

For information on
21 January 2009

Legislative Council Panel on Manpower

Transport Support Scheme

Purpose

This paper briefs Members on the progress of implementation of the Transport Support Scheme (TSS).

Background

2. The TSS was first launched on a pilot basis in June 2007 to provide time-limited subsidies to needy job seekers and low-income employees in the four designated remote districts of Yuen Long, Tuen Mun, North and Islands districts with a view to encouraging them to look for jobs and stay in employment. Upon a review of the pilot scheme in February 2008, a number of relaxation measures were introduced on 2 July 2008, including:-

- (a) raising the monthly income ceiling for eligible persons from \$5,600 to \$6,500;
- (b) allowing eligible persons living and working in the same designated remote district to apply for allowances, provided that fee-paying home-to-work commuting has been used; and
- (c) extending the duration of the subsidy period from six to 12 months.

The allowances payable under the relaxed TSS are outlined at Annex.

Progress of Implementation

Scheme administration and case processing

3. The Labour Department (LD) oversees the implementation of TSS. LD has commissioned a total of 12 non-government organisations (NGOs) to operate a network of 33 service centres to provide readily accessible service to target clients. These NGOs have ample experience in administering

employment and training support programmes. They are responsible for receiving applications, assessing the applicants' qualifications vis-à-vis the eligibility criteria of TSS, verifying documentary proof tendered by the applicants, approving applications and disbursing allowances. To facilitate applications by residents of the outlying islands, a mobile service centre each has been set up in Cheung Chau and Mui Wo. These mobile service centres open twice a month to help promote TSS to the residents, address any enquiries they may have, and receive and process applications and claims submitted by the residents. The residents of the outlying islands may also submit their applications and claims to service centres in Central, Wan Chai and Tung Chung.

Work statistics

Applications received and admitted

4. The response to the relaxed TSS has been very good. From 2 July 2008 to 31 December 2008, LD recorded a total of 17 718 new applications, which were already 189% of the 9 363 applications received under the one-year pilot TSS. While the impact of the financial tsunami on the in-take of applications under TSS has yet to be assessed, it is reasonable to envisage that the deterioration in unemployment rate will drive up the number of job seekers while any downward movements in the wage trend may boost the number of eligible low-income employees.

5. Of the 17 718 applications received from 2 July 2008 to 31 December 2008, approximately 40% each come from Yuen Long (7 179, or 40.5%) and Tuen Mun (7 122, or 40.2%). The rest are from the North District (2 248, or 12.7%) and the Islands District (1 169, or 6.6%). Of the 17 718 applications, 17 267 (97.5%) have been admitted as at 31 December 2008.

Payment of allowances and financial commitment

6. As at 31 December 2008, 14 452 applicants admitted under the relaxed TSS have submitted claims for allowances, and the total amount of allowances paid to them is \$28.3 million. Owing to the extension of the subsidy period from six to 12 months, applicants admitted under the one-year pilot TSS are also eligible to claim balance of allowances under the relaxed TSS. As at 31 December 2008, 5 827 applicants admitted under the pilot TSS have submitted claims for allowances, and the total amount of allowances paid to them under the relaxed TSS is \$15.0 million. Taken together, the total amount of allowances paid so far under the relaxed TSS has reached \$43.3 million. This does not include the payout of \$14.8 million under the pilot TSS. In

addition, once admitted, applicants can draw down the allowances for a maximum of 12 months. Therefore, for the 17 267 applicants admitted under the relaxed TSS and the 8 817 applicants admitted under the pilot TSS, the total financial commitment in respect of payment of allowances is \$203 million, which accounts for 55.6% of the total approved commitment for TSS of \$365 million. With the continued growth in the pool of eligible applicants, it is envisaged that the rate of payout of allowances will accelerate in the months to come.

Publicity and promotion

7. LD will continue to promote TSS through a variety of publicity and promotion activities, including:-

- (a) distribution of publicity leaflets and posters to stakeholders;
- (b) arrangement of outdoor advertisements, e.g. posters on trains, roadside banners, wall banners, etc.;
- (c) placement of advertisements in local newspapers and websites;
- (d) staging roving exhibitions in the designated remote districts; and
- (e) broadcast of radio Announcements in the Public Interest on the eligibility criteria and application procedures of TSS.

Way Forward

8. Notwithstanding the launching of the relaxation measures in July 2008, we understand that the community is concerned about further improvement measures of TSS. LD will continue to monitor closely the implementation of the relaxed TSS and gauge the views and opinions of different quarters of the community. As indicated when the relaxations were announced, we shall, if necessary, conduct a review of the relaxed TSS after its implementation for at least one year, when detailed work statistics should be available for a comprehensive evaluation of the outcome and effectiveness of TSS.

Allowances Payable under the Transport Support Scheme

Under the relaxed Transport Support Scheme (TSS), two types of allowances are payable to eligible applicants¹, viz. Job Search Allowance (up to \$600) and On-the-job Transport Allowance (\$600 per month for up to 12 months, i.e. a total of \$7,200). These allowances are not meant to cover the full transportation costs incurred in seeking jobs and reporting for work, but to provide an incentive to needy applicants to find jobs and stay in employment.

Job Search Allowance

2. Eligible job seekers can claim Job Search Allowance on a reimbursement basis within 24 months from the approval date of their applications by submitting duly completed records on job search and the transportation costs involved.

3. Eligible job seekers refer to persons who are:

- (a) lawfully employable and actively seeking jobs. They should declare their intention to seek jobs which offer 72 hours or more of work a month; and
- (b) able to meet a personal asset requirement of no more than \$44,000.

4. In addition to job seekers who are unemployed, Job Search Allowance is also payable to persons who meet the criteria at paragraph (3) above and who are having a monthly income² of no more than \$6,500 and wish to change jobs. However, persons receiving full-time education or training are not eligible for Job Search Allowance.

¹ TSS applicants are not allowed to concurrently apply for or receive similar employment-related transport subsidies including the Special Incentive Allowance Scheme (the Scheme) for local domestic helpers (LDHs). The Scheme was a time-limited measure to promote the services of LDHs for household chores, and to address the mismatch in supply and demand in the LDH market arising from the different geographical locations and working hours of the LDHs. Since its inception in June 2003, the Scheme as a whole benefited some 12 600 LDHs, with a total sum of \$55 million paid out. The Scheme lapsed by the end of October 2008, as planned.

² Monthly income refers to total incomes from all jobs (including those within or across districts) in a month. Employee's contribution to the Mandatory Provident Fund is not included.

On-the-job Transport Allowance

5. Eligible employees can claim On-the-job Transport Allowance within a 24-month period from the approval date of their applications by submitting documentary proof or self-declarations on details of their employment.
6. Eligible employees refer to employees who are:-
 - (a) lawfully employable and working for 72 hours or more a month (i.e. an average of 18 hours or more a week);
 - (b) earning a monthly income of \$6,500 or less; and
 - (c) meeting a personal asset requirement of no more than \$44,000.

The self-employed and persons receiving full-time education or training are not eligible for On-the-job Transport Allowance.

Period for claiming of allowances

7. New applicants admitted under the relaxed TSS can claim both Job Search Allowance and On-the-job Transport Allowance within 24 months from the approval date of their applications. For applicants admitted under the pilot TSS, they are allowed to claim the balance of allowances within a period of 24 months commencing 2 July 2008, provided that they can fulfill all the eligibility criteria under the relaxed TSS.