立法會 Legislative Council

LC Paper No. CB(2)745/11-12 (These minutes have been seen by the Administration)

Ref: CB2/PL/MP

Panel on Manpower

Minutes of special meeting held on Friday, 16 September 2011, at 2:30 pm in the Chamber of the Legislative Council Building

Members present

Hon LEE Cheuk-yan (Chairman) Hon CHEUNG Man-kwong

Hon LEUNG Yiu-chung

Hon Andrew CHENG Kar-foo

Hon Tommy CHEUNG Yu-yan, SBS, JP Hon Frederick FUNG Kin-kee, SBS, JP Hon Andrew LEUNG Kwan-yuen, GBS, JP

Hon CHAN Kin-por, JP Hon CHEUNG Kwok-che Hon WONG Sing-chi 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

Member attending

Hon Ronny TONG Ka-wah, SC

Members absent

Hon LI Fung-ying, SBS, JP (Deputy Chairman)

Hon WONG Kwok-hing, MH Dr Hon LAM Tai-fai, BBS, JP Hon WONG Kwok-kin, BBS **Public Officers** attending

: <u>Item II</u>

Mr CHEUK Wing-hing, JP Commissioner for Labour

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

Mr James YEUNG Sing-nam Chief Executive Officer (1), Work Incentive Transport Subsidy Division Labour Department

Ms Germaine SIN Tak-man Chief Executive Officer (2), Work Incentive Transport Subsidy Division Labour Department

Clerk in attendance

Mr Raymond LAM

Chief Council Secretary (2) 1

Staff in attendance

Miss Odelia LEUNG

Assistant Secretary General 2

Mr KAU Kin-wah

Senior Assistant Legal Adviser 3

Mr Watson CHAN Head (Research)

Ms Katrina WU Research Officer 4

Miss Josephine SO

Senior Council Secretary (2) 7

Ms Kiwi NG

Legislative Assistant (2) 1

I. Draft paper on "Protection of the Rights of the Migrant Workers in Hong Kong" to be submitted by the Legislative Council to the Ad Hoc Committee Meeting on the Protection of the Right of Migrant Workers in Asia

(LC Paper No. CB(2)2617/10-11(01))

The Chairman said that at the House Committee meeting held on 1 September 2011, Members discussed the invitation from the Indonesian House of Representatives to the Legislative Council ("LegCo") to send a delegation to the Asian Parliamentary Assembly Conference on Principles of Friendship and Cooperation in Asia and the Ad Hoc Committee Meeting on the Protection of the Rights of Migrant Workers in Asia ("Ad Hoc Committee Meeting") to be held at Solo in the Republic of Indonesia in late September 2011. Members decided to accede to the request from the host Parliament for LegCo to submit a paper on the "Protection of the Rights of the Migrant Workers in Hong Kong". Members also agreed that the paper should be prepared by the LegCo Secretariat, and the Panel on Manpower would convene a special meeting to discuss the draft paper once available and all Members be invited to attend the meeting to give views on the paper. The Chairman referred Members to the draft paper issued on 14 September 2011 and invited Head (Research) ("H(R)") to brief Members on the paper.

- 2. <u>H(R)</u> highlighted the scope of the draft information paper, which included the types and respective numbers of migrant workers in the Hong Kong Special Administrative Region ("HKSAR"), the relevant international conventions and local legislation addressing the rights of migrant workers and applicable to HKSAR, administrative measures adopted by the HKSAR Government to safeguard the rights of foreign domestic helpers ("FDHs"), services and supports provided to migrant workers by non-government organizations and migrant support groups in HKSAR, and the recent dispute over FDHs' right of permanent residence in HKSAR.
- 3. Before inviting views from Members, the Chairman pointed out that any proposed amendments to the draft paper could only be made with the unanimous support of Members present at the meeting.
- 4. Referring to paragraph 3.8 of the draft paper, the Chairman proposed to add the sentence "However, the Regulations do not cover fees and charges that the migrant workers may be required to pay at their places of origin." at the end of the paragraph. He also suggested that the exact number of 273 609 FDHs who were currently in employment in

HKSAR should be incorporated at the end of paragraph 2.4 of the draft paper. <u>Members</u> agreed to the proposed amendments.

- 5. Subject to the two proposed amendments in paragraph 4 above, Members endorsed the draft paper.
- 6. Mr IP Kwok-him enquired whether a speaking note would be prepared to facilitate the LegCo delegation's presentation of the paper at the Ad Hoc Committee Meeting. The Clerk replied in the affirmative and said that the LegCo Secretariat would prepare a speaking note based on the final version of the paper.

(*Post-meeting note*: The paper as amended and agreed by Members for submission to the Ad Hoc Committee Meeting was circulated to Members vide LC Paper No. CB(2)2641/10-11 on 19 September 2011.)

II. Progress of preparation for implementation of the Work Incentive Transport Subsidy Scheme

(LC Paper Nos. CB(2)2616/10-11(01) and CB(2)2617/10-11(02))

- 7. <u>Commissioner for Labour</u> ("C for L") briefed Members on the progress of the preparatory work undertaken by the Labour Department ("LD") for the implementation of the Work Incentive Transport Subsidy ("WITS") Scheme, as detailed in the Administration's paper.
- 8. Mr Andrew CHENG considered the application procedures for WITS cumbersome, inflexible and not user-friendly to the applicants. He said that the application form, in particular, was far too complicated for those low-income earners to complete. In his view, the requirement for applicants to provide full and relevant information in the form and file in detailed documents in support of a WITS application would only deter people from applying for transport subsidy. He urged the Administration to conduct a review as soon as possible on the application procedures and the work flow, with a view to streamlining them to enhance efficiency.
- 9. <u>C for L</u> responded that the WITS Scheme would be open for applications from 3 October 2011 onwards. The Administration's priority was to ensure that eligible applicants could benefit from the subsidy as soon as possible. It would closely monitor the implementation of the Scheme and carry out a mid-term review having regard to the experience gained during the first year of operation. It would also closely monitor

changes in the indicators for setting the income and asset thresholds of the Scheme. Regarding the application form and procedures, the Administration was mindful of the need to be user-friendly. Applicants would only be asked to provide the essential information required for eligibility assessment.

- 10. <u>Mr Andrew CHENG</u> and <u>Mr IP Kwok-him</u> sought clarification on the situation in which the Administration would consider advancing the mid-term or conducting an immediate review of all the details of the WITS Scheme.
- 11. <u>C for L</u> said that the Administration might advance its review of the income and asset thresholds if the take-up rate and the actual number of persons who would benefit from the WITS Scheme in the first few months already warranted so.
- 12. Mr WONG Sing-chi considered that the rigid rules and cumbersome application procedures would discourage the applicants from applying for WITS. He strongly requested the Administration to give serious consideration to relaxing the existing household-based mechanism for assessing applicants' income and assets and adopting a "dual-track" approach to provide applicants with the choice of undergoing a means test on a household basis or individual basis, in implementing the Scheme so as to enable a greater number of low-income workers to benefit from it. He pointed out that the implementation of statutory minimum wage ("SMW") in May 2011 might reduce the total number of potential eligible applicants, given a general rise in the wage level of those employees working in the low paying sectors. He enquired about the up-to-date estimated number of low-income employees who would benefit from the WITS Scheme.
- 13. <u>C for L</u> responded that based on figures in the second quarter of 2011, the total number of persons who could meet the eligibility criteria for household income levels and working hours under the Scheme was about 404 000, representing a decrease of 32 000 persons over the original figure of 436 000 persons in the second quarter of 2010. He clarified that the estimated number of beneficiaries provided by the Administration earlier was based on statistics of household income distribution and working hours of employed persons. As the Census and Statistics Department ("C&SD") did not have information on household assets, that factor could not be taken into account. As such, the figure provided at that time was a rough indication for reference only, not the exact number of eligible persons or beneficiaries. <u>C for L</u> stressed that

the main objective of the WITS Scheme was to help employed members of low-income households reduce the burden of home-to-work travelling expenses and encourage them to stay in employment. The Administration had not set any specific target on the number of beneficiaries.

- 14. Mr LEUNG Yiu-chung held the view that the Administration should conduct a comprehensive review of the WITS Scheme, with a view to adopting the "dual-track" approach and streamlining the means test procedures. He considered the application form for WITS far too complicated for low-income employees to complete. Coupled with the fact that it was a voluminous document containing pages of explanatory notes, samples and supplementary information for reference by the applicants, the present design of the application form was environmental unfriendly. Knowing that the administrative cost to be incurred for implementing the WITS Scheme was as high as \$200 million, Mr LEUNG strongly requested that the public resources should be re-channelled to assist more low-income earners.
- 15. The Chairman echoed Members' views that the eligibility criteria for WITS were too stringent and the application procedures were too cumbersome. He considered that the review on the WITS Scheme should be conducted without further delay, with a view to exploring the feasibility of adopting the "dual-track" approach for means test assessment and relaxing the income and asset limits under the Scheme.
- 16. Sharing the Chairman's view about the urgency of conducting a review on the WITS Scheme, <u>Mr LEUNG Kwok-hung</u> criticized the Administration for insisting on its own stance, without taking heed of Members' suggestions to adopt a "dual-track" approach for the means test and to raise the income limit for different household sizes. His view was echoed by Mr Ronny TONG.
- 17. In response, <u>C for L</u> made the following points -
 - (a) when formulating the WITS Scheme, the Administration had carefully considered the suggestion of adopting the "dualtrack" approach of allowing applicants to choose to be means-tested on a household basis or individual basis. The Administration eventually decided to adopt the current approach and had fully explained the reasons when funding was sought from LegCo;

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- (b) the income and asset thresholds of the WITS Scheme were set having regard to the arrangements for other Government financial assistance schemes and household income statistics. It would closely monitor the changes in these indicators and review the thresholds at an appropriate juncture; and
- (c) in designing the operational details of the WITS Scheme, the Administration strived to make the procedures and application form simple and user-friendly on the basis of the eligibility criteria. Applicants were required to provide basic and essential information to facilitate eligibility assessment. The Government had struck a balance between the need for eligibility assessment and user-friendliness.
- 18. <u>Mr LEUNG Yiu-chung</u> referred to the submission from 關注公共交通事務聯盟 tabled at the meeting and requested the Administration to take note of the views and concerns therein expressed. <u>The Chairman</u> requested the Administration to provide a written response to the issues raised in the submission after the meeting.

(*Post-meeting note*: The submission was circulated to Members vide LC Paper No. CB(2)2639/10-11(02) on 20 September 2011.)

- 19. Responding to the Chairman's enquiry on whether street sleepers could apply for and receive WITS, <u>C for L</u> affirmed that street sleepers could apply for WITS as long as they met the eligibility criteria for WITS and made available in the application form the means to be contacted by LD for case processing purpose.
- 20. <u>The Chairman</u> asked whether low-income workers who lived in the Mainland but employed in Hong Kong, or vice versa, were eligible for WITS.
- 21. <u>C for L</u> responded that the Administration was inclined to adopt a relaxed and facilitating approach in taking forward the WITS Scheme. Therefore, such low-income workers could apply for WITS if they met the eligibility criteria set out in paragraph 2 of the Administration's paper.
- 22. Mr Alan LEONG said that notwithstanding the Administration's intention to adopt a relaxed and facilitating approach in taking forward the WITS Scheme, a set of internal guidelines with criteria for vetting should be developed and followed by staff members of the WITS Division so as to ensure consistency in the vetting process of applications.

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- 23. <u>Mr Ronny TONG</u> enquired whether flexibility would be allowed to approve applications by those persons whose income just exceeded the prescribed limit due to the implementation of SMW.
- 24. <u>C for L</u> responded that while there was little room for discretion, staff members of the WITS Division would carefully assess eligibility for the subsidy, with due regard to the information provided by the applicant and the unique situation of each case. Where necessary, they would contact the applicant, household members and concerned parties for supplementary information and investigation.
- 25. Noting that most low-paid workers in Hong Kong generally enjoyed a pay rise after the implementation of SMW, thus leading to a decrease in the number of potential eligible applicants by 32 000 persons, Mr IP Kwok-him asked whether the Administration would consider raising the monthly income limits for eligible applicants.
- 26. Mr IP Wai-ming added that the rise in transport cost in the past few months had aggravated the inflationary pressure faced by low-income earners. He considered that the Administration should consider increasing the subsidy level for successful WITS applicants.
- 27. In response, <u>C for L</u> advised that the income limits for different household sizes were set with reference to the arrangements for other Government financial assistance schemes and median household income of the corresponding household size for the second quarter of 2010 as compiled by C&SD. In considering whether to adjust the income limits, the Administration had to take into account relevant factors, including but not limited to the changes in the median monthly household income levels in the light of the implementation of SMW. The Administration had made it clear that the WITS Scheme would be subject to an overall review having regard to the experience gained in the first three years after its implementation. It would closely monitor the implementation of the Scheme and review the income and asset thresholds at an early juncture if necessary.
- 28. <u>Dr PAN Pey-chyou</u> and <u>Mr IP Wai-ming</u> shared the view that the design of the WITS application form was far from satisfactory and had led to problems including repeated data entries and infringement of privacy. They queried the need for asking the applicants so many questions which were non-essential. They considered that the application procedures should be streamlined and made more user-friendly to encourage more low-income earners to apply.

- 29. In response, <u>C for L</u> explained that the information was crucial in assessing whether an applicant was eligible for the transport subsidy under the Scheme, determining if full-rate or half-rate subsidy should be paid and effecting subsidy payment through auto-pay bank account. He assured Members that following the implementation of the Scheme, if certain information was identified as unnecessary and where there was room for improvement, the Administration would stand ready to improve the application form to enhance its user-friendliness.
- 30. <u>Assistant Commissioner for Labour (Development)</u> supplemented that as self-employed persons could apply for WITS, they were required to provide their earnings from employment for eligibility assessment. The examples listed in Part C of the *Guidance Notes on Application for Work Incentive Transport Subsidy Scheme* and the samples given in Appendix C were only illustrative and meant to facilitate applicants in applying for WITS.
- 31. In reply to Mr CHAN Kin-por's enquiry, <u>C for L</u> advised that for those eligible persons who were unable to open a bank account, the subsidy payment would be made in the form of uncrossed order cheques.
- 32. Noting that the "關注公共交通事務聯盟" had raised in its submission a number of questions on the details of operation of the WITS Scheme and LD had been promoting the Scheme through various channels in the past few months, Mr Alan LEONG held the view that the Administration should draw up frequently asked questions and answers for members of the public. His view was echoed by Mr CHAN Kin-por. Mr LEONG was also concerned whether sufficient training had been provided to the staff of "1823 Call Centre" for answering public enquiries on the WITS Scheme.
- 33. <u>C for L</u> responded that while details of the WITS Scheme and samples for completing the application form were contained in the *Guidance Notes on Application for Work Incentive Transport Subsidy Scheme* for applicants' reference, the Administration had plans to hold two briefings for various groups and organizations in late September to publicize the Scheme. In addition, adequate training had been provided to staff of "1823 Call Centre" responsible for answering public enquiries on the WITS Scheme. On the publicity front, new television and radio announcements on the Scheme would be launched shortly. Regarding Members' suggestion of preparing a list of frequently asked questions and answers about completing WITS applications for public information, the Administration would give due consideration to the suggestion.

(Post-meeting note: The Guidance Notes on Application for Work Incentive Transport Subsidy Scheme and WITS application form were tabled at the meeting and circulated to members vide LC Paper No. CB(2)2639/10-11(01) on 20 September 2011.)

- 34. Mr Alan LEONG asked whether the specially designed envelope for submission of completed application form by post could be returned to the WITS Division through free postage, so as to save the applicants from additional spending.
- 35. <u>C for L</u> responded that the arrangement for applicants to shoulder the postage fee for submitting the completed WITS application form was not a new policy. Many other Government-administered financial assistance schemes, such as the Student Financial Assistance Scheme and the Comprehensive Social Security Assistance Scheme, had followed the same practice. As a matter of fact, the postage fee for submission of a completed application containing twenty to forty pages of supporting documents was about \$3 to \$3.7.
- 36. In reply to Mr Alan LEONG's and Mr WONG Sing-chi's enquiry, C for L advised that the comprehensive review to be conducted on the WITS Scheme after three years of operation would cover issues including objectives, eligibility criteria, *modus operandi* and effectiveness. Relevant factors including inflation, median household income, as well as data indicating the take-up rate, the total number of applications received, approved and rejected, and the reasons given for rejecting an application would be collected for analysis.
- 37. <u>The Chairman</u> sought clarification on whether salaries received through bank payment was excluded in the calculation of the applicant's asset limit. C for L replied in the affirmative.
- 38. Mr LEUNG Yiu-chung shared the view that the income limits for different household sizes were set at too low a level. The implementation of SMW had made it more difficult for low-income employees, in particular those earning SMW, to meet the eligibility criteria and hence less likely to benefit from the Scheme. For this reason, there was an urgent need for the Administration to conduct a comprehensive review of the WITS Scheme. His view was echoed by Mr WONG Sing-chi, adding that the review should be completed within the tenure of the current term of the HKSAR Government.

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- 39. In response, <u>C for L</u> said that the Secretary for Labour and Welfare had made a pledge to conduct a mid-term review of the WITS Scheme having regard to the experience gained during the first year of operation. If circumstances warranted, the Administration would consider advancing the review of the income and asset thresholds at an appropriate juncture. He assured Members that the Administration would endeavour to address any problems identified during the review.
- 40. <u>The Chairman</u> said that in the light of the views and concerns expressed by Members, the Panel should follow up the subject in about three months after the implementation of the WITS Scheme.
- 41. There being no other business, the meeting ended at 4:25 pm.

Council Business Division 2 <u>Legislative Council Secretariat</u> 6 January 2012