

LCQ4: Work and manpower arrangements of Labour Department

Following is a question by the Hon Vincent Cheng and a written reply by the Secretary for Labour and Welfare, Dr Law Chi-kwong, in the Legislative Council today (April 22):

Question:

It has been reported that during the period from November last year to February this year, the Registry of Trade Unions of the Labour Department (LD) received a total of 273 applications for registration of newly-formed trade unions, representing a huge year-on-year increase by 120 times. According to the relevant performance pledge, the LD will complete the processing of such applications within four weeks upon receipt of all relevant information and documentation. Furthermore, some trade unions have pointed out that with the economy of Hong Kong being badly hit by the Coronavirus Disease 2019 epidemic, an upsurge of cases relating to unemployment, wage defaults and labour disputes is foreseeable in the coming few months. Regarding the work and manpower arrangements of the LD, will the Government inform this Council:

(1) of the respective numbers of applications for trade union registration that the LD (i) received and (ii) approved in each of the past two years and since January this year, together with a breakdown by the trade to which the trade unions belonged;

(2) of the number of applications for trade union registration currently being processed and, among such applications, the expected number of those the processing of which can be completed within the timeframe specified in the aforesaid performance pledge; the projected number of outstanding applications as at the end of this month; whether the LD will deploy additional manpower to handle the backlog of applications; if so, of the details; if not, the reasons for that; and

(3) whether the LD has plans to recruit additional manpower to handle the anticipated upsurge of cases relating to job seeking, wage defaults and labour disputes in the coming few months; if so, of the details; if not, the reasons for that?

Reply:

President,

My reply to the Member's question is as follows:

(1) The Registry of Trade Unions (RTU) of the Labour Department (LD) respectively received 16, 142 and 1 578 applications for registration of new

trade unions in 2018, 2019 and January to March 2020, while 13, 25 and 88 new trade unions were respectively registered in the same period.

A breakdown of new trade unions registered by industry is provided below:

Industry	No. of new trade unions registered in the year		
	2018	2019	January to March 2020
Professional, scientific and technical activities	4	3	10
Human health and social work activities	3	6	11
Financial and insurance activities	2	3	4
Public administration	1	3	5
Transportation, storage, postal and courier services	1	2	9
Education	1	1	5
Electricity and gas supply	1	–	–
Construction	–	2	17
Administrative and support service activities	–	2	8
Information and communications	–	1	3
Manufacturing	–	1	2
Real estate activities	–	1	1
Import/Export, wholesale and retail trades	–	–	3
Art, entertainment and recreation	–	–	3
Work activities within domestic households	–	–	2
Accommodation and food service activities	–	–	1
Other service activities	–	–	4
Total	13	25	88

The RTU does not keep a breakdown of applications for registration of new trade unions by industry.

(2) The LD has arranged additional manpower including 11 Labour Officer Grade staff and 1 Clerical Grade staff through internal deployment to assist in handling the applications for registration of new trade unions and the related work. As at end-March 2020, 1 607 applications were under processing

by the RTU. Owing to differences between trade unions in their rules, objects, scale, proposed names, eligibility for becoming promoters and circumstances of the trades and/or occupations of members, and depending on the completeness of documents submitted, etc., the time required for processing each application for registration varies. Among the 1 607 applications under processing, the RTU expects that about 60 more applications for registration could be completed by end-April and the remaining applications would be processed thereafter.

(3) The LD has been closely monitoring the impact of the prevailing social and economic environment on labour relations, and will redeploy manpower and related resources as necessary to ensure delivery of effective and timely services for the public.

In light of the deteriorating employment situation, the LD will implement a series of employment support measures. The LD will raise the ceiling of on-the-job training (OJT) allowance payable to employers under the Employment Programme for the Elderly and Middle-aged, the Youth Employment and Training Programme and the Work Orientation and Placement Scheme in the second half of 2020, with a view to further encouraging employers to hire the elderly aged 60 or above, young people and persons with disabilities and provide them with OJT. With this enhancement, the maximum amount of allowance payable to employers engaging job seekers under these employment programmes will become \$60,000 per employee. The LD will arrange manpower through internal deployment, as and when needed, to handle the related additional work. Besides, the LD plans to launch a pilot scheme in the second half of 2020 to encourage eligible elderly persons, young people and persons with disabilities to undergo and complete OJT under these employment programmes through the provision of a retention allowance, thereby stabilising employment. Subject to the length of OJT period, the maximum amount of retention allowance that a full-time employee may receive is \$12,000. To take forward this three-year pilot measure, the LD has been allocated three additional posts for three years starting from 2020-21.

Government to provide one-off extra allowance to recipients of Individual-based Work Incentive Transport Subsidy

The Government announced today (April 22) that, after the passage of the Appropriation Bill 2020, the Working Family Allowance Office (WFAO) of the Working Family and Student Financial Assistance Agency would disburse a one-off extra allowance to recipients of the Individual-based Work Incentive Transport Subsidy (I-WITS) as proposed in the 2020-21 Budget. It is expected

that the extra allowance would be disbursed one month after the passage of the Bill at the earliest.

Recipients who are eligible for the extra allowance are those whose I-WITS applications were made in the Applicable Period (i.e. from first day of the month in which the Bill is passed to the date of passage of the Bill; and six calendar months before that month), and eventually approved. For applications submitted by post, the date of the postage stamp will be taken as the application date.

New applicants or previous recipients of the I-WITS who have yet to submit applications in the Applicable Period should submit applications before it expires (i.e. on or before the date of passage of the Bill) in order to be eligible for the extra allowance.

The extra allowance is the average monthly amount of approved months payable to the applicants in their I-WITS applications which were most recently submitted in the Applicable Period and eventually approved.

For enquiries, applicants may call the WFAO 24-hour hotline (2558 3000) or visit the thematic website of the I-WITS Scheme (www.iwits.gov.hk).

CSSA caseload for March 2020

The overall Comprehensive Social Security Assistance (CSSA) caseload in March showed a rise of 2 017 cases, representing an increase of 0.9 per cent compared with that of February, according to the latest CSSA caseload statistics released by the Social Welfare Department (SWD) today (April 22).

The total CSSA caseload at the end of March stood at 222 691 (see attached table), with a total of 310 153 recipients.

Analysed by case nature, low-earnings cases were down by 0.4 per cent to 2 974 cases. Old age cases slipped slightly by 0.1 per cent to 135 239 cases.

Unemployment cases edged up by 10.9 per cent to 14 647 cases. Single parent cases increased by 1.3 per cent to 24 030 cases. Ill-health cases rose by 1.1 per cent to 24 562 cases while permanent disability cases registered a slight increase of 0.5 per cent to 17 026 cases.

LCQ22: MTRCL businesses outside Hong Kong

Following is a question by the Hon Mrs Regina Ip and a written reply by the Secretary for Transport and Housing, Mr Frank Chan Fan, in the Legislative Council today (April 22):

Question:

â€‹ According to the Audited Results for the year ended December 31, 2019 published by the MTR Corporation Limited (MTRCL), MTRCL's revenues in 2019 from "Mainland of China and international railway, property rental and management subsidiaries" and "Hong Kong transport operations" were \$21,085 million and \$19,938 million respectively, and MTRCL's expenses on both for the same period were \$19,760 million and \$14,029 million respectively. There are views that MTRCL has placed too much emphasis on developing businesses outside Hong Kong at the expense of local railway business, giving rise to numerous problems. For example, on train operations, there have been frequent train delays, signalling system failures, and even serious incidents of train derailment and collision, and on the implementation of new railway projects, there have been problems of works quality, construction delays and significant cost overruns, etc. In this connection, will the Government inform this Council:

(1) whether it knows the details of each of the businesses/ projects currently engaged by MTRCL outside Hong Kong, including the contract periods and financial information such as investment amounts, as well as the anticipated and actual profits and losses; and

(2) in order not to divert the attention of the MTRCL management team from the local transport and other related businesses, whether the Government will demand MTRCL to reduce its business expansion outside Hong Kong so as to focus on local railway development and services; if not, of the reasons for that?

Reply:

President:

â€‹ Public transport services are closely connected with the livelihood of the people of Hong Kong, delivering 12 million passenger trips daily, representing close to 90% of daily commutes. It is the Government's policy to adopt railway as the backbone of public transport, while coordinating other public transport services, with a view to providing the public with a diverse means of transportation. Under such policy, the railway services operated by the MTR Corporation Limited (MTRCL) serve millions of passengers every day.

â€‹ As the sole operator of our local railway, the MTRCL is tasked with

great responsibilities. Hong Kong has been the home base of MTRCL for over 40 years, and the development of local railway businesses has been the core business of the Corporation. It is the MTRCL's established policy that when developing any business in the Mainland or overseas, the Corporation must keep its primary focus on local businesses.

â€‹ The MTRCL follows the principle of "on-the-ground management" in the management of Mainland and overseas businesses, through means such as establishing subsidiaries or setting up joint ventures with other companies. These subsidiaries or joint venture companies will then search for and employ suitable local talents who will be responsible for the construction or operation of railways by working with a small number of staff deployed from Hong Kong. Hence, on expenses, the MTRCL is mainly responsible for the investment in projects in relevant places.

â€‹ My reply to the two parts of the Hon Regina Ip's question is as follows:

(1) The MTRCL is involved in the construction and operation of railway projects in three Mainland cities, namely Beijing, Shenzhen and Hangzhou. The Corporation also constructs and operates the Macao Light Rapid Transit. As regards its overseas businesses, the Corporation operates railway services in London in the United Kingdom, Stockholm in Sweden, and Melbourne in Australia, and is involved in the construction and operation of a railway project in Sydney, Australia. The details of these projects are set out in the Annex.

â€‹ To strengthen management, the MTRCL has set risk management indicators for its Mainland and overseas investments. The total investment in Mainland projects shall not exceed 15 per cent of the Corporation's shareholders' funds (including all equity investment and shareholders' loans). As regards overseas investment, the total investment shall not exceed five per cent of the shareholders' funds (including all equity investment and shareholders' loans).

â€‹ The total equity attributable to the shareholders of the MTRCL in 2019 is around HK\$187 billion, while the Mainland and overseas investments are below the 15 per cent and five per cent limit of the shareholders' fund respectively. The MTRCL will review from time to time the appropriateness of these indicators, with a view to maintaining a steady growth of the Corporation's local and Mainland/ overseas businesses.

â€‹ The MTRCL released its 2019 Annual Report on April 9, 2020. The profit generated from the MTRCL's Mainland and overseas businesses in 2019 is \$525 million (Note). The details of the MTRCL's financial position can be referred to its Annual Report (page 201).

(2) The Government appreciates the public concern over the operating strategy of the MTRCL. The Government, as the majority shareholder of the Corporation, has been taking up the responsibility and requesting the MTRCL to continue to review its governance structure and operation, and maintain the quality of

local railway services and new construction projects. Without undermining the performance of local railway services and construction projects, the Government stays positive in seeing the Corporation, as an international brand, continues to develop its non-local business in a prudent manner. At the same time, the Government will continue to remind the MTRCL to maintain its primary focus on local railway businesses. The performance of its local railway services and construction projects should not be affected by the development of non-local businesses. The management of the Corporation all along adheres to this principle.

â€‹ In fact, in its development of Mainland and overseas businesses, a majority of the MTRCL's non-local staff are recruited on-the-ground, and not deployed from headquarters in Hong Kong. As at end of 2019, the MTRCL employs over 17 000 staff in Hong Kong, with fewer than 200 of them dedicated for railway businesses outside Hong Kong. Meanwhile, the MTRCL continues to invest annually billions of dollars in maintaining and renewing railway assets, and improving station facilities. All these reflect the MTRCL's Hong Kong-based approach in railway development.

â€‹ The MTRCL has also pointed out that it would carefully analyse every potential investment project before confirming the Corporation's participation. This includes reviews on the risk and return, local laws, market competition, manpower required from Hong Kong and the local community, etc. Apart from internal assessments, the Corporation also engages external consultants for advice where necessary, with a view to ensuring that the resource allocation is pursued on the principle of striking a balance between risks and reasonable commercial returns, and not affecting the Corporation's local businesses.

Note: Taking into account corresponding depreciation, amortisation, interests, tax and other expenses, and including share of profit or loss from associates and joint venture, net after-tax profits from Mainland of China & International Businesses was \$525 million in 2019.

[Effective Exchange Rate Index](#)

The effective exchange rate index for the Hong Kong dollar on Wednesday, April 22, 2020 is 108.9 (up 0.1 against yesterday's index).