of the Department.

The Department concerns the quality of Labour Inspections carried out at establishment level. With this object, the Department conducts progress review meetings at Zonal level. Action was taken to conduct 6 such progress review meetings in year 2013 and at these meetings the weaknesses and shortfalls of the Inspections by the Labour Officers were identified and instructions have been given to correct them.

Strikes

42 strikes in the private sector and semi government establishments have been reported to the District and Sub Labour Offices of the Department during the year. They are,

Estate Sector	-	22,
Non Estate Sector	-	18,
Semi-Government Sector	-	02

11,119 workers have participated in all these strikes and 80,423 man days lost.

Settlement of disputes

16,320 complaints, including industrial disputes, have been reported to the District and Sub Labour Office network of the Department during the year. Action had been taken to settle 16,605 complaints including 8,881 which remained at the commencement of the year.

The Special Investigations Division take immediate action to conduct inquiries and take legal steps regarding special public complaints referred to the Commissioner General of Labour through His Excellency the President, Hon. Minister of Labour and the Secretary to the Ministry. This Division has conducted 122 inquiries during the year. A sum of Rs. 28,012,437.11 has been calculated as arrears of Employees' Provident Fund contributions and Rs. 5,814,149.90 as other statutory arrears calculated through these investigations.

Legal actions

When considering the legal actions of the Department during the last few years, the number of cases filed under the Payment of Gratuity Act are on the increase. When reviewing the nearest 3 years, action had been taken to file 4,092 cases under the Payment of Gratuity Act in year 2011 and 2371 cases have been filed in year 2013. A majority of these cases were filed to recover gratuity for the employees of the Sri Lanka Transport Board. There was an increase in the number of cases filed to recover arrears of Employees' Provident Fund contributions.

As a result of the Supreme Court Judgment in Case No. SC (FR) 241/2008 there was a considerable drop in the number of cases filed to cover arrears of Employees' Provident Fund contribution in years 2009 and 2010. However by year 2013 the number of these cases went up and in numbers it was 3415.

Payment of Sri Lanka Transport Board (SLTB) gratuity

A large number of complaints were reported to the Department for non-payment of gratuity for a number of years to the employees who retired after serving in Regional offices and Depots of SLTB all over the Island and the Department dealt with such complaints and field action regarding same.

As a result of assigning the task of paying these arrears utilizing the excess of the Approved Provident Fund of the SLTB, year 2013 became a very busy period for the Department of Labour.

Accordingly under the guidance of the Hon. Minister of Labour and Labour Relations, the Department could, with the cooperation of the Industrial Relations Division, Enforcement Division, Finance Division and the other divisions of the Head Office and through the high dedication of the Regional office network of the Department, a sum of Rs. 1,965,790,382.70 could be paid to 4037 workers.

WAGES AND SERVICE CONDITIONS

This Department is engaged in taking action and attending to supervision under the under-mentioned Ordinances/Acts in formulating standards regarding terms of service and conditions and affecting the security of employment and welfare of those engaged in the service of the private sector:

01. Wages Boards Ordinance, No. 27 of 1941
02. Shop and Office Employees (Regulation of Employment and Remuneration) Act, No. 19 of 1954
03. Budgetary Relief Allowance Act, No. 36 of 2005

Wages Boards

At present 44 Wages Board are in operation in Sri Lanka. The under-mentioned action has been taken regarding the said Wages Boards during the year 2013.

- After establishing the Wages Boards for Flowers, Ornamental Plants, Vegetables and Fruits Cultivation and Export Trade during the last year categorization of services have been completed, decided on minimum wages and objections were called during this year.
- Similarly, collection of information for the establishment of a new Wages Board for the employees of Private Educational Institutes have been completed and arrangements have been made to conduct a Workshop with the participation of those with specialist knowledge in the relevant sector.
- Appointment of new representatives for 19 Wages Boards in place of those whose term of office has ended and others who are dead and those resigned and in the case of 6 Wages Boards appointment of new members.
- Collection of information to identify the new service groups in the Garment Manufacturing Trade and Printing Trade was attended to during the year 2013.
- An awareness programme with a view to create awareness in the employer-employee parties regarding Labour Standards was held in the Thulhiriya area in Warakapola parallel to the *Deyata Kirula* National Development Exhibition, 2014.

- Clarification for the inquiries referred to by Employer and Employee parties and District Labour Offices regarding the Wages Boards Ordinance, Shop and Office Employees Act and Budgetary Relief Act were provided during the year 2013.

Enhancing the minimum Wages level of the Private Sector Employees

The activities on increase of minimum wages of the workers covered by wages boards were commenced in year 2012 and minimum wages of 18 wages boards were increased in the same year. The decisions related to those 18 wages boards were published with effect from 01.01.2013. Minimum wages of another 20 wages boards were increased in year 2013 and those decisions also published in year 2013.

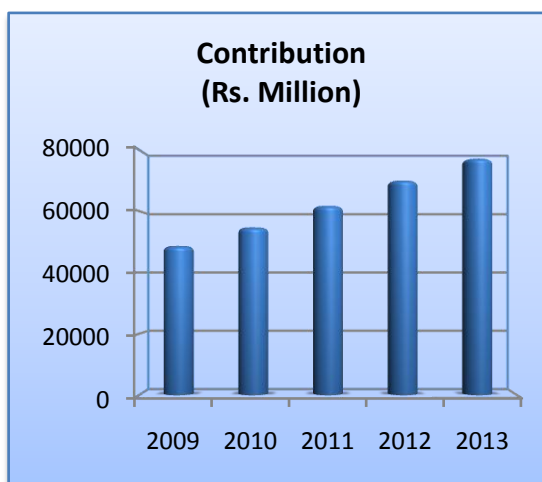
SOCIAL SECURITY

The Employees' Provident Fund was established w.e.f. June 01, 1958 as an important Social Security Scheme with a view to provide a sound support to make the retired life of Private Sector and Corporation employees in Sri Lanka who are not entitled to a pension, a success.

Collection of Contributions

The employer must deposit with the Central Bank of Sri Lanka before the last day of the next month the contribution for any month on behalf of all the employees covered by the Act. The Chart given below depict the progress of the collection of contribution during the last 5 years:

Year	Contribution (Rs. Million)
2009	48,712
2010	54,796
2011	61,879
2012	70,157
2013	77,335



Automation of the recovery of arrears of Employees' Provident Fund contributions

Computerizing and automation of Reports regarding the supervision of the recovery of contributions defaulted by employers is being done during this year on a trial basis. Action has commenced under this method in 20 District Labour Offices by now.

Automation of the payment of contributions

The necessary technical facilities have been provided and the framing of regulations completed during the last year to enable the Employers to remit the Employees' Provident Fund contributions automatically through Bank Accounts. The progress of relevant activities is as given below:

			Number Registered	Number Registered under the electronic system	Percentage
Number of active establishments		68,140		1,718	3%
Number of active members		2,337,532		799,928	34%

Supervision of Private Provident Funds

In addition to the administrative functions of the Employees' Provident Fund, the Department is involved in the supervision of private provident funds in 177 Establishments Island-wide.

OCCUPATIONAL SAFETY AND HEALTH

The Department of Labour is in action to minimize the accidents and hazards in work places, occupational diseases and uncongenial health conditions associated with employment. It is no secret that a work environment free of accidents and hazards and where occupational health is protected would result in the enhancement of the efficiency of employees and production as well as well as maintaining the quality of products and services. Health and Safety of employees is a legal requirement in terms of the Factories Ordinance, No. 45 of 1942.

World Safety Day

World Safety Day is commemorated on April 28 every year and in this year arrangements were made to conduct the main programme at the Keangnam worksite at Borelesgamuwa headed by Hon. Gamini Lokuge, Minister of Labour and Labour Relations.

National Occupational Safety and Health Week

The National Occupational Safety and Health Week is held in the second week of October every year. In year 2013 during this week the under-mentioned programmes were implemented covering the formal sector and the informal sector:

- Awareness Programme for those engaged in Toddy Tapping Industry in the Kalutara District.
- Awareness programme for officers of the Police Training College, Kalutara.
- Programme for Safety Officers of Private Establishments and presenting awards of the Poster Arts Competition.
- Awareness Programme for Tea Factory employees of Bogawantalawa.
- Awareness Programme for the employees of the rock quarries of the Mirigama area.
- Seminar on National Occupational Safety and Health at the Galadari Hotel, Colombo.
- One Day Awareness Programme held in the Katunayake Export Promotion Zone.
- Awareness Programme held at the Technical College, Kuliypitiya.

Enforcement of the Law

Court action was taken against 26 employers who violated the rules of the Factories Ordinance in 2013, and verdicts could be obtained on 18 out of them during the year.

Occupational Hygiene

The Department uses environmental measuring for examining work environments liable to cause occupational diseases. For this purpose sophisticated measuring equipment possessed by the Department are used. These examinations are conducted totally free of charge. These environmental measuring is done in the work place, and also in the laboratory by collecting samples. Also various biological tests are carried out at the preliminary stages to identify whether occupational diseases or such symptoms exist.

During the year –

- 157 tests re lung function
- 105 Audiometry tests
- 230 on the spot environmental measuring, and
- 210 environmental measuring carried out in the laboratory

were done.

SPECIAL FIELDS

A special contribution is made by the women employees in the National Economy. Looking after their health and providing welfare facilities to them is a responsibility of the Department of Labour. Similarly the Department is engaged in the function of eliminating child labour with a view to secure the safety of the child generation who are the forerunners to take over the future of the nation. The Department also engages in deciding the working age of a child and the prevention of engaging children in hazardous and other forms of dangerous services, investing into complaints received in this respect and bringing the relevant employers before the law.

International Women's Day

Action was taken to conduct an awareness consultancy programme for 200 women employees at the "Susiri" Reception Hall, Piliyandala on March 08, 2013 in commemoration of the International Women's Day.

Awareness Programmes for Women

Steps were taken to conduct 20 awareness programmes for women employed in the Plantation Sector and also 50 awareness programmes at institutional level for women employees of factories. 16 consultancy programmes were conducted for women employees of the Investment Zones at Katunayake, Koggala and Avissawella to address their personal and mental problems.

Complaints on Women Employees and Inquiries

Complaints received regarding the problems of women workers were investigated into jointly with the District Offices and necessary instructions were issued. 116 inspections were done jointly with the District Offices for granting permission to engage women in Institutions in the night. 315 Institutions have been granted permission to employ women at night. 11 Complaints had been received regarding the non-payment of maternity benefits and non-compliance with other service conditions were inquired into and necessary instructions were issued.

International Children’s’ Day and anti-child Labour Day

An anti-child labour procession was held at the Ratnapura, Kuruwita Public Esplanade on October 01, 2013 with the participation of 700 children, parents and Teachers and thereafter a ceremony was held which included recitals and drama items of children. Also a Consultancy Programme on elimination of child labour was conducted jointly with the National Apprentice and Industrial Training Authority in view of the International Anti-child employment day.

Inquiries into complaints of child Labour

The Women and Childrens Division of the Department of Labour is attending to the conducting of inquiries into complaints of child labour received from various individuals and institutions by name and anonymously through the Police Women and Childrens’ Bureau and the National Child Protection Authority and taking legal action against the employers. Accordingly –

- Number of Complaints received by the Department 232
- Number on which legal steps were taken and completed .. 01
- Number on which legal action is pending 04
- Number where child labour was not revealed 108
- Number under investigation 119

Elimination of child Labour in Hazardous Employment

The Department is taking action in term of the Road Map to eliminate the engagement of children between the ages of 14-18 years in employment identified as hazardous employment. Under this subject 2 meetings of the Operations Committee were held this year. Similarly 20 awareness Programmes for Social partners and 04 Training Programmes for Trainers (Police, Probation and Labour Officers) were also conducted. Action was taken to conduct 10 special inspections regarding the engaging of children of the age of 14 -18 years in hazardous employment. In addition, steps were taken to print in Tamil and English languages the Hand Book “අනර්ථකාරී ළමා ශ්‍රම යෙදවුම හා ළමා ශ්‍රමය” (engaging children in hazardous employment and child Labour).

General Administration

It is necessary to organize and continue to maintain in an efficient manner the Physical, Human and Financial Resources of the Department in order to provide a contended service to the employer-employee Community.

Human Resources

By the end of year 2013, there were 2169 officers in different ranks in the Department of Labour. Details regarding the additions to the Department and those who left during the past few years are given in the statistical Manual. During the current year action was taken to recruit a Circuit Bungalow Keeper, 04 Drivers and 33 Karyla Karya Sahayakas. Particulars of Training Programmes for capacity building of officers are given in the Statistical Manual.

Development of Physical Resources

The piling work of the proposed 36 storied “*Mehewara Piyasa*” has been completed. The contractor for the main construction of the *Mehewara Piyasa* was selected during the latter part of October 2013 and the construction work commenced in November. The expenditure during the year is Rs. 451.4 million. In addition, the under-mentioned expenditure was incurred during the year 2013 for buildings of the Divisional offices now under construction:

Office	Total Expenditure Rs. million
1. Jaffna	18
2. Avissawella	16
3. Mullaitivu	13
4. Polonnaruwa	12.5
5. Negombo	22
6. Beliatta	13
7. Kilinochchi	10

Library and the Labour Museum

The services rendered by the Labour Department Library are collecting information pertaining to the subject to suit the requirements of the other establishments relating to the field of Labour with the Department Labour in the first place and disseminate such information when necessary and thereby providing knowledge regarding the field of Labour to employees of such establishments and the general public. Similarly the Labour Museum maintained by the Department depicts the evolution of the field of Labour in an attractive manner. Further, the old Labour Ordinances and Acts and the documents related to the field of Labour are collected and preserved in this Museum.

Publications and Surveys

The under-mentioned Surveys are carried out by the Department in order to provide updated and reliable data and information to Programmers, Researchers and others who use such data:

- Annual Employment Survey
- Survey on general earnings and number of days worked

Statistical Manual

Industrial Relations Division

		2010	2011	2012	2013
Statistics on Industrial Disputes					
Number reported		3,948	3,756	3,702	3,204
Number Settled		3,462	3,384	3,695	3,077
Collective Agreements registered		42	66	43	34
Trade Unions					
Trade Unions / Federations registered		107	76	114	108
Trade Unions / Federations cancelled		106	38	02	114
Industrial Courts					
Referred to compulsory arbitration		24	69	43	49
Issue of a awards		29	35	26	35
Statistics on strikes					
Reported Strikes	Estates	09	14	14	22
	Establishments	06	07	20	20
No. of workers participated	Estates	3,185	2,713	4,338	5,031
	Establishments	1,923	3,742	5,626	6,088
Man days lost	Estates	23,037	9,877	25,043	41,669
	Establishments	2,034	15,543	10,774	38,754
Activities of the Termination of Employment Division					
No. of complaints received		110	86	92	134
No. of complaints settled		175	111	143	112
Applications allowed for termination of employment		25	29	31	41
Programs on Social Dialogue					
By the Social Dialogue Unit	No. of Programs held	86	98	153	187
	No. of Workers attended	4,041	4,800	4,751	6,560
By District and Sub Offices	No. of Programs held	100	124	225	214
	No. of Workers attended	3,496	4,478	7,902	7,768

Number of Trade Unions operating as at 31.12.2013 - 2,145

Number of Trade Unions/Federations operating as at 31.12.2013 - 26

Enforcement Division

Act	Number of Cases filed			
	2010	2011	2012	2013
01. Payment of Gratuity Act	2,459	4,092	3,404	2,371
02. Industrial Disputes Act	59	72	77	126
03. Termination of Employment Act	39	65	59	58
04. Wages Boards Ordinance	166	238	290	203
05. Shop and Office employees' Act	51	80	132	112
06. Maternity Benefits Ordinance	-	01	02	05
07. Employment of Women, Young Persons and Children's Act	15	05	10	07
08. Employees' Provident Fund Act	1,484	3,483	3,210	3,415
09. Labour Tribunals Orders	134	153	165	144
10. Budget Relief allowance Act	-	54	134	22
11. Approved Provident Funds	-	-	07	01

Special Investigations Division

	2010	2011	2012	2013
Investigations on complaints	401	241	264	122
Amount of EPF arrears calculated (Rs. Thousand)	31,498	153,483	313,770	28,012
Amount of Statutory monies calculated (Rs. Thousand)	10,798	12,295	40,831	5,814

Employees' Provident Fund Division

	Up to 2010.12.31	Up to 2011.12.31	Up to 2012.12.31	Up to 2013.12.31
Total Member Accounts	13,412,847	14,162,590	14,559,328	15,203,073
Total Number of Employers	185,647	192,044	198,893	204,777
Value of the Fund (Rs. million)	899,650	1,020,072	1,144,409	1,299,974
Number of Active Members (million) *	2.16	2.21	2.34	2.40
Number of Active Employers (million) **	62,295	64,562	68,140	69,148

		2010	2011	2012	2013
New registrations	Employees	719,988	750,941	127,138	Not calculated
	Employers	5,234	6,403	10,060	7,802
Payment of Benefits	Number of Beneficiaries	104,528	120,109	115,654	114,275
	Benefits paid (Rs. million)	34,896	47,311	48,015	50,062
Collection of contributions (Rs. million)		54,796	61,879	70,157	77,335
E.P.F. Housing Loans	Number of applications approved	13,848	19,709	11,182	16,268
	Value of loans approved (Rs. million)	4,512	6,253	3,951	6,914

* 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

Industrial Safety Division

	2010	2011	2012	2013
Total number of factories registered	20,053	20,971	22,459	23,974
Number of Inspections carried out	4,482	4,749	6,700	6,372
Number of Inspectors (Engineers)	28	27	28	28
Approval of Plans	104	122	106	97
Lectures and Seminars	265	294	229	218

Occupational Hygiene Division

	2010	2011	2012	2013
Number of Factory Inspections	1,042	220	410	352
Number of Awareness Programmes	186	193	137	190

Planning, Research, Training and Publications Division

	2010	2011	2012	2013
Training Programmes for Staff Officers	8	22	4	14
Training Programmes for Management Assistants	1	14	8	17
Computer Training Programmes	33	16	33	-
Other Training Programmes	2	2	2	2
Post-Graduate Courses	8	26	20	41
External Trainings	16	37	57	23
Progress Review Meetings	8	7	5	6
Labour Auditing	-	13	19	-

Finance Division

		2011	2012	2013
Recurrent Expenditure	Provision (Rs.)	982,340,000.00	967,407,000.00	1,100,630,000
	Expenditure (Rs.)	970,274,622.00	953,894,760.00	1,016,129,728
Capital Expenditure	Provision (Rs.)	371,936,197.00	372,365,000.00	760,275,000
	Expenditure (Rs.)	333,633,002.00	299,512,890.00	732,936,934

Establishment Branch

	2011	2012	2013
Total cadre at the commencement of the year	2,184	2,271	2,219
• New recruitments by the Department	-	23	1
• Additions as new appointments of the Combined Service	159	30	37
• Transfers (net)	15	(7)	(1)
• Additions to the staff of the Department due to other reasons	-	1	-
• Retirements	(67)	(52)	55
• Leaving the Department Staff due to other reasons	(20)	(47)	32
Total cadre at the end of the year	2,271	2,219	2,169

Appendix

Organization Structure of the Department

