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4 March 2009

Clerk to Panel
(Attn: Mr Raymond LAM)
Legislative Council
Legislative Council Building
8 Jackson Road
Central
Hong Kong

Dear Mr LAM,

**Panel on Manpower
Follow-up to meeting on 21 January 2009**

On the motion moved by Hon LEE Cheuk-yan and passed by the Panel on Manpower under item IV of the agenda at the meeting on 21 January 2009, the Administration's response is set out below.

Item (a) of the Motion: cancelling immediately the one-year subsidy duration of the Transport Support Scheme (TSS) for the remote districts; and Item (b) of the Motion: extending TSS immediately to all districts and relaxing its coverage to include part-time workers

The Transport Support Scheme (TSS) was launched on a pilot basis in June 2007 to provide time-limited transport subsidy to needy job seekers and low-income employees in the four designated remote districts with a view to encouraging them to look for jobs and stay in employment. After reviewing the effectiveness of the pilot scheme, the Labour Department implemented in July 2008 a range of relaxation measures which included relaxing the income threshold and extending the subsidy period. Eligible persons living and working in the same designated remote district could also apply to join the TSS.

It is not the objective of the TSS to provide an income supplement for low-income employees. It aims at encouraging residents of remote districts to look for jobs and stay in employment through the provision of time-limited subsidy as an incentive. Removing the one-year duration cap, thus paying the subsidy on a recurrent basis, would change the nature of the TSS. It would become an additional long-term income supplement for low-income employees on top of the Comprehensive Social Security Assistance Scheme which has already provided for income supplement to eligible low-income households. This would deviate from the policy intention of the TSS.

At present, the TSS covers the four designated remote districts of Yuen Long, Tuen Mun, North and Islands. These districts are more remote and with fewer job opportunities. Should the TSS be extended to all other districts, this would turn the subsidy into another form of income supplement for all low-income employees. Again, this would depart from the policy intention of the TSS.

The TSS is not solely for the benefits of full-time employees. Part-time employees living in the designated remote districts are also eligible to join the TSS and claim the subsidy, provided that they work no less than 72 hours a month and meet other eligibility criteria of the TSS.

Notwithstanding the implementation of the relaxation measures in July 2008, we understand that the community remains concerned about the TSS. We will continue to monitor the implementation of the relaxed scheme and gauge the views of different sectors of the community. As indicated when the relaxations were announced, we shall, if necessary, conduct a review of the TSS after the relaxation measures have been implemented for at least one year.

Item(c) of the Motion: reinstating the allowance for local domestic helpers working across districts under the Integrated Scheme for Local Domestic Helpers

Through the provision of time-limited allowance as incentive, the Special Incentive Allowance Scheme for Local Domestic Helpers (SIAS) was designed to address the mismatch in the supply of and demand for local domestic helpers (LDHs) arising from geographical locations and working hours, thereby promoting the development of the LDH market. It was a temporary measure.

Since its implementation, the SIAS had achieved the objective of promoting the LDH market, as evidenced by the much enhanced demand for LDHs and their increased wages. The Administration has no plan to revive the SIAS.

Yours sincerely,

(Stanley NG)
for Commissioner for Labour