

**立法會**  
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**Panel on Manpower**

**Background brief prepared by the Legislative Council Secretariat  
for the special meeting on 4 January 2011**

**Work Incentive Transport Subsidy Scheme**

**Purpose**

This paper provides background information on the discussions of the Panel on Manpower ("the Panel") on the Work Incentive Transport Subsidy ("WITS") Scheme.

**Background**

2. At the briefing by the Secretary for Labour and Welfare on 21 October 2010 on policy initiatives relevant to the Panel in the Chief Executive's 2010-2011 Policy Address, the Administration informed members that in order to relieve the burden of transport costs for home-workplace commuting for employed persons from low-income families and encourage them to stay in employment, it would launch a territory-wide WITS Scheme. Each employed member of eligible low-income families could receive a monthly transport subsidy of \$600. The new scheme would replace the Transport Support Scheme ("TSS").

**Deliberations of the Panel**

3. The Panel was briefed on the WITS Scheme at its meeting on 16 December 2010. Members were informed of the following key features of the WITS Scheme -

- (a) the WITS Scheme would benefit all employed persons, including self-employed persons, in low-income families who were lawfully

employable in Hong Kong and had to incur travelling expenses commuting to and from work, irrespective of the travelling distance, mode of transport and actual travelling expenses;

- (b) the subsidy would be provided on a recurrent basis. There was no deadline for application, and eligible applicants could continue to receive subsidy so long as they met the eligibility criteria;
- (c) to ensure that public resources were channelled to low-income earners genuinely in need, applicants would be means-tested on a household basis and, subject to all the eligibility criteria being met, the subsidy would be payable to each applicant of the household;
- (d) an applicant had to work for a minimum of 72 hours per month to be eligible for WITS; and
- (e) the monthly subsidy would be provided at a flat rate of \$600 per qualified applicant.

4. Members were generally of the view that -

- (a) applicants should be given the choice of undergoing a means test on a household basis or individual basis;
- (b) applicants who worked less than 72 hours per month should be eligible for transport subsidy calculated on a pro-rata basis;
- (c) the income limits for different household sizes should be raised;
- (d) the implementation date should be advanced from the third quarter of 2011 to 1 June 2011;
- (e) the meaning of "household" was unclear; and
- (f) a job search allowance should be provided under WITS.

5. The Administration advised that -

- (a) a household-based means test was considered more equitable than one that assessed only the individuals' income and assets because the economic situation of the household was taken into consideration. This also accorded with the aim of the Administration to identify low-income families as the target recipients. There would also be less room for abuse through

transfer of assets among different members of the same family;

- (b) providing allowance on a *pro rata* basis according to the actual number of working hours was not practicable, as it would increase substantially the workload for verification and result in disproportionately high administrative costs;
- (c) different income and asset thresholds for households of different sizes were set, having regard to income statistics and the prevailing thresholds for comparable schemes. Overall speaking, the income thresholds were close to 60% of the median household income for the corresponding household size; that for one-member households was close to the median. An employee's mandatory contribution to a Mandatory Provident Fund Scheme was not counted as income. Asset did not include self-occupied property;
- (d) time was required for developing the necessary Information Technology infrastructure to facilitate case processing and guard against abuse, finalizing the operational arrangements, setting up new offices, and recruiting and providing training to staff;
- (e) the Administration would provide a clear definition for "household" to avoid ambiguities;
- (f) job-seekers were not covered because there was little demand for Job Search Allowance under TSS. Statistics indicated that as at the end of September 2010, 91.3% of admitted TSS applicants were already in employment at the time when they were admitted; and
- (g) a comprehensive review of the WITS Scheme, including its objectives, eligibility criteria, *modus operandi* and effectiveness, would be conducted three years after implementation.

6. The Panel passed the motion in the **Appendix** at its meeting on 16 December 2010.

### **Related information**

7. At the Council meeting on 10 November 2010, Dr Hon PAN Pey-chyou moved a motion on the Work Incentive Transport Subsidy Scheme. The motion moved by Dr Hon PAN Pey-chyou as amended by Hon WONG Sing-chi and Hon IP Kwok-him was carried.

**Relevant papers**

8. Members are invited to access the website of the Legislative Council at <http://www.legco.gov.hk> to view the relevant papers.

Council Business Division 2  
Legislative Council Secretariat  
29 December 2010

**人力事務委員會**

**在2010年12月16日的會議上  
就議程項目"鼓勵就業交通津貼計劃"通過的議案**

由張國柱議員提出、經王國興議員修正的議案

"本委員會認為政府的「鼓勵就業交通津貼計劃」未能達到鼓勵就業的政策目的，並要求 ——

- (一) 推行以個人和家庭為單位的鼓勵就業交通津貼計劃，保留現有交通津貼計劃的個人申請制度；及
- (二) 為每個工作少於72小時的兼職工人，同樣提供交通津貼。具體要求是少於72小時的津貼額按實際工時的比例計算。"

(Translation)

**Panel on Manpower**

**Motion passed under the agenda item  
"Work Incentive Transport Subsidy Scheme"  
at the meeting on 16 December 2010**

Motion moved by Hon CHEUNG Kwok-che, as amended by Hon WONG Kwok-hing

"That, this Panel considers that the Administration's "Work Incentive Transport Subsidy Scheme" has failed to achieve the policy objective of encouraging employment and requests that -

- (a) a work incentive transport subsidy scheme on individual and household bases be implemented, and the existing individual-based mechanism for applying transport subsidy under the Transport Support Scheme be retained; and
- (b) transport subsidy should also be provided to each part-time worker working less than 72 hours, with a specific requirement that the subsidy rate for those working less than 72 hours should be calculated in proportion to the actual hours worked."