立法會 Legislative Council

LC Paper No. CB(2)1042/14-15 (These minutes have been seen by the Administration)

Ref: CB2/PL/MP

Panel on Manpower

Minutes of meeting held on Tuesday, 10 February 2015, at 10:45 am in Conference Room 1 of the Legislative Council Complex

Members : Hon WONG Kwok-kin, SBS (Chairman)

present Dr Hon CHIANG Lai-wan, JP (Deputy Chairman)

Hon LEE Cheuk-yan Hon LEUNG Yiu-chung

Hon Tommy CHEUNG Yu-yan, SBS, JP

Hon CHAN Kin-por, BBS, JP Hon IP Kwok-him, GBS, JP Hon LEUNG Kwok-hung

Hon CHAN Yuen-han, SBS, JP

Hon LEUNG Che-cheung, BBS, MH, JP

Dr Hon KWOK Ka-ki

Hon SIN Chung-kai, SBS, JP Hon POON Siu-ping, BBS, MH

Hon TANG Ka-piu, JP Hon CHUNG Kwok-pan

Members : Dr Hon LEUNG Ka-lau

absent Hon CHEUNG Kwok-che

Hon KWOK Wai-keung

Public Officers : <u>I</u> attending

: <u>Item IV</u>

Mr Charles HUI Pak-kwan, JP Assistant Commissioner for Labour

(Labour Relations)

Ms Melody LUK Wai-ling Chief Labour Officer (Labour Relations) Labour Department

Miss Candice CHENG Lai-fan Senior Labour Officer (Labour Relations) (Policy Support) Labour Department

Item V

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

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

Ms Carrie LEE Kit-ling Chief Executive Officer (Work Incentive Transport Subsidy) Labour Department

Attendance by invitation

: Item V

Democratic Party

Mr Andrew WAN Siu-kin Vice-Chairman

Individual

Mr TSUI Hiu-kit

Member of Kwai Tsing District Council

Democratic Alliance for the Betterment and Progress of Hong Kong

Mr NGAN Man-yu Deputy Spokesperson on Manpower

The Federation of Hong Kong and Kowloon Labour Unions

Miss TAM Kam-lin Deputy Director of Social Affairs Committee

Neighbourhood and Worker's Service Centre

Miss Vincci WONG Representative

Kwai Chung Estate Labour Rights Concern Group

Ms CHIM Miu-cheung Representative

教區勞工牧民中心(九龍)「保安護衛關注組」

Ms CHOI Wai-fun Member

Catholic Diocese of Hong Kong Diocesan Pastoral Centre for Workers (Kowloon)

Mr SIN Chi-man Assistant Program Officer

A.I.M. Group

Mr Shoaib Hussain Assistant Program Officer

教區勞工牧民中心(九龍)少數族裔關注小組

Mr LI Ka-shu Program Officer

Tung Chung Community Development Alliance

Mr YEUNG Cheuk-shun Community Organizer

Liberal Party

Mr Ken CHOW Representative

Liberal Party Youth Committee

Mr Harris YEUNG Vice Chairman

Catholic Diocese of Hong Kong Diocesan Pastoral Centre for Workers (New Territories)

Mr Augustine YU Siu-po Acting Centre Supervisor

Smart & Beauty House

Mr CHOW King Member

New Territories Evangelical Ambassador

Mr Simon TAM Member

北區劏房勞工關注組

Mr CHAN Pui-ho Internal Secretary

北區清潔工權益關注組

Miss CHENG Lai-ting Vice-Chairman

關注北區外判清潔工關注組

Miss CHOW Hoi-ning Member

關注北區勞工聯盟

Mr CHUNG Cheuk-yin

Program Officer

North District Grass Roots Workers Group

Miss CHAN Hing-ning

Member

Shek Wu Hui Housing Problem Concern Group

Miss Joanne CHAN

Member

North District Low-income Concern Group

Mr Klein LAU

Member

Individual

Miss Evangeline LAU Chung-ki

Tin Shui Wai Community Development Alliance

Mr KONG Kin-sing

Project Officer

Individual

Mr LO Kai-fai

Clerk in attendance

: Miss Betty MA

Chief Council Secretary (2) 1

Staff in attendance

: Ms Rita LAI

Senior Council Secretary (2) 1

Ms Mina CHAN

Council Secretary (2) 1

Ms Kiwi NG Legislative Assistant (2) 1

Miss Lulu YEUNG Clerical Assistant (2) 1

Action

I. Information paper issued since the last meeting

(LC Paper No. CB(2)794/14-15(01))

Members noted that a letter dated 4 February 2015 from Mr KWOK Wai-keung suggesting the Panel to discuss the work progress of the Standard Working Hours Committee ("SWHC") had been issued since the last meeting and that the subject had been included in the Panel's list of outstanding items for discussion.

II. Date of next meeting and items for discussion

(LC Paper Nos. CB(2)798/14-15(01) and (02))

Regular meeting in March 2015

- 2. <u>Members</u> agreed that the following items proposed by the Administration be discussed at the next regular meeting at 4:30 pm on 17 March 2015 -
 - (a) Work safety of repair, maintenance, alteration and addition works; and
 - (b) Progress of the work of SWHC.
- 3. In response to the Deputy Chairman's concern about the implementation of the Qualifications Framework ("QF"), the Chairman advised that the Panel had been updated on the latest progress of the QF implementation at the policy briefing by the Secretary for Education on the Chief Executive's 2015 Policy Address in January 2015. Members might wish to revisit the subject at a future meeting if considered necessary.

III. Proposal to appoint subcommittee(s) under the Panel (LC Paper Nos. CB(2)651/14-15(05) and (06))

- (a) <u>Subcommittee to study issues relating to standard working hours</u> ("SWH")
- 4. <u>Members</u> noted a joint letter from Miss CHAN Yuen-han, Mr KWOK Wai-keung and Mr TANG Ka-piu proposing the appointment of a subcommittee under the Panel to study issues relating to SWH. In view of the long working hours situation in Hong Kong, <u>the Deputy Chairman</u> expressed support for the proposal. <u>Mr Tommy CHEUNG</u>, however, expressed reservations about the proposal having regard to the adverse impact of SWH on the economic development in Hong Kong.
- 5. As there were divergent views among members, the Chairman put the proposal of appointing a subcommittee under the Panel to study issues relating to SWH to vote. Eight members voted for the proposal and one member voted against it. The Chairman declared that the proposal was supported. Members raised no queries on the proposed terms of reference, work plan and time frame of the subcommittee as set out in the joint letter. The Chairman advised that there were already 10 subcommittees currently in operation, which had reached the maximum number of subcommittees on policy issues under the House Committee and Panels that might be in operation at any one time. The new subcommittee formed would be placed on the waiting list for activation.
- (b) <u>Subcommittee to study the arrangement of offsetting severance payments ("SP") and long service payments ("LSP") payable to employees</u>
- 6. <u>Members</u> noted a joint letter from Miss CHAN Yuen-han, Mr KWOK Wai-keung and Mr TANG Ka-piu proposing the appointment of a subcommittee under the Panel to study the arrangement of allowing employers to use the Mandatory Provident Fund ("MPF") accrued benefits from their contribution to offset SP and LSP ("the offsetting arrangement"). Expressing the view that the offsetting arrangement was unfair to the labour sector, <u>Mr LEE Cheuk-yan and Mr LEUNG Kwok-hung</u> were in support of the proposal. <u>Mr Tommy CHEUNG</u>, on the other hand, opposed the proposal and pointed out that the employer groups had agreed to support the implementation of the MPF system having regard to the offsetting arrangement.

As there were divergent views among members, the Chairman put the proposal of appointing a subcommittee to study issues relating to the offsetting arrangement to vote. Seven members voted for the proposal, one member voted against it and two members abstained from voting. The Chairman declared that the proposal was supported. The Chairman drew members' attention to the fact that the MPF Schemes Ordinance was under the policy purview of the Financial Services and the Treasury Bureau and the Labour and Welfare Bureau was responsible for safeguarding employees' statutory entitlement for SP and LSP under the Employment Ordinance (Cap. 57) ("EO"). As the subject matter straddled between the two bureaux, members might wish to consider whether it would be more appropriate for the issue to be followed up by a joint subcommittee formed under the Panel and the Panel on Financial Members agreed that the proposal of appointing a joint subcommittee be referred to the Panel on Financial Affairs for consideration.

IV. Findings of a survey on the taking of statutory holidays and general holidays by employees

(LC Paper Nos. CB(2)798/14-15(03) and (04))

- 8. At the invitation of the Chairman, <u>Assistant Commissioner for Labour (Labour Relations)</u> ("AC for L (LR)") briefed members on the findings of a survey on statutory holidays ("SHs") and general holidays ("GHs") taken by employees in Hong Kong ("the survey findings"), details of which were set out in the Administration's paper.
- 9. <u>Members</u> noted the background brief entitled "Alignment of statutory holidays with general holidays" prepared by the Legislative Council ("LegCo") Secretariat.

Release of survey findings

10. Noting that the survey on SHs and GHs taken by employees in Hong Kong was conducted in 2011 and the findings were released in 2015, <u>Miss CHAN Yuen-han</u> expressed dissatisfaction about the unduly long time taken for the survey. <u>Mr LEUNG Yiu-chung and Dr KWOK</u> Ka-ki raised similar concerns.

- AC for L (LR) explained that the Labour Department ("LD") had commissioned the Census and Statistics Department ("C&SD") to collect statistics on the proportions and characteristics of employees taking SHs and GHs in Hong Kong in the second quarter of 2011. Upon C&SD's completion of data collection and analysis, the Government Economist was requested to conduct cost impact assessment on the increase in the Before the various findings were submitted to the number of SHs. Labour Advisory Board ("LAB") for deliberation in January 2015, LAB members had been heavily engaged in the discussion of a number of priority labour issues, including legislating for paternity leave, review of the compensation levels for employees concerned under three employment-related ordinances, the review of the continuous contract requirement under EO as well as SWH. With LAB completing deliberations on the priority items, LD had at the soonest possible submitted the findings to LAB and then the Panel for members' deliberation.
- 12. <u>The Chairman</u>, however, was unconvinced of the Administration's explanation that it had taken several years' time to arrange for the deliberation of the subject by LAB. In this connection, <u>Dr KWOK Ka-ki</u> sought information on the number of surveys, which were either underway or completed, conducted by LD on other labour issues. <u>AC for L (LR)</u> said that to his understanding, no other EO-related survey had been conducted the result of which had yet to be reported to the Panel. At the request of the Chairman, <u>the Administration</u> agreed to provide the requisite information, if any, after the meeting.

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Disparity in the number of holidays for employees

13. The Deputy Chairman considered that consequent upon the shrinking of the manufacturing industry over the years, it was no longer necessary to provide SHs for the employees concerned (commonly referred to as "labour holidays") for the purpose of maintaining Hong Kong's competitiveness. She did not see the need for retaining two separate systems on holidays. That said, she was concerned about whether increasing the number of SHs to 17 days in a year to align with that of GHs would be affordable to the employers of the foreign domestic helpers ("FDHs"). To better understand the implications, she called on the Administration to collect more information in this regard. Mr Tommy CHEUNG remarked that some middle-class employers of FDHs might have concerns as their household support would be affected by an increase in SHs of their FDHs.

- 14. Mr TANG Ka-piu referred members to the International Labour Convention ("ILC") No. 97, which applied to the Hong Kong Special Administrative Region and required the ratifying members to provide no less favourable treatment to migrant workers as to nationals in respect of employment benefits. If EO was amended to increase the number of SHs, Mr TANG considered it fair that the amendment would be equally applied to some 330 000 FDHs as well as other imported workers in accordance with ILC No. 97. He believed that employers of FDHs would not object to an increase in SHs as they could also have more time with their families during holidays.
- 15. Mr LEE Cheuk-yan said that the Labour Party had all along advocated for the alignment of the number of SHs with that of GHs. Referring to the survey findings, Mr LEE noted with concern that employees taking SHs worked 5.9 days a week on average while those taking GHs worked 5.3 days a week on average. Mr LEE considered it unfair to the former type of employees. Miss CHAN Yuen-han, Mr TANG Ka-piu and Mr LEUNG Yiu-chung shared similar views. Expressing concern that these grassroots workers were low-skilled and had little bargaining power in the labour market, Miss CHAN called on the Administration to seriously consider increasing the number of SHs to 17 days in a year to align with GHs, which had been urged by the labour sector over the years, with a view to promoting family-friendly employment practices.
- 16. Mr TANG Ka-piu was concerned that the long working hours situation in Hong Kong was further worsened as a higher proportion of employees taking SHs only were engaged in the long-working-hours sectors. Pending the legislative amendments to increase the number of SHs, Mr TANG asked whether the Administration would consider providing subsidy to employers on the assumption that employers had to hire substitute workers to fully make up for the manpower loss owing to additional SH entitlements.
- 17. Mr LEUNG Kwok-hung was of the view that given Hong Kong was an affluent society, the granting of more holiday benefits would not have adverse impact on the Gross Domestic Product or employees' productivity level. In addition, increasing the number of SHs could encourage more people to engage in various holiday activities such as shopping or dining out, thereby creating more business opportunities for the catering sector and retail industry.

- 18. Pointing out that a high proportion of employees taking paid SHs only were engaged in the low-paying sectors, Mr LEUNG Yiu-chung held the view that the arrangement of having different types of holidays for employees of different occupations was discriminatory. Mr LEUNG called on the Administration to expedite the alignment of the number of SHs with that of GHs with a view to promoting employees' health and well-being as well as fostering family relationship and community harmony. In his view, improvement to employees' holiday benefits should be effected by legislative means.
- 19. Mr POON Siu-ping said that the labour sector had all along been advocating for the alignment of the number of SHs with GHs. While acknowledging the divergent views between employers and employees on the matter, Mr POON considered that the survey findings were misleading as the assessment had omitted the positive economic impacts of the proposal. The Administration should provide information in this regard for future discussion on the subject. Drawing reference to designating the first day of May and October as paid SHs, Mr POON said that consideration could be given to progressively aligning the number of SHs with GHs in phases. Mr POON further enquired about the timeframe for the Administration to revert to LAB on the issue.
- 20. Mr Tommy CHEUNG, on the other hand, expressed grave concern about the enhancement of employees' rights and benefits in the past few years. He drew members' attention to the impending upward adjustment of the Statutory Minimum Wage rate as well as the deliberation on SWH and the offsetting arrangement would further make the business environment difficult. Should there be an increase in the number of SHs, Mr CHEUNG was concerned about the impacts on manpower, efficiency, and costs on businesses especially the small and medium-sized enterprises ("SMEs") and mini-enterprises.
- 21. While considering improving employees' rights and benefits was indisputable, Mr CHAN Kin-por said that any new initiatives should be taken forward gradually as the full support of employers was crucial to the effective implementation of such initiatives. In anticipation of the difficulty in securing consent from the employer representatives of LAB on aligning the number of SHs with that of GHs, Mr CHAN was of the view that the Administration should formulate policy on enhancing employees' holiday entitlements with appropriate financial incentive to the employers. Dr KWOK Ka-ki shared a similar view. Dr KWOK was concerned that given the long working hours situation in Hong Kong, coupled with less favourable holiday benefits, it would be difficult to

recruit new entrants, in particular the youngsters, to the low-paying sectors. Consequently, consideration had to be given to importing labour outside Hong Kong. In his view, it was the Administration's responsibility to take initiative to increase the number of SHs with a view to improving the working conditions of grassroots workers and address the problem of manpower shortage in specific industries.

- 22. Mr CHUNG Kwok-pan was of the view that enhancing the existing holiday benefits under EO would inevitably have impact on employers, especially SMEs which represented 98% of the enterprises in Hong Kong. He envisaged that the increased compliance cost arising from more SHs might, to different extent, be passed on to consumers. Mr CHUNG suggested that the provision of subsidy to employers in tandem with the proposed increase in the number of SHs, as put forth by some members earlier, be considered by LAB.
- 23. Responding to members' views and concerns, <u>AC for L (LR)</u> made the following points -
 - (a) under EO, irrespective of his length of service, an employee was entitled to 12 days of SHs a year. Employers were encouraged to offer their employees benefits over and above the statutory minimum set by EO, having regard to their operational needs and individual circumstances. Whether an employee had day-offs on GHs and whether these day-offs were with pay or not were matters agreed between the employer and employee concerned and not governed by law. As a matter of practice, some individual employers granted GHs (be they with or without pay) to their employees having regard to their own circumstances. In the light of the market force in determining individual employee's employment terms for attracting and retaining staff, it would not be appropriate for the Administration to provide subsidy to employers for meeting the additional compliance costs for an increase in the number of holidays;
 - (b) the Administration constantly reviewed the labour legislation in the light of the changing socio-economic situation to ensure that a reasonable balance between the interests of employers and employees was struck, and that the statutory rights and benefits accorded to employees would be progressively improved according to the consensus reached by employer and employee representatives at LAB; and

- the survey findings, together with information on the holiday arrangements of neighbouring economies, were reported to LAB on 14 January 2015. On the requests of LAB members, LD would collect more information, including the trend of employees taking SHs/GHs in different trades and impact assessment of increasing the number of SHs on labour relations, in the coming few months. In addition, members' views and concerns on the subject would be relayed to LAB for consideration. The Administration was open-minded on the matter and would attempt to gather the information as requested by LAB to facilitate further discussion of the subject.
- 24. Mr LEE Cheuk-yan, however, expressed disappointment at the Administration's lack of stance on the subject. He added that members belonging to the Labour Party intended to introduce a Members' Bill on the subject in the 2014-2015 legislative session.

Holidays for employees in neighbouring economies

- 25. The Deputy Chairman enquired about the overseas practice in respect of adopting two separate systems on holidays. AC for L (LR) advised that according to the information gathered by LD, among the 11 neighbouring economies of Hong Kong, six of them, namely, Korea, Japan, Macau, Malaysia, Taiwan and Thailand, adopted different arrangements in respect of general holidays and holidays designated for employees.
- 26. Mr LEUNG Yiu-chung was concerned that the Administration made use of the information collected in respect of the holiday arrangements in neighbouring economies as an excuse to retain two systems on holidays in Hong Kong. AC for L (LR) explained that information on neighbouring economies was gathered to provide members with reference for discussion on the issue.
- 27. <u>Mr POON Siu-ping</u> was of the view that in comparing the holiday benefits of employees in Hong Kong with those in other economies, in addition to the number of days of SHs, the Administration should also provide information on the overall employment conditions of employees in these places when the Panel revisited the issue. <u>Mr LEUNG</u> Kwok-hung echoed a similar view.

V. Work Incentive Transport Subsidy Scheme

(LC Paper Nos. CB(2)798/14-15(05) and (06))

- 28. At the invitation of the Chairman, the Secretary for Labour and Welfare ("SLW") briefed members on the latest state of play on the implementation of the Work Incentive Transport Subsidy ("WITS") Scheme as detailed in the Administration's paper.
- 29. <u>Members</u> noted the updated background brief entitled "Work Incentive Transport Subsidy Scheme" prepared by the LegCo Secretariat.

Presentation of views by deputations/individuals

30. At the invitation of the Chairman, a total of 26 deputations/individuals presented their views on the WITS Scheme. A summary of views of these deputations/individuals is in the **Appendix**.

[To allow sufficient time for discussion, the Chairman directed that the meeting would be extended by 15 minutes.]

Discussion

Eligibility criteria and the implementation of the WITS Scheme

- 31. Referring to the impending implementation of the Low-Income Working Family Allowance ("LIFA") which aimed to relieve the financial burden of the low-income working families not receiving Comprehensive Social Security Assistance ("CSSA") and to encourage working members in these households to stay in active employment, Mr SIN Chung-kai sought clarification as to whether LIFA would be taken into account in the calculation of family income under the WITS Scheme and vice versa.
- 32. Referring to the non-recurrent commitment of \$4,805 million endorsed by the Finance Committee for implementing the WITS Scheme and that a total subsidy payment of some \$891 million was made to 86 470 successful applicants as at end-January 2015, Mr POON Siu-ping expressed concern about the low take-up rate of the WITS Scheme, which was far below the estimation of some 436 000 beneficiaries made in the Administration's funding proposal for the Scheme. Mr POON queried whether it was attributed to the stringent eligibility criteria. Given that the policy objective of the WITS Scheme was to help low-income earners

reduce their cost of travelling to and from work and encourage them to secure or stay in employment, he criticised the means test requirement under the Scheme and considered that such eligibility criteria should be included in the comprehensive review of the WITS Scheme being conducted by LD.

33. Echoing similar views with Mr POON Siu-ping, Mr LEE Cheuk-yan, Miss CHAN Yuen-han and Mr LEUNG Kwok-hung were concerned that a large portion of the financial commitment remained unused and it could hardly benefit the grassroots workers. Mr LEE held the view that the stringent eligibility criteria, including the means test requirement, had made a considerable number of low-income workers or households ineligible for WITS and thus should be removed. Miss CHAN considered it imperative for the Administration to identify the reasons for the low take-up rate when conducting the comprehensive review with a view to encouraging the target beneficiaries to stay in the labour market and unleashing the labour force. Miss CHAN further expressed concern about the Administration's publicity efforts in promoting the WITS Scheme to the eligible ethnic minorities ("EMs") and raising their awareness about the Scheme.

Review of the level of subsidy

34. Noting that the monthly work-related travelling expenses incurred by low-income workers to work across districts exceeded \$1,000 as pointed out by some deputations, Mr LEE Cheuk-yan was of the view that the provision of monthly WITS at a flat full-rate subsidy of \$600 per qualified applicant was unfair to the low-income workers residing in remote areas and it could hardly relieve their burden of work-related travelling cost when working across districts. Mr LEE said that the Administration should consider introducing a two-tier subsidy rates based on the distance between the location of work and residence.

Comprehensive review

35. <u>Miss CHAN Yuen-han</u> shared the concerns of some deputations that the comprehensive review was unduly delayed if it was to be completed until the latter half of 2015. <u>Mr POON Siu-ping</u> enquired about the specific timetable for the Administration to revert to the Panel on the outcome of the review.

36. Mr LEE Cheuk-yan sought clarification as to whether the underlying objective of the comprehensive review was to study whether the WITS Scheme was to be replaced with LIFA.

Response by the Administration

- 37. At the invitation of the Chairman, <u>SLW</u> gave a consolidated response to the views expressed by deputations and members on the WITS Scheme as follows -
 - (a) LD was conducting a comprehensive review of the WITS Scheme, including its objectives, eligibility criteria, level of subsidy rate, modus operandi and effectiveness, which was expected to be completed in the latter half of 2015. Views of deputations and members expressed on the Scheme at the meeting would be taken into account in the review;
 - (b) a total subsidy payment of some \$891 million had been made to over 86 000 successful applicants since the inception of the WITS Scheme, excluding the administration expenses which included staff cost and operating It had been difficult to have an accurate estimate of the actual number of persons who would be eligible for WITS before the commencement of the Scheme. The figure on the potential number of beneficiaries provided at the time when the Administration sought funding approval for the WITS Scheme from the Finance Committee was merely a rough indication for reference based on C&SD's surveyed information on the number of persons meeting the income and working hour limits of the WITS Scheme. However, there was no information on the asset levels of these potential beneficiaries and that factor could not be taken into account;
 - (c) according to the General Household Survey conducted by C&SD in the first quarter of 2014, the average monthly expense of WITS target beneficiaries on public transport for travelling to and from work was \$427, and that for those working across districts was \$475. LD was planning to commission C&SD to collect the latest statistics in 2015;

- (d) the Administration was making preparation with an aim to implement the LIFA Scheme in the second quarter of 2016. Some LIFA families might have members eligible for WITS. As a general principle, LIFA would be granted on a family basis to relieve the financial burden of non-CSSA low-income working families, and beneficiaries of LIFA should not receive household-based WITS concurrently. Yet, all working members in a LIFA family (except for the LIFA applicants themselves) might apply for individual-based WITS, and their WITS payment would be counted towards the family income in LIFA's income test;
- (e) LD had extensively publicised the WITS Scheme to EMs, including publishing leaflets in different ethnic languages, advertising on radio programmes for EMs and publicising in EM support service centres. EMs having difficulties in applying for WITS were encouraged to come forward to LD's WITS office or job centres where they could be provided with appropriate assistance;
- (f) following a review to simplify the application forms, applicants only had to complete a two-page application form and sign on the third page for individual-based application, or to fill in a three-page application form and sign on the fourth page for household-based application. The information to be submitted by applicants had been substantially reduced, and successful applicants needed not re-submit some supporting documents in their subsequent rounds of application; and
- (g) the revised SMW rate of \$32.5 per hour was subject to the approval of LegCo. Its impact on the monthly earnings would be taken into account in considering the income limits under the WITS Scheme during the comprehensive review.
- 38. There being no other business, the meeting ended at 1:45 pm.

Council Business Division 2
Legislative Council Secretariat
16 March 2015

Panel on Manpower

Meeting on Tuesday, 10 February 2015, at 10:45 am Meeting to receive views on "Work Incentive Transport Subsidy Scheme"

Summary of views and concerns expressed by deputations/individuals

No.	Name of deputation/individual	Submission / Major views and concerns
1.	Democratic Party	• LC Paper No. CB(2)838/14-15(01)
2.	Mr TSUI Hiu-kit, Member of Kwai Tsing District Council	 A considerable number of residents in Tsing Yi had to give up working on Hong Kong Island because of expensive travelling cost. Given the difference in actual work-related travelling expenses, the provision of the monthly Work Incentive Transport Subsidy ("WITS") at a flat rate of \$600 was inappropriate. To encourage the WITS recipients to work across districts, the Administration should consider providing transport subsidy by offering fare discount per trip under the Octopus system.
3.	Democratic Alliance for the Betterment and Progress of Hong Kong	 The eligibility criteria for the WITS Scheme should be relaxed and the subsidy level should be raised. The application procedures under the WITS Scheme should be streamlined and made user-friendly. Consideration should be given to providing the applicants with a job search allowance of \$600 under the WITS Scheme, as adopted under the former Transport Support Scheme.
4.	The Federation of Hong Kong and Kowloon Labour Unions	• LC Paper No. CB(2)838/14-15(02)
5.	Neighbourhood and Worker's Service Centre	 Expressed concern about reasons for disapproval cases of WITS applications and the delay in completing the comprehensive review of the WITS Scheme. The asset test requirement under the WITS Scheme should be abolished and the income limits should be raised. The full-rate subsidy of \$600 under the WITS Scheme should be reviewed and adjusted upwards as it had remained unchanged since 2007 and the cumulative increase in the major public transport fares was significant.
6.	Kwai Chung Estate Labour Rights Concern Group	 The asset test requirement under the WITS Scheme should be abolished and the income limits should be raised. The full-rate subsidy of \$600 under the WITS Scheme should be reviewed and adjusted upwards to at least \$800 as it had remained unchanged since 2007 and the cumulative increase in the major public transport fares was significant.
7.	教區勞工牧民中心(九龍) 「保安護衛關注組」	• LC Paper No. CB(2)838/14-15(03)

No.	Name of deputation/individual	Submission / Major views and concerns
8.	Catholic Diocese of Hong Kong Diocesan Pastoral Centre for Workers (Kowloon)	• LC Paper No. CB(2)838/14-15(03)
9.	A.I.M. Group	 Expressed concern about the number of successful applications (both individual-based and household-based) for WITS from the Southeast Asians. It was difficult for the Southeast Asians to fill in the WITS application form because of language barrier. The application procedures under the WITS Scheme should be streamlined and made user-friendly. It was difficult for the Southeast Asians to provide supporting documents for income proof when applying for WITS.
10.	教區勞工牧民中心(九龍) 少數族裔關注小組	• LC Paper No. CB(2)859/14-15(01)
11.	Tung Chung Community Development Alliance	• LC Paper No. CB(2)798/14-15(07)
12.	Liberal Party	 To regularize the WITS Scheme and change the working hours requirement to that of working days. The income and asset limits under the WITS Scheme should be pegged to those for applying the Comprehensive Social Security Assistance. To encourage the WITS recipients residing in remote areas to work across districts, the subsidy level should be raised and reference should be made to the increase in the public transport fare.
13.	Liberal Party Youth Committee	• The Administration should seriously consider adopting the concept of negative income tax when formulating the welfare policy such that people in need would receive Government support and subsidy as appropriate.
14.	Catholic Diocese of Hong Kong Diocesan Pastoral Centre for Workers (New Territories)	 Expressed concern about the difficulty of employees aged 65 or above, who received earnings at the Statutory Minimum Wage ("SMW") rate and needed not to make contribution to the Mandatory Provident Funds, to meet the income limit under the WITS Scheme. To address the problem of expensive travelling cost, the Administration should enhance the monitoring of fare adjustment of the public transport. The comprehensive review of the WITS Scheme being conducted was not transparent. Suggested to commission an independent agency to conduct the review so as to ensure its independence and objectivity.

No.	Name of deputation/individual	Submission / Major views and concerns
15.	Smart & Beauty House	 To encourage the WITS recipients residing in remote areas to work across districts, the subsidy level should be raised. The full-rate subsidy of \$600 under the WITS Scheme should be reviewed and adjusted upwards to at least \$1,000 as it had remained unchanged since 2007 and the cumulative increase in the major public transport fares was significant. The subsidy level for WITS should be reviewed on an annual basis.
16.	New Territories Evangelical Ambassador	 The low take-up rate of the WITS Scheme was attributed to the complicated application procedures, in particular provision of employment details. The full-rate subsidy of \$600 under the WITS Scheme should be reviewed annually and substantially adjusted upwards in view of the significant cumulative increase in the major public transport fares. The eligibility criteria for the WITS Scheme should be relaxed, including raising the monthly income threshold and removing the asset test requirement. Applicants, instead, could make use of the declaration service of the Home Affairs Department.
17.	北區劏房勞工關注組	 The application procedures under the WITS Scheme should be streamlined and made user-friendly. The eligibility criteria for the WITS Scheme should be relaxed and the full-rate subsidy of \$600 should be adjusted upwards. The comprehensive review of the WITS Scheme being conducted by the Administration should be made transparent.
18.	北區清潔工權益關注組	 The cash value of applicants' insurance policies, which was meant to provide protection for future needs, should not be included in the calculation of asset value under the WITS Scheme. The full-rate subsidy of \$600 under the WITS Scheme should be adjusted upwards to at least \$800 as it had remained unchanged since 2007 and the cumulative increase in the major public transport fares was significant.
19.	關注北區外判清潔工 關注組	 The application procedures under the WITS Scheme should be streamlined and made user-friendly. The eligibility criteria should be relaxed, including raising the income limits and removing the asset test requirement. The full-rate subsidy of \$600 under the WITS Scheme should be reviewed and adjusted upwards as it had remained unchanged since 2007.
20.	關注北區 <i>勞</i> 工聯盟	 The application procedures under the WITS Scheme should be streamlined and made user-friendly. The eligibility criteria under the WITS Scheme should be relaxed, including raising the income limits and removing the asset test requirement. The cash value of applicants' insurance

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		 policies should not be included in the calculation of asset value. The full-rate subsidy of \$600 under the WITS Scheme should be reviewed and adjusted upwards in view of the significant cumulative increase in the major public transport fares. The comprehensive review of the WITS Scheme being conducted by the Administration should be made transparent.
21.	North District Grass Roots Workers Group	 The Administration should enhance its publicity efforts to promote the WITS Scheme. The application procedures under the WITS Scheme should be streamlined and made user-friendly. To achieve the aim of encouraging employment of low-income workers, the income and asset threshold requirements under the WITS Scheme should be removed.
22.	Shek Wu Hui Housing Problem Concern Group	 The application procedures under the WITS Scheme were cumbersome, inflexible and not user-friendly. A considerable number of casual workers encountered difficulties in submitting supporting information on employment details. The Administration should make good use of the public resources and review its welfare policy so as to address the needs of low-income households.
23.	North District Low-income Concern Group	 A considerable number of low-income workers would become ineligible for WITS in view of the impending increase in the SMW rate. The eligibility criteria for the WITS Scheme should be relaxed, including raising the income and assets limits.
24.	Miss Evangeline LAU Chung-ki	• The comprehensive review of the WITS Scheme should include a public consultation and be made transparent, including its approach, framework and outcome. It was undesirable that there would be delay in completing the review.
25.	Tin Shui Wai Community Development Alliance	 The application procedures under the WITS Scheme should be streamlined and made user-friendly. The Administration should consider providing assistance to applicants in filling the application form. The eligibility criteria for the WITS Scheme should be relaxed, including raising the income limits, removing the asset test requirement and taking into account the upward adjustment of the SMW rate. The comprehensive review of the WITS Scheme should be made transparent. It was undesirable that there would be delay in completing the review.

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26.	Mr LO Kai-fai	 The eligibility criteria for the WITS Scheme should be relaxed, including raising the income limits and taking into account the upward adjustment of the SMW rate. The full-rate subsidy of \$600 under the WITS Scheme should be reviewed and adjusted upwards in view of the significant cumulative increase in the major public transport fares.

Council Business Division 2
<u>Legislative Council Secretariat</u>
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