

For information on
17 December 2013

Legislative Council Panel on Manpower
Work Incentive Transport Subsidy Scheme

Purpose

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

Background

2. To help low-income earners reduce their cost of travelling to and from work and encourage them to secure or stay in employment, the WITS Scheme has started receiving applications from October 2011. Applicants should meet the following eligibility criteria:

- (a) being employed or self-employed, and lawfully employable in Hong Kong;
- (b) incurring travelling expenses in commuting to and from work;
- (c) meeting the monthly income and asset limits; and
- (d) working no less than 72 hours per month (if applying for full-rate subsidy of \$600 per month), or working 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. From October 2011 to November 2013, a total of 138 891 applications involving 79 151 applicants were received under the WITS Scheme. As applicants may apply for the subsidy every six to 12 months, 45% of these applicants had submitted more than one round of applications. The gross applicant count was 150 373.

4. As at end-November 2013, the Labour Department (LD) completed processing 132 394 applications involving 76 731 applicants (with a gross applicant count of 143 774). A total subsidy payment of \$489.9 million was made to 61 809 applicants. Of these applicants, 51% received the subsidy in more than one round of applications. The gross recipient count was 122 123. In terms of subsidy level, 57 388 applicants (gross count of 112 350) received full-rate subsidy, 1 408 applicants (gross count of 2 070) received half-rate subsidy, and 6 468 applicants (gross count of 7 703) received a mix of full-rate and half-rate subsidies in different months of the same application.¹

5. The gender, age, work category and residential districts of the successful applicants are as follows:

- 47% were male and 53% female;
- the majority belonged to the age groups of 40 to 49 (32%) and 50 to 59 (26%);
- most were engaged in elementary occupations²(49%), followed by service workers and shop sales workers³(24%); and
- nearly half of them resided in four districts, namely Kwun Tong (14%), Yuen Long (13%), Tuen Mun (11%) and Kwai Tsing (10%).

Breakdowns of the applicants are at **Annex**.

Additional option of individual-based applications

6. WITS is subject to a comprehensive review after three years of its implementation (as referred to in paragraph 9 below). Following a mid-term review of the WITS Scheme conducted in August 2012, the Administration proposed to introduce the option of individual-based applications as an alternative to household-based applications. This proposal was supported by this Panel on 3 December 2012, approved by the Finance Committee of the Legislative Council on 14 December 2012, and took effect from the claim months in 2013. Individual-based applicants could apply, in July 2013 at the earliest, for subsidy payment covering January to June 2013.

¹ As some applicants received different subsidy rates (e.g. full-rate or half-rate) in different rounds of applications, individual items do not add up to the total.

² For example: security guards, labourers, cleaners, drivers, storekeepers, delivery workers, domestic helpers, etc.

³ For example: waiters, sales workers and promoters, cooks, customer service staff, care workers, etc.

7. As at end-November 2013, LD received 21 685 individual-based applications. This accounted for 16% of the total 138 891 applications received in the period spanning October 2011 to November 2013 as mentioned in paragraph 3 above, or 57% of the total 38 009 applications received from July to November 2013. Subsidy was granted to 16 568 individual-based applicants, including 14 842 applicants receiving full-rate subsidy, 257 applicants receiving half-rate subsidy, and 1 469 applicants receiving a mix of full-rate and half-rate subsidies in different months of the same application. Among these 16 568 successful applicants, the majority (70%) had never applied before on a household basis in the capacity of applicant or household member.

Level of subsidy rate

8. According to the General Household Survey (GHS) conducted by the Census and Statistics Department in the fourth quarter of 2012 (the latest), the average monthly expense of WITS target beneficiaries on public transport for travelling to and from work was \$436, and that for those working across districts was \$489. This shows that the present full-rate subsidy at \$600 per month should provide sufficient support to most eligible applicants. We will continue monitoring the position, having regard to the relevant GHS statistics.

Way forward

9. Under the annual adjustment mechanism adopted in the mid-term review, the income and asset limits of the WITS Scheme will be adjusted in early 2014 concurrently with those of the Comprehensive Social Security Assistance (CSSA) Scheme. The income limits will be updated on the basis of the median monthly household income in the third quarter of 2013 whereas the asset limits will be pegged to three times the asset limits of the CSSA Scheme as adjusted. We will commence a comprehensive review of the Scheme, including its objectives, eligibility criteria, modus operandi and effectiveness in October 2014 after three years of its operation.

Labour and Welfare Bureau
Labour Department
December 2013

Work Incentive Transport Subsidy Scheme

**Breakdowns of applicants receiving subsidy by gender, age, occupation and residential district⁴
(as at November 2013)**

Breakdown by gender and age

Age	No. of applicants receiving subsidy		
	Male	Female	Total
19 or below	336	352	688
20 to 29	3 424	3 803	7 227
30 to 39	5 657	6 102	11 759
40 to 49	8 181	11 796	19 977
50 to 59	7 615	8 225	15 840
60 or above	3 908	2 410	6 318
Total	29 121	32 688	61 809

⁴ Some applicants received the subsidy in more than one round of applications. The breakdowns are compiled on the basis of their last approved applications.

Breakdown by occupation

Occupation	No. of applicants receiving subsidy
Professionals	792
Associate professionals	2 184
Clerks	8 055
Service workers and shop sales workers	15 113
Elementary occupations	30 017
Craft and related workers	2 561
Plant and machine operators and assemblers	1 125
Others	1 962
Total	61 809

Breakdown by residential district

District Council district	No. of applicants receiving subsidy
Central & Western	422
Eastern	2 200
Southern	1 092
Wan Chai	222
Kowloon City	2 053
Kwun Tong	8 751
Sham Shui Po	4 791
Wong Tai Sin	4 383
Yau Tsim Mong	1 442
Islands	1 605
Kwai Tsing	6 285
North	3 232
Sai Kung	2 302
Sha Tin	4 182
Tai Po	1 678
Tsuen Wan	1 687
Tuen Mun	6 926
Yuen Long	8 275
Outside Hong Kong	281
Total	61 809