

*The Lion Rock Institute*

Hon LI Fung-ying  
Chairman  
Panel on Manpower  
Legislative Council  
Hong Kong Special Administrative Region  
c/o Legislative Council Secretariat  
Monday, January 25, 2010

**Submission to the Panel on Manpower for Monday 25 January, 2010**

The Lion Rock institute supports the idea of the transport subsidy scheme whereby disadvantaged working individuals and families can access services and training in outlying areas to better improve their standard of living.

HOWEVER, we would like to see several changes to the current scheme.

1. The Lion Rock Institute understands that the current subsidy is given to individuals in 12 monthly installments within a 2-year period. We believe that the 2-year period is too short, and will merely encourage recipients to exhaust their subsidy.

To remind the administration, the reason why installment is better than a continuous stream of subsidy, is because you want to create the incentive for individuals who can leave or not enter the scheme to do just that. With the time period (in this case 2 years) as an incentive to conserve these monthly payments. But when the time period is set to 2 years, what will actually happen is the recipients and the vested interest that assists them, will merely ask for "another 2 years/12 monthly installments"

In order for the time limit to work, instead of 2 years limit to this subsidy, the Lion Rock Institute suggests that a person's lifetime eligibility for this subsidy should include its entire working life from 18 till 65 years of age. While the monthly installment limits (currently 12 installments) can be changed to reflect a longer eligible period.

2. We have heard from many sources that there could be wide spread fraud and abuse in the current subsidy scheme whereby "middlemen" would entice individuals to apply and exhaust their benefits.

While we find the rumours compelling and logical, we refuse to believe the government will fail to detect and arrest such behaviour. The Lion Rock Institute would highly welcome an independent audit and investigation concerning fraud and abuse, and if there are such "middlemen" aiding and abetting, the government would stop them.

We further believe that the current individualised chipus card technology be deployed for better tracking of precious tax dollar usage in this scheme.

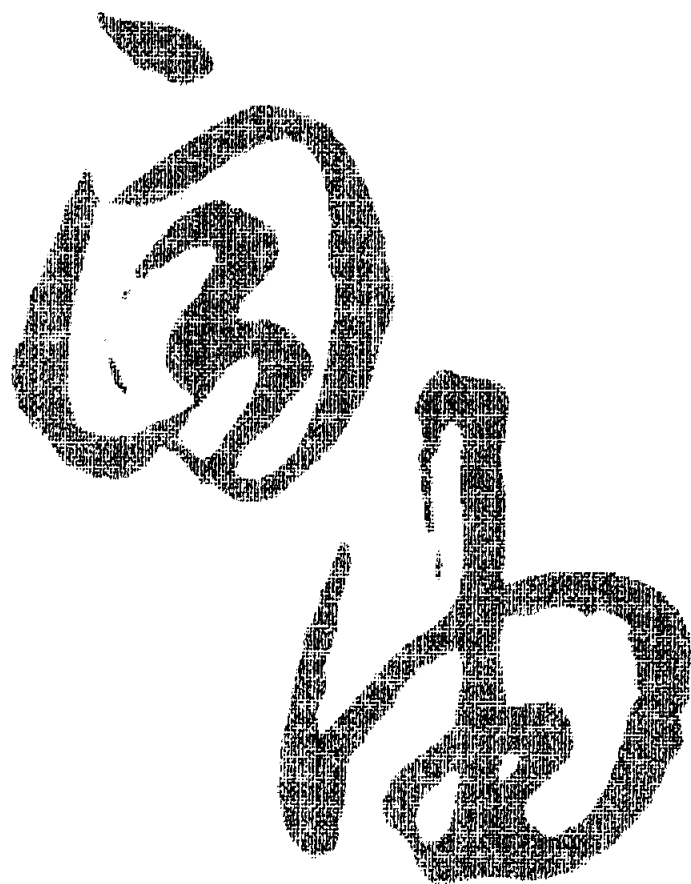
3. This subsidy was introduced and the payments applied under the understanding that it was not to be a lifelong continuous stream of subsidy. The Lion Rock Institute believes that what ever documents signed by the current recipients who demand an extension to the scheme, are not clear about current policy. This can be due to government overstating in official statistics the literacy rate in Hong Kong.

To prevent future confusion, and with the fortunate collapse in digital data storage costs, we believe all future applicants to ANY FORMS OF SOCIAL WELFARE ASSISTANCE THAT ARE TIME

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LIMITED AND INSTALLMENT BASED, be asked to swear under oath in front of a video camera, that they understand that the subsidy will be time limited and installment based.



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