

**立法會**  
**Legislative Council**

LC Paper No. CB(2)605/12-13  
(These minutes have been seen  
by the Administration)

Ref : CB2/PL/MP

**Panel on Manpower**

**Minutes of special meeting**  
**held on Monday, 3 December 2012, at 9:00 am**  
**in Conference Room 2 of the Legislative Council Complex**

- Members present** : Hon LEE Cheuk-yan (Chairman)  
Hon WONG Kwok-kin, BBS (Deputy Chairman)  
Hon Albert HO Chun-yan  
Hon Tommy CHEUNG Yu-yan, SBS, JP  
Hon CHAN Kin-por, BBS, JP  
Hon CHEUNG Kwok-che  
Hon IP Kwok-him, GBS, JP  
Hon LEUNG Kwok-hung  
Hon Michael TIEN Puk-sun, BBS, JP  
Hon CHAN Chi-chuen  
Hon LEUNG Che-cheung, BBS, MH, JP  
Dr Hon KWOK Ka-ki  
Hon KWOK Wai-keung  
Hon SIN Chung-kai, SBS, JP  
Hon POON Siu-ping, BBS, MH  
Hon TANG Ka-piu  
Dr Hon CHIANG Lai-wan, JP
- Member attending** : Hon WONG Kwok-hing, MH
- Members absent** : Hon LEUNG Yiu-chung  
Hon Frederick FUNG Kin-kee, SBS, JP  
Dr Hon LEUNG Ka-lau  
Hon Kenneth LEUNG

**Public Officers** : Item I  
**attending**

Mr Matthew CHEUNG Kin-chung, GBS, JP  
Secretary for Labour and Welfare

Miss Annie TAM Kam-lan, JP  
Permanent Secretary for Labour and Welfare

Mr CHEUK Wing-hing, JP  
Commissioner for Labour

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

**Clerk in** : Miss Betty MA  
**attendance** Chief Council Secretary (2) 1

**Staff in** : Ms Mina CHAN  
**attendance** Council Secretary (2) 1

Ms Kiwi NG  
Legislative Assistant (2) 1

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**I. Proposed enhancement of the Work Incentive Transport Subsidy Scheme**  
(LC Paper Nos. CB(2)269/12-13(01) and (02))

Secretary for Labour and Welfare ("SLW") briefed members on the findings of the mid-term review of and the enhancement proposals for the Work Incentive Transport Subsidy ("WITS") Scheme, which included the introduction of the option of an individual-based means test as well as an annual adjustment mechanism for the monthly income and asset limits. He said that subject to members' views, the Administration would submit the enhancement proposals of the WITS Scheme to the Finance Committee ("FC") for approval as soon as possible. The enhancement measures would take effect from the claim month following the month of FC's approval.

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2. Members noted the background brief entitled "The Work Incentive Transport Subsidy Scheme" prepared by the Legislative Council Secretariat.

3. The Chairman drew members' attention to rule 83(A) of the Rules of Procedure concerning personal pecuniary interest to be disclosed. He reminded members to declare any direct or indirect pecuniary interest and the nature of that interest in the matter under discussion before speaking on the matter.

4. Mr WONG Kwok-hing pointed out that the actual take-up rate of the WITS Scheme was far below the estimated number of beneficiaries provided by the Administration when seeking the funding approval of FC in February 2011. This demonstrated that the strong call from the Panel for the "dual-track" approach for means test was proven right. SLW clarified that the figure provided at the time the Administration sought funding approval in respect of the WITS Scheme was a rough estimation based on the household income figures and working hour statistics compiled by the Census and Statistics Department ("C&SD"). In the absence of data on the level of household assets, it was difficult for the Administration to estimate the number of persons who could meet the asset limits of the WITS Scheme. In view of the above, the Administration had undertaken to conduct a mid-term review of the WITS Scheme in the light of the operational experience in the first year.

5. Noting that the Administration would submit the relevant proposals for consideration by FC shortly, Mr WONG Kwok-hing expressed concern that the implementation of the proposed enhancement measures of the WITS Scheme would be unduly delayed having regard to the succession of filibusters at the recent meetings of FC in connection with the funding proposal for Old Age Living Allowance ("OALA"). Mr CHAN Kin-por expressed a similar concern. Mr WONG further asked whether the Administration would, in deciding the order of agenda items for the relevant FC meeting, consider dealing with the funding proposal for the WITS Scheme first, if the discussion on OALA still dragged on.

6. SLW said that while understanding that FC would continue to deal with the unfinished business on the agenda at its forthcoming meeting(s), the Administration would give due regard to the relative priority of the outstanding items and submit the enhancement proposals for the WITS Scheme for the consideration of FC in accordance with its procedures.

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7. The Deputy Chairman was pleased with the Administration's decision to relax the WITS Scheme by adopting the "dual-track" approach for means test. He asked whether individual members of the same household could be given a choice of undergoing either household- or individual-based assessment. In anticipation of rising transport costs, the Deputy Chairman expressed concern about the time lag between the collection of data on work-related travelling expenses under the General Household Survey ("GHS") and the actual travelling expenses. He enquired about the yardsticks adopted by the Administration to determine whether the level of subsidy should be reviewed.

8. SLW advised that members of the same household had to choose either for each member to be assessed individually or for all members to be assessed together as a household. The option of allowing individual-based means test would enable more low-income workers to benefit from the WITS Scheme. Regarding the review of the subsidy rate, SLW advised that the latest statistics on the average monthly travelling expenses of the target beneficiaries of the WITS Scheme for commuting to and from work was collated by C&SD specifically for the Scheme. The Administration would closely monitor the changes in these statistics on transport costs and would not rule out the possibility of reviewing and updating the level of subsidy rate where necessary.

9. While welcoming the Administration's decision to implement a "dual-track" approach for means test, Mr CHAN Kin-por enquired about the factors contributing to the low take-up rate of the WITS Scheme. In his view, the Administration should review the adequacy of the publicity efforts, the effectiveness of the briefing sessions and the application procedures for the WITS Scheme. To enhance the flexibility and accessibility of the WITS Scheme, Mr CHAN asked whether the Administration would consider simplifying the application form and accepting on-line application or collection of completed application forms through post offices.

10. SLW advised that the Administration would launch a series of publicity programmes on the enhancement proposals through various channels to bring the message across after it was approved by FC. Regarding the application form and procedures, SLW stressed that the Administration was mindful of the need to make the application procedures user-friendly and simple. Applicants were not required to re-submit some supporting information in their subsequent rounds of application.

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11. Commissioner for Labour ("C for L") added that since the announcement of the enhancement proposals for the WITS Scheme on 31 August 2012, there had been a notable increase in the number of public enquiries between September and October 2012 on the modifications to the Scheme. To further enhance the public awareness of the application procedures, briefing sessions would continue to be held at district level. The Administration would further simplify the application form to reduce the information to be provided by applicants undergoing individual-based assessment. Applicants were only required to complete a three-page application form in the latest design if they opted for individual-based assessment. They could continue to download the application form from the homepage of the Labour Department ("LD") and apply by post. The aforesaid arrangements would make the application for WITS simpler and easier.

12. Mr SIN Chung-kai said that the Democratic Party supported the Administration's proposal to adopt a "dual-track" approach for means test. Noting that the gross counts of applicants received as at 25 November 2012 stood at 77 495, Mr SIN requested the Administration to provide a breakdown of these applicants by districts and the respective subsidy amounts. Mr SIN sought clarification on the meaning of "other eligibility criteria" for individual-based applications as set out in paragraph 8 of the Administration's paper. Mr SIN was concerned that individual-based applicants would transfer their personal assets to other family members in order to meet the asset limit.

13. SLW said that nearly 60% of the successful applicants came from the New Territories, with the largest number of WITS recipients living in three districts, viz. Kwun Tong, Yuen Long and Tuen Mun. The Administration would provide relevant statistics on WITS applications in its paper to FC as far as practicable. SLW further said that with the introduction of the option of individual-based assessment, the application for WITS would become simpler and more accessible. Applicants who chose to be assessed on an individual basis were not required to report the details and financial position of their household members.

14. Regarding the eligibility criteria for WITS, C for L explained that apart from the income and asset limits, applicants had to meet the relevant requirements on employment status, working hours and incurring travelling expenses in commuting to and from work. In the case of individual-based applications, applicants would need to provide information on their own eligibility only. He advised that about 3% of the applications would be randomly selected for verification of the

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information so provided. Suspected fraud cases would be referred to enforcement department for follow-up actions.

15. Mr CHEUNG Kwok-che took the view that the Administration should -

- (a) explain clearly to the public that individual members of the same household should together choose to be assessed individually or as a household under the enhanced WITS Scheme;
- (b) gauge the views of District Council members on the simplification of application for WITS as they were experienced in assisting the applicants in filling the application forms;
- (c) provide information on the application status in respect of some 13 000 applicants whose applications had not yet been approved, the estimated number of additional beneficiaries under the enhancement proposals and the financial implications;
- (d) consider making reference to the quarterly figures of GHS and updating the income and asset limits of the WITS Scheme on a quarterly basis; and
- (e) consider replacing the household-based applications with low-income subsidy.

16. SLW made the following responses -

- (a) the Administration would take heed of users' views in streamlining the application for WITS during its review of the Scheme;
- (b) FC had approved in February 2011 a non-recurrent commitment of \$4,805 million (time-limited up to 2014-2015) for implementing the WITS Scheme, and a total of subsidy payment of \$210.2 million had been granted to the WITS recipients up to 25 November 2012. It was currently not necessary to seek the approval of FC to raise the level of commitment for launching the new measures, but to seek its approval for the enhancement proposals of the

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WITS Scheme. A comprehensive review of the WITS Scheme would be conducted in 2014 after three years of operation. Nonetheless, the Administration would closely monitor the take-up rate for WITS;

- (c) the new income limits of the WITS Scheme were adjusted with reference to the latest statistics on the median monthly household income in the third quarter of 2012. Before the comprehensive review, the income and asset limits would be updated annually at the beginning of the year based on up-to-date figures. Specifically, the income limits would be updated on the basis of the median monthly household income in the third quarter of the previous year whereas the asset limits would be pegged to three times the asset limits of Comprehensive Social Security Assistance as adjusted annually;
- (d) as at 25 November 2012, 13 310 applicants were not yet approved with WITS. Some of them were unsuccessful or withdrew their claims, and the applications of the remainder were being processed by LD; and
- (e) the enhancement measures for the WITS Scheme, coupled with the implementation of statutory minimum wage, could benefit low-income households and help the working poor. The Administration would work closely with the Commission on Poverty in formulating strategies to address the problem of working poor.

17. Mr TANG Ka-piu was of the view that the application procedures for WITS were not user-friendly and that the application forms were too complicated for the applicants to complete. Instead of relying on district organisations to help the applicants to fill out the application forms, LD staff should also assist the applicants to do so. Mr TANG noted with concern that there were only 36 096 successful applicants receiving a total subsidy payment of \$210.2 million as at 25 November 2012, which fell short of the Administration's original estimation of 218 000 potential beneficiaries as set out in its funding proposal to FC on 25 February 2011. This also resulted in a disproportionately high administrative cost per application. He asked whether the Administration had examined the factors attributing to the relatively few applicants for WITS and the withdrawal of applications.

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18. In response, SLW said that the option of individual assessment would make the application for WITS simpler and easier. That said, applicants were required to provide essential personal information for eligibility assessment having regard to the principle of prudent use of public funds. The application form for individual-based applications would be simplified accordingly to reduce information to be provided for application. The Administration would step up its publicity on the application procedures for WITS and supporting information to be provided. It was worth noting that, as explained earlier, it was difficult to have accurate estimate of the actual number of persons who would benefit from the WITS Scheme as the information on household assets was not available. The GHS indicated that there were about 436 000 employed persons meeting the requirement on working hours and living in households which fell within the income thresholds for WITS when the Administration submitted the financial proposal for consideration by FC in February 2011. The Administration estimated that a non-recurrent commitment of \$4,805 million would be required for implementing the WITS Scheme on the assumption that half of them (i.e. 218 000 persons) would come forward to apply for WITS. As the figure provided at the time was no more than a rough indication for reference, the Administration had stated in its paper to FC that a mid-term review would be conducted to take account of the operational experience in the first year in addition to the comprehensive review after three years of operation.

19. C for L added that since the inception of the WITS Scheme, the gross applicant count for withdrawing applications stood at about 9 900, and that for applications rejected was 1 402. Of the gross applicant count for applications rejected, when analysed on the basis of claim months, about 37% was disqualified for not meeting the household income limits, and 37.7% for exceeding the household asset threshold. On administration cost, C for L pointed out that currently there were about 220 staff in LD responsible for the operation of the Scheme, which were one-half of the estimated staffing requirement when launching the Scheme. Given that the potential applicants were living throughout the territory, it would be operationally difficult for LD staff to provide outreaching assistance for completing the application forms. He appealed to the applicants to seek appropriate advice and assistance from the "1823 Call Centre", which provided 24-hour enquiry service. In addition, briefings on the WITS Scheme at district level had been and would be conducted on request basis. C for L added that applications for WITS were processed and approved within a reasonable time.



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20. Considering that the current subsidy rate was insufficient to relieve the burden of travelling expenses of the working-poor workers living in remote areas such as Tung Chung, Tuen Mun and Yuen Long, Mr TANG Ka-piu took the view that the Administration should consider introducing a two-tier subsidy rates such that a higher level of transport subsidy could be provided to this group of low-income workers. SLW said that the Administration would conduct a comprehensive review of the WITS Scheme after three years of operation.

*[To allow sufficient time for discussion, the Chairman suggested and members agreed to extend the meeting for 30 minutes.]*

21. While supporting in principle the enhancement measures for the WITS Scheme, Mr POON Siu-ping asked whether consideration could be given to abolishing the means test given that the administrative cost on the part of the Administration in respect of carrying out random inspection could be significant. Noting that the income and asset limits of the WITS Scheme would be updated annually, he enquired whether similar mechanism could be adopted for reviewing the subsidy rate.

22. SLW said that the WITS Scheme sought to relieve the burden of work-related travelling expenses on low-income households with employed persons and to encourage low-income earners to stay in employment. A means test mechanism was put in place to ensure proper use of finite public resources to provide transport subsidy for the target beneficiaries. Notwithstanding this, the Administration had taken a major step forward by introducing the option of an individual-based means test. As regards the review of the subsidy rate, SLW advised that to keep the WITS Scheme simple and easy to administer, a flat rate of \$600 per qualified applicant was adopted. According to GHS in the third quarter of 2011, the average monthly travelling expense for the target beneficiaries who needed to work across districts was \$472. The present full-rate WITS at \$600 per month was thus considered sufficient to support most eligible applicants. SLW assured members that the Administration would monitor the relevant statistics in GHS and, where necessary, review and update the level of the subsidy rate.

23. Pointing out that 92% of the gross counts of successful applicants received the full-rate subsidy of \$600, Dr CHIANG Lai-wan took the view that this demonstrated that there was a considerable demand for a higher level of subsidy. She called upon the Administration to consider adjusting upwards the subsidy level to cope with the rising transport expenses. Given that the non-recurrent commitment of \$4,805 million

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endorsed by FC for implementing the WITS Scheme had not yet been fully utilized, Dr CHIANG asked whether the Administration would consider expanding the scope of the WITS Scheme to benefit more low-income workers.

24. SLW advised that eligible applicants would be entitled to the full-rate subsidy of \$600 provided that they worked 72 hours or more per month. While the Administration would carry out a comprehensive review of the operation of the WITS Scheme in 2014, it would closely monitor statistics in GHS related to the monthly expenses of target beneficiaries on public transport for travelling to and from work and review the level of the subsidy where necessary.

25. Mr LEUNG Kwok-hung criticized that the WITS Scheme was not the solution to the problem of working poverty. In his view, the crux of the problem lay with the low income of working families to make ends meet.

26. Mr Tommy CHEUNG said that the Liberal Party supported the adoption of "dual-track" approach for the means test, which could relieve the burden of low-income earners who needed to work across districts. However, the Liberal Party expressed reservations about the suggestion of further relaxing the eligibility criteria.

27. Mr Michael TIEN agreed that efforts should be made to help low-income workers and encourage them to stay in employment. However, he was of the view that the WITS Scheme placed more emphasis on alleviating poverty than encouraging low-income employees to work across districts. To provide direct transport subsidy, Mr TIEN suggested that instead of giving a fixed amount of subsidy to all successful applicants across the board, the Administration should consider offering fare discounts to the target recipients by making use of the Octopus system.

28. SLW stressed that the WITS Scheme sought to relieve the burden of travelling expenses arising from commuting to and from work on low-income employed persons and encourage them to stay in employment. As a matter of fact, the Administration had examined the viability of offering fare concession to target beneficiaries by making use of the Octopus system. Given certain minibuses and resident bus services had not yet been installed with the Octopus system and the fact that some target beneficiaries had to travel to and from work by taxis when there was no public transport in service, the proposal was considered

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technically not ready. SLW stressed that the Administration would take into account members' views when conducting the comprehensive review of the operation of the WITS Scheme.

29. Responding to Mr CHAN Chi-chuen's enquiry whether the Administration had overestimated the number of applicants of the WITS Scheme, SLW reiterated that as explained in the funding proposal to FC in February 2011, the number of beneficiaries of the Scheme provided at the Administration's paper was estimated based on GHS conducted by C&SD given that it was difficult to have an accurate estimate of the public response and the actual number of persons who would benefit from the Scheme. The GHS in the second quarter of 2010 suggested that about 436 000 persons met the eligibility criteria for income limits and working hours. Assuming that half of them would come forward and apply for WITS, 218 000 persons would then benefit from the Scheme. In the circumstances, the Administration proposed to also conduct a mid-term review having regard to the experience gained during the first year of operation.

30. Mr CHAN Chi-chuen sought clarification as to whether individual WITS applicants who had adopted household applications were obliged to undergo individual assessment when they submitted the next round of application if their family members had chosen to be assessed individually.

31. SLW advised that under the enhancement proposals for the WITS Scheme, members of the same household should choose to either for each member to be assessed or for all members to be assessed together as a household. It was anticipated that the enhancement would enable more low-income workers to benefit from the Scheme as they were given flexibility in the choice of means test.

32. Assistant Commissioner for Labour supplemented that under the "dual-track" approach, for example, the two employed members of a two-person household could together choose to be assessed as a household provided that their household did not exceed the corresponding income and asset limits. Alternatively, they could each apply on an individual basis if they met the personal income and asset limits for single-person households. After adjustment to the income limits, the effective income level (i.e. income before deducting employee's mandatory contribution to the Mandatory Provident Fund Scheme) of each individual-based applicant should not exceed \$8,105 per month. The "Guidance Notes on Application" for the WITS Scheme had set out

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the definition of "household", which meant a unit comprising person(s) with close economic ties and living on the same premises.

33. Responding to the Chairman, SLW said that the option of individual application would take effect from the claim month following the month of the FC meeting, at which the funding proposal was approved. SLW added that the Administration would critically examine the order of the agenda items for the forthcoming FC meetings, having regard to the strong call for early implementation of the enhancement proposals of the WITS Scheme.

34. Dr KWOK Ka-ki was of the view that instead of relieving the burden of work-related travelling expenses on low-income workers, WITS was in effect a cash subsidy. Pointing out the considerable difference in the travelling expenses between those working within the same district and across districts, he was dissatisfied with the Administration's refusal to advance the comprehensive review of the WITS Scheme and consider setting different levels of subsidy based on the distance between the location of work and residence. He requested the Administration to provide information on the difference in travelling expenses between employees working within the same district and travelling across districts to work, particularly the comparison between those who lived in urban/extended urban areas and remote areas in terms of work-related travelling expenses.

35. Permanent Secretary for Labour and Welfare said that the WITS Scheme aimed at helping employed members of low-income households and encouraging them to stay in employment. While fully understanding that the actual monthly travelling expenses varied among individual beneficiaries, the GHS in the third quarter of 2011 indicated that the average monthly expense of the target beneficiaries of WITS on public transport for travelling to and from work was \$436 and that for those working across districts was \$472. The Administration thus considered that the existing full-rate subsidy at \$600 per month should provide sufficient support to most eligible applicants. The Administration would closely monitor the situation and take account of Dr KWOK Ka-ki's views in its comprehensive review of the WITS Scheme.

36. C for L pointed out that it was difficult to compare the actual work-related travelling expenses incurred by individual beneficiaries of different districts. He explained that a number of variables, such as the location of workplace and residence, and the availability of direct public transport commuting to and from work, would contribute to the

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differences in actual travelling expenses. Dr KWOK Ka-ki expressed disappointment at the Administration's lack of relevant statistics as the implementation of the WITS Scheme involved a financial commitment of \$4,805 million.

37. The Chairman expressed dissatisfaction at the Administration's belated introduction of the "dual-track" approach for means test in spite of the strong call from the Labour Party. He shared the views of some members that the Administration should consider raising the subsidy rate for those eligible applicants who had to work across districts. To minimize unnecessary administrative cost, the applicants would be required to make self-declaration on their monthly work-related travelling expenses.

38. As regards the low take-up rate of the WITS Scheme, the Chairman said that the Administration should encourage more target beneficiaries to apply for WITS by lowering the asset limits on par with that for one-person applicant for public rental housing. Noting that the district offices of LD only answered public enquiries on the application for WITS, the Chairman urged LD to deploy staff members to assist applicants for WITS to fill out the application forms. More importantly, the Administration should review and streamline the application procedures and simplify the application forms.

39. The Chairman concluded that members supported in principle the Administration's submission of the enhancement proposals of the WITS Scheme for consideration by FC.

40. There being no other business, the meeting ended at 10:30 am.