

For information on  
16 February 2012

## **Legislative Council Panel on Manpower**

### **Implementation of the Work Incentive Transport Subsidy Scheme**

#### **Purpose**

This paper briefs Members on the latest progress of the Work Incentive Transport Subsidy (WITS) Scheme.

#### **Background**

2. Recognising that travelling expenses incurred in commuting to and from work took up a relatively significant part of the income of low-income households, the Administration introduced the WITS Scheme to relieve them of this burden and encourage their employed members to stay in employment. To be eligible for WITS, the applicant must:

- (a) be employed or self-employed, and be lawfully employable in Hong Kong;
- (b) incur travelling expenses in commuting to and from work;
- (c) meet the monthly income and asset limits of the household (see **Annex**); and
- (d) work no less than 72 hours per month (if applying for full-rate subsidy of \$600 per month), or work less than 72 hours but at least 36 hours per month (if applying for half-rate subsidy of \$300 per month).

#### **Implementation of the WITS Scheme**

3. At the meeting of this Panel on 16 September 2011, Members were briefed on the preparatory work for implementing the WITS Scheme. Since 3 October 2011, the Scheme has been open for application. To facilitate application, the Labour Department (LD) has placed application forms and guidance notes at various locations including its headquarters, Job Centres and the office of its WITS Division, as well as the Public Enquiry Service Centres of

the Home Affairs Department and Social Security Field Units of the Social Welfare Department. The materials are also uploaded onto LD's website. Applications can be submitted by post or by hand to the WITS Division, or through drop-in boxes at the Job Centres and headquarters of LD. LD's enquiry hotline 2717 1771 operates round the clock to answer public enquiries about the Scheme.

4. LD has been publicising the WITS Scheme through a variety of promotional activities. Examples include:

- (a) Announcements in the Public Interest broadcast through different media channels;
- (b) outdoor advertisements in public transports, lobbies of commercial buildings, roadside banners, etc;
- (c) advertisements and information in newspapers and publications of trade unions and retraining bodies; and
- (d) posters and leaflets for extensive display and distribution.

5. As at 13 February 2012, LD had received 23 883 applications involving 26 093 applicants. Total subsidy payment of \$59.5 million had been granted to 17 611 applicants, of whom 93% received full-rate subsidy (\$600 per month), 2% half-rate subsidy (\$300 per month), and the remaining 5% a mix of full-rate and half-rate subsidies for different months. The 3 districts with the largest number of WITS recipients were Kwun Tong (14%), Yuen Long (13%) and Tuen Mun (11%).

6. Successful applicants had the following characteristics:

- 54% were male and 46% female;
- the majority (62%) were aged 40 to 59;
- nearly half (49%) were in elementary occupations<sup>1</sup>, and a quarter were service workers and shop sales workers<sup>2</sup>;
- most were engaged in the sectors of financing, insurance, real estate, professional and business services (30%), accommodation and food services (18%), and public administration, social and personal services (17%);

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<sup>1</sup> Including watchmen, security guards, cleaners, labourers, drivers, delivery workers, domestic helpers, etc.

<sup>2</sup> Including waiters, sales workers and promoters, customer service staff, cooks, care workers, etc.

- the majority (85%) worked across districts;
- the monthly income of about 64% of the successful applicants (11 285 persons) exceeded \$6,500. This indicates that many employed persons from low-income households could benefit from the household-based means test of the WITS Scheme;
- most belonged to the 2-member (30%), 3-member (30%) and 4-member households (24%).

7. As the WITS Scheme allows applicants to claim subsidies for the preceding 6 to 12 months (with the subsidy payment counting from April 2011 the earliest), the applications were submitted at different times in respect of different periods. For applicants who were granted full-rate subsidy, for instance, 11 970 received it for 6 months, 598 for 7 months, 453 for 8 months, 361 for 9 months, and 10 for 10 months. This suggests that some applicants would choose to submit their applications later to cover a longer payment period. Thus, we expect more applications to come in the next few months.

8. Overall speaking, the WITS Scheme has been running smoothly in the first 4 months of its operation. We will continue to closely monitor the implementation of the Scheme and carry out a mid-term review to take account of the operational experience in the first year. We will also conduct a comprehensive review of the WITS Scheme, covering its objectives, eligibility criteria, *modus operandi* and effectiveness, after 3 years of operation.

9. Members are invited to note the content of this paper.

Labour and Welfare Bureau  
Labour Department  
February 2012

## **Annex**

### **Monthly Income and Asset Limits of the Household for the Work Incentive Transport Subsidy Scheme**

<b>Household Size</b>	<b>Income Limit</b>	<b>Asset Limit*</b>
1 person	\$6,500	\$44,000
2 persons	\$12,000	\$60,000
3 persons	\$13,000	\$90,000
4 persons	\$14,000	\$120,000
5 persons	\$14,500	\$150,000
6 persons or above	\$16,000	\$180,000

\* If the applicant of a one-person household is an elderly person aged 60 or above, the asset limit is \$79,000. The asset limit for households of other sizes is increased by \$35,000 for each elderly household member aged 60 or above.