

立法會
Legislative Council

LC Paper No. CB(2)2650/10-11
(These minutes have been seen
by the Administration)

Ref : CB2/PL/MP

Panel on Manpower

**Minutes of special meeting
held on Tuesday, 4 January 2011, at 4:30 pm
in Conference Room A of the Legislative Council Building**

Members present : Hon LEE Cheuk-yan (Chairman)
Hon LI Fung-ying, SBS, JP (Deputy Chairman)
Hon CHEUNG Man-kwong
Hon LEUNG Yiu-chung
Hon Tommy CHEUNG Yu-yan, SBS, JP
Hon Frederick FUNG Kin-kee, SBS, JP
Hon WONG Kwok-hing, MH
Dr Hon LAM Tai-fai, BBS, JP
Hon CHAN Kin-por, JP
Hon CHEUNG Kwok-che
Hon WONG Sing-chi
Hon WONG Kwok-kin, BBS
Hon IP Wai-ming, MH
Hon IP Kwok-him, GBS, JP
Dr Hon PAN Pey-chyou
Hon Alan LEONG Kah-kit, SC
Hon LEUNG Kwok-hung

Members absent : Hon Andrew CHENG Kar-foo
Hon Andrew LEUNG Kwan-yuen, GBS, JP

Public Officers attending : Item I
Ms Irene YOUNG Bick-kwan, JP
Deputy Secretary for Labour and Welfare (Welfare)

Mr CHEUK Wing-hing, JP
Commissioner for Labour

Miss Mabel LI Po-yi
Assistant Commissioner for Labour (Special Duties)

Ms Betty NG Shuk-fong
Senior Labour Officer (Employment Services)
(Transport Support Scheme)
Labour Department

Attendance : Item I
by invitation

Hong Kong Catholic Commission for Labour Affairs

Miss LAW Pui-shan
Policy Research Officer

Civic Party

Mr Stanley CHAN Yau-cheong
Vice-Chairman of Kowloon West Branch

Democratic Alliance for the Betterment and
Progress of Hong Kong

Mr NGAN Man-yu
Manpower Deputy Spokesperson of DAB

Individual

Mr TANG Ka-piu
Islands District Council member

The Federation of Hong Kong and Kowloon Labour Unions

Mr LAM Chun-sing
Director of Social Affairs Committee

Hong Kong Confederation of Trade Unions

Mr LAM Cho-ming
Organizer

Individual

Mr WONG Yun-tat
Kwai Tsing District Council member

Strive for the Transportation Allowance Concern Group

Ms CHIM Miu-cheung
Representative

Kwai Shing East Transportation Concern Group

Mr CHOW Wai-hung
Representative

On Yam Estate Labour Rights Concern Group

Miss YEUNG Tsz-yan
Representative

Kwai Chung Estate Striving for the Poor Concern Group

Miss Vincci WONG
Representative

Kwai Chung Estate Labour Right Concern Group

Mr LEUNG Kam-wai
Representative

Neighborhood and Worker's Service Centre

Mr LOONG Tsz-wai
Community Worker

Friends of Yuen Long

Mr LEUNG Shek-lun
Committee Member

Friends of Tin Shui Wai

Ms TANG Wai-kuen
Committee Member

Hong Kong Women Development Association Limited

Ms MA Suk-yin
Social Policy Committee Member

Civil Force

Mr MAK Ping-fai
Action Committee

Oxfam Hong Kong

Ms WONG Shek-hung
Advocacy Officer

Lei Muk Shue Community Concern Group

Mr WONG Tak-chi
Convenor

San Po Kong Workers' Group Alliance

Ms LEE Ka-fung
Vice Chairman

Hong Kong Domestic Workers General Union

Ms CHUNG Bik-mui
Committee Member

The Catholic Diocese of Hong Kong Diocesan
Pastoral Centre for Workers (New Territories)

Mr YU Siu-po
Programme Officer

New Territories Evangelical Ambassador

Mr TSANG Chun-ching
Group Member

North District Employment Concern Group

Ms Venny KWOK
Group Member

Beauty and Intellection House

Ms LAI Mei-ngan
Group Member

Labour-Welfare Policy Group of Democratic Party

Mr LO Kin-hei
Member

Community Development Alliance

Mr CHAN Yu-cheung
Project Worker

Housing Rights Concern Group

Mr TO Yuk-lun
Representative

Singleton Concern Group

Mr LAM Chiu
Representative

Grassroot Workers Concern Group

Ms CHAN C
Representative

Society for Community Organization

Mr YAU Kin-man
Community Organizer

Individual

Mr LUK Chung-hung
Yuen Long District Council member

Concerning CSSA Review Alliance

Mr LEE Tai-shing
Chief Committee Organizer

Clerk in attendance : Mr Raymond LAM
Chief Council Secretary (2) 1

Staff in attendance : Miss Josephine SO
Senior Council Secretary (2) 1

Ms Camy YOONG
Clerical Assistant (2) 1

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I. Work Incentive Transport Subsidy Scheme
(LC Paper Nos. CB(2)533/10-11(03) and CB(2)680/10-11(01))

The Chairman reminded the deputations attending the meeting that they were not covered by the protection and immunity provided under the Legislative Council (Powers and Privileges) Ordinance (Cap. 382) when addressing the Panel. At the invitation of the Chairman, 33 deputations and individuals presented their views on the proposed Work Incentive Transport Subsidy ("WITS") Scheme. Details of the proposed WITS Scheme were set out in the Administration's paper.

Views of deputations

2. Miss LAW Pui-shan presented the views of Hong Kong Catholic Commission for Labour Affairs as detailed in its submission (LC Paper No. CB(2)694/10-11(01)).

3. Mr Stanley CHAN presented the views of the Civic Party as set out in its submission (LC Paper No. CB(2)694/10-11(02)).

4. Mr NGAN Man-yu presented the views of Democratic Alliance for the Betterment and Progress of Hong Kong as detailed in its submission (LC Paper No. CB(2)694/10-11(03)).

5. Mr TANG Ka-piu, Islands District Council member, considered that the transport subsidy scheme as presently proposed had evolved to become a "living supplement" rather than a "work incentive" initiative. Noting that the Labour Department ("LD") planned to set up a new WITS Division to perform all operational functions, including receiving and processing applications, handling appeals, effecting subsidy payments, identifying and investigating fraudulent cases, he expected that LD would set up offices in all 18 districts to facilitate the filing of applications by low-income employees living in different districts. Mr TANG was

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concerned about the payment method. He asked whether subsidy payments could be paid in cash, apart from bank transfers to individual recipients' accounts.

6. Mr LAM Chun-sing presented the views of the Federation of Hong Kong and Kowloon Labour Unions as detailed in its submission (LC Paper No. CB(2)694/10-11(05)).

7. Mr LAM Cho-ming presented the views of Hong Kong Confederation of Trade Unions as set out in its submission (LC Paper No. CB(2)694/10-11(06)).

8. Mr WONG Yun-tat, Kwai Tsing District Council member, presented the views as detailed in his written submission (LC Paper No. CB(2)694/10-11(07)).

9. Ms CHIM Miu-cheung presented the views of Strive for the Transportation Allowance Concern Group as detailed in its joint submission (LC Paper No. CB(2)694/10-11(14)). She requested the Administration to retain the individual-based mechanism for assessing applicants' income and assets, in implementing the proposed WITS Scheme.

10. Mr CHOW Wai-hung presented the views of Kwai Shing East Transportation Concern Group as detailed in its joint submission (LC Paper No. CB(2)694/10-11(14)). He held the view that to enable more low-income earners to benefit from the scheme, the Administration should relax the eligibility criteria, including the working hour requirement, the income limit and the asset threshold.

11. Miss YEUNG Tsz-yan presented the views of On Yam Estate Labour Rights Concern Group as detailed in its joint submission (LC Paper No. CB(2)694/10-11(14)). She held the view that the Administration should drop the means test requirement, in particular the asset threshold requirement. Besides, it should allow applicants to apply transport subsidy either on an individual or household basis.

12. Miss Vincci WONG presented the views of Kwai Chung Estate Striving for the Poor Concern Group as detailed in its joint submission (LC Paper No. CB(2)694/10-11(14)). Knowing that the Administration considered it inappropriate to adopt a "dual-track" approach as there was a greater risk of abuse, Ms WONG queried whether there was serious abuse of the Transport Support Scheme ("TSS").

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13. Mr LEUNG Kam-wai presented the views of Kwai Chung Estate Labour Right Concern Group as detailed in its joint submission (LC Paper No. CB(2)694/10-11(14)). He called on the Administration to relax the minimum working hour requirement for applying and receiving subsidy under the new WITS Scheme. It suggested that subsidy at half rate, i.e. \$300, be provided to those who worked for less than 72 hours but at least 36 hours per month.

14. Mr LOONG Tsz-wai presented the views of Neighborhood and Worker's Service Centre as detailed in its joint submission (LC Paper No. CB(2)694/10-11(14)). He held the view that to enable more low-income earners to benefit from the scheme, the Administration should relax the eligibility criteria, especially the income and asset thresholds.

15. Mr LEUNG Shek-lun presented the views of Friends of Yuen Long. He said that to encourage low-income workers to stay in employment and to apply for WITS, the Administration should retain the individual-based mechanism for assessing applicants' income and assets, in implementing the newly proposed WITS Scheme. Besides, consideration should be given to relaxing the requirements on applicants' income, assets and working hours.

16. Ms TANG Wai-kuen of Friends of Tin Shui Wai queried the sincerity of the Administration in helping the low-income groups, given the high income and asset thresholds for applying transport subsidy under the proposed WITS Scheme. She shared the views of other deputations that the Administration should relax the eligibility criteria, in particular the asset thresholds for households of different sizes. In her view, cash value of insurance policies or dividend payments from savings insurance should be disregarded for the purpose of assessing the applicants' eligibility for transport subsidy.

17. Ms MA Suk-yin presented the views of Hong Kong Women Development Association Limited ("the Association") as detailed in its submission (LC Paper No. CB(2)694/10-11(17)). She was particularly concerned about the possibility that some low-income employees who were qualified recipients of transport subsidy under TSS might be left out from the new WITS scheme owing to the difference in the approaches adopted for income and assets assessment under the two schemes.

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18. Mr MAK Ping-fai of Civil Force considered that the WITS scheme as presently proposed was tantamount to providing low-income earners with "wage subsidies". He considered that the Administration should keep the scheme under regular review and make refinements as and when appropriate.

19. Mr WONG Tak-chi presented the views of Lei Muk Shue Community Concern Group as detailed in its submission (LC Paper No. CB(2)694/10-11(19)).

20. Ms WONG Shek-hung presented the views of Oxfam Hong Kong as detailed in its submission (LC Paper No. CB(2)593/10-11(01)). She requested the Administration to extend the scope of the WITS Scheme to cover part-time low-income workers.

21. Ms LEE Ka-fung presented the views of San Po Kong Workers' Group Alliance as detailed in its submission (LC Paper No. CB(2)694/10-11(20)).

22. Ms CHUNG Bik-mui presented the views of Hong Kong Domestic Workers General Union as set out in its submission (LC Paper No. CB(2)694/10-11(21)).

23. Mr YU Siu-po presented the views of the Catholic Diocese of Hong Kong Diocesan Pastoral Centre for Workers (New Territories) as detailed in its submission (LC Paper No. CB(2)694/10-11(22)).

24. Mr TSANG Chun-ching of New Territories Evangelical Ambassador considered the eligibility criteria under the WITS Scheme more restrictive than those under TSS. He strongly requested the Administration to relax the application thresholds and to increase the amount of transport allowance, so as to allow more needy people to benefit from the scheme.

25. Ms Venny KWOK of North District Employment Concern Group said that many middle-aged women living in the North District were part-time workers. She urged the Administration to relax the eligibility criteria under the WITS Scheme by removing the minimum working hour requirement.

26. Ms LAI Mei-ngan shared the view that the Administration should relax the eligibility criteria under the proposed WITS Scheme, so as to allow more needy people to benefit from the scheme.

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27. Mr LO Kin-hei presented the views of Labour-Welfare Policy Group of Democratic Party as detailed in its submission (LC Paper No. CB(2)694/10-11(26)).

28. Mr CHAN Yu-cheung presented the views of the Community Development Alliance as detailed in its submission (LC Paper No. CB(2)694/10-11(27)), and strongly requested that the findings of the Administration's review of TSS should be made public for general information and discussion.

29. Mr TO Yuk-lun presented the views of Housing Rights Concern Group as detailed in its joint submission (LC Paper No. CB(2)694/10-11(28)). He considered the eligibility criteria under the proposed WITS Scheme too stringent and restrictive to encourage low-income workers to apply for transport subsidy.

30. Mr LAM Chiu presented the views of Singleton Concern Group as detailed in its joint submission (LC Paper No. CB(2)694/10-11(28)). He urged the Administration to remove the 72 hours' work per month criterion and allow applicants the choice of undergoing a means test on a household or individual basis.

31. Ms C CHAN presented the views of Grassroot Workers Concern Group as detailed in its joint submission (LC Paper No. CB(2)694/10-11(28)).

32. Mr YAU Kin-man presented the views of the Society for Community Organization as detailed in its joint submission (LC Paper No. CB(2)694/10-11(28)), and enquired how the non-recurrent commitment of \$3,703 million for the implementation of the WITS Scheme in the initial three years was estimated.

33. Mr LUK Chung-hung, Yuen Long District Council member, presented the views as set out in his written submission (LC Paper No. CB(2)694/10-11(29)). Proposing enhancements to the WITS Scheme, Mr LUK queried whether the Administration had assessed the possibility that the Administration's adoption of different approaches for income and asset assessment might end up with some low-income employees who were qualified recipients of transport subsidy under TSS be left out from the new WITS scheme. He queried whether there was serious abuse of TSS, thus triggering the proposed adoption of more stringent thresholds for the granting of WITS.

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34. Mr LEE Tai-shing of Concerning CSSA Review Alliance said that the WITS Scheme as presently proposed was far from satisfactory. He urged the Administration to give serious consideration to the views and suggestions of deputations and improve the scheme by relaxing the eligibility criteria. He considered that the Administration should also allow applicants to choose to be means-tested either on an individual or household basis.

35. Members noted that a written submission had been received from the Hong Kong Federation of Trade Unions - Rights & Benefits Committee which was not attending the meeting.

Administration's responses to the deputations' views

36. Commissioner for Labour ("C for L") made the following responses -

- (a) the WITS Scheme was intended to be a long-term measure to assist those working poor who were most in need. It was incumbent upon the Administration to ensure that the scheme was implemented in a fair and equitable manner so that public funds were used prudently;
- (b) as it was the aim of the Administration to ensure that public resources were channelled to low-income earners genuinely in need, the Administration proposed that applicants be means-tested on a household basis and, subject to all the eligibility criteria being met, the subsidy be payable to each applicant of the household. A household-based means test was considered more equitable than one that assessed only the individuals' income and assets because the overall economic situation of the household was taken into consideration. It also accorded with the aim of the Administration to identify low-income households as the target recipients;
- (c) regarding the suggestion of adopting a "dual-track" approach of allowing applicants to choose to be means-tested either on an individual or household basis, the Administration considered it neither practicable nor appropriate to adopt such an approach as individual-based means test could not help screen out those who had less financial need, and there

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was a greater risk of abuse and confusion in the implementation of the scheme;

- (d) for the purpose of the WITS Scheme, different income and asset thresholds for households of different sizes were set, having regard to income statistics and the prevailing thresholds for comparable Government financial assistance schemes, such as medical fee waiver, public rental housing, legal aid and Comprehensive Social Security Assistance. Generally speaking, the proposed income thresholds were close to 60% of the median household income for the corresponding household size, and that for one-member households was close to the median;
- (e) it was difficult to have an accurate estimate of the take-up rate and the actual number of persons who would benefit from the scheme, as the Administration did not have information regarding the household asset position of persons who could meet the eligibility criteria for household income levels and working hours. According to the General Household Survey ("GHS") conducted by the Census and Statistics Department ("C&SD"), there were about 330 000 employed persons working 18 hours or more a week living in households which fell within the income thresholds for WITS in the second quarter of 2010. Assuming that 165 000 of them would apply and could meet the eligibility criteria, the Administration estimated that the implementation of the WITS Scheme would require a non-recurrent commitment of \$3,703 million for the first three years;
- (f) the Administration had considered the suggestion of providing transport subsidy to people who worked less than 72 hours per month. It should be noted that the working hour requirement under the proposed WITS Scheme, i.e. an applicant had to work for a minimum of 72 hours per month in order to be eligible for WITS, was the same as the requirement under TSS. In the view of the Administration, it was inappropriate to provide subsidy to those who worked less than 72 hours per month on a *pro-rata* basis. Specifically, this would increase substantially the workload for verification and result in disproportionately high administrative costs. To help those part-time employees who wished to seek more part-time jobs to increase their

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employment earnings, the Administration would provide enhanced employment services to them;

- (g) regarding the request to retain the Job Search Allowance, statistics indicated that the effectiveness of such allowance was limited because as at the end of September 2010, 91.3% of the admitted TSS applicants were already in employment at the time they were admitted;
- (h) LD would be responsible for implementing the WITS Scheme. In its plans, a new WITS Division would be set up to perform all operational functions, including receiving and processing applications, handling appeals, effecting subsidy payments, identifying and investigating fraudulent cases. Taking into account the time required such as for developing the necessary information technology infrastructure to facilitate case processing and guard against abuse, finalizing the operational arrangements, setting up the new office, recruiting and providing training to staff, the Administration estimated that if funding approval was given by the Finance Committee by the end of January 2011 and everything went smoothly, LD might start receiving WITS applications in the third quarter of 2011;
- (i) as regards the abuse cases under TSS, up to November 2010, there were four fraudulent cases leading to convictions. Two of them were related to transfer of assets and the other two involved the provision of false information on employment; and
- (j) the Administration was well aware of members' and deputations' concerns over the eligibility criteria under the WITS Scheme. It would consider all the views received and suggestions raised to explore whether there was room for improving the scheme.

Discussions

37. Mr LEUNG Yiu-chung, Mr LEUNG Kwok-hung and the Deputy Chairman expressed dissatisfaction with the Administration's resistance to the proposal put forward by some deputations that it should expand the scope of the new WITS Scheme to cover also part-time workers. They sought further views from the deputations on this issue.

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38. Expressing disappointment over the Administration's decision, Mr WONG Yun-tat, Ms WONG Shek-hung, Mr CHOW Wai-hung and Mr LAM Chun-sing said that they had come across many cases in which part-time employees were excluded from TSS because they worked less than 72 hours a month. These people were mostly domestic helpers and cleansers and due to various reasons, including the need to look after other family members or the lack of job opportunities in the area, it was difficult for them to have stable work each week and meet the requirement of working 72 hours in a month. It should be noted that the burden of transport expenses on part-time workers was relatively high and they were most in need of transport subsidy. To benefit more low-income employees, they strongly requested the Administration to relax the coverage of the WITS Scheme to include part-time workers.

39. Mr WONG Sing-chi noted with grave concern that under the proposed WITS Scheme, asset included land/properties, cash, bank deposits, vehicles, transferrable vehicle licences, cash value of insurance policies, investments and other readily realizable assets including those within and outside Hong Kong. He considered that the long service or severance payment awarded to an employee in the case of dismissal and the accrued benefits derived from an employee's and his employer's contributions to a Mandatory Provident Fund scheme in respect of him should be disregarded.

40. C for L responded that long service payment or severance payment received by an employee constituted his assets and hence should be included in the calculation of the proposed household asset limits.

41. Mr WONG Sing-chi enquired whether the Administration would consider the suggestion of adopting a "dual-track" approach of allowing applicants to choose to be means-tested either on an individual or household basis.

42. C for L responded that the Administration was of the view that a household-based means test was more equitable than one that assessed only the individuals' income and assets. It was because a household-based approach would enable a full assessment of the overall economic situation of the household and would accord with the aim of the Administration to identify low-income households as the target recipients. A household-based means test was also in line with other standing government financial assistance schemes. It was neither practicable nor appropriate to adopt a "dual-track" approach as it could not help screen

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out those who had less financial need, and there was a greater risk of abuse and confusion in the implementation of the scheme.

43. The Deputy Chairman, Mr Frederick FUNG and Mr CHEUNG Kwok-che considered the Administration's explanation far from satisfactory. They considered that the Administration did not have a clear intent for the WITS Scheme and the household-based means test requirement had reflected that the Administration was unclear as to whether the scheme should be intended as a work incentive to encourage the unemployed to "go out" to seek jobs and stay in employment or a form of welfare measure to address the problem of working poverty and assist the working-poor household. They questioned the rationale behind the Administration's decision of not adopting a "dual-track" approach for the means test.

44. The Deputy Chairman further said that the need to pass a restrictive income and assets assessment would discourage needy low-income employees from making application. She strongly requested the Administration to drop the means test requirement, in particular the asset threshold requirement, in implementing the WITS Scheme.

45. C for L reiterated that the Administration was fully aware of members' and deputations' concerns over the eligibility criteria under the WITS Scheme. It would consider all the views received and suggestions raised at the meeting to explore whether there was room for improving the scheme.

46. Responding to Mr Frederick FUNG's enquiry on whether the Administration would increase the subsidy amount of WITS to more than \$600 a month in view of the cumulative inflation recorded over the years, C for L said that the Administration considered that a WITS of \$600 per eligible person per month should provide sufficient support to most people in need to relieve the burden on travelling expenses. According to GHS conducted by C&SD in the second quarter of 2010, the average monthly expense of the target beneficiaries on public transport for travelling to and from work was only \$410, and that for those who needed to work across districts was only \$460.

47. Mr CHEUNG Kwok-che enquired whether the Administration had, in deciding on the method for conducting the means test, compared and estimated the expenditure to be incurred if the two approaches, i.e. a means test on a household basis or individual basis, were implemented in parallel.

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48. In response, Deputy Secretary for Labour and Welfare (Welfare) advised that in designing the WITS Scheme, the Administration had adopted a targetted approach in an endeavour to assist those who were in genuine need on the one hand, and to minimize the chances for abuse on the other. Against this background, the Administration decided that applicants should be means-tested on a household basis. Subject to all the eligibility criteria being met, a monthly subsidy of \$600 would be provided to each qualified applicant. She stressed that the WITS Scheme was designed to benefit as many people as possible. The Administration considered that the new scheme was more comprehensive and would benefit more people.

49. The Chairman said that a "dual-track" approach for means test was the most preferred option. The present proposal to require applicants to be means-tested on a household basis would defeat the purpose of encouraging people to work.

50. Concluding the discussion, the Chairman urged the Administration to give serious consideration to the views and suggestions raised by members and deputations at this meeting and consider refining the scheme before submitting the funding proposal to the Finance Committee for approval on 28 January 2011. He requested the Administration to brief the Panel on the latest development at the next regular meeting of the Panel to be held on 20 January 2011.

51. The meeting ended at 7:25 pm.

Council Business Division 2
Legislative Council Secretariat
22 September 2011