

LCQ10: Support for individuals and families with financial difficulties

Following is a question by the Hon Leung Che-cheung and a written reply by the Secretary for Labour and Welfare, Dr Law Chi-kwong, in the Legislative Council today (September 29):

Question:

The Government has relaxed the eligibility criteria for the Working Family Allowance (WFA) Scheme and the Short-term Food Assistance Service Projects starting from June this year for a period of one year, with a view to strengthening the support for individuals and families with financial difficulties. In this connection, will the Government inform this Council:

- (1) of the respective numbers of applications received under the aforesaid initiatives in each month since March this year;
- (2) of the respective projected expenditures of the aforesaid initiatives for the period from June this year to May next year; and
- (3) whether it will consider reviewing and improving the WFA Scheme in the near future (e.g. by increasing the amounts of allowances and introducing an additional "under-employment allowance")?

Reply:

President,

Having regard to the coronavirus disease 2019 pandemic, the Government has implemented two time-limited measures to strengthen its support to individuals and families with financial difficulties, namely relaxing the working hour requirements of the Working Family Allowance (WFA) Scheme for non-single-parent households for the claim months from June 2021 to May 2022, and relaxing the asset limits of the Short-term Food Assistance Service (STFAS) from June 1, 2021 to May 31, 2022.

My reply to the Member's question is set out below:

(1) From March to August 2021, the Working Family Allowance Office (WFAO) of the Working Family and Student Financial Assistance Agency and the non-government organisations commissioned by the Social Welfare Department have received 68 743 and 12 151 applications under WFA and STFAS respectively. The breakdown of number of applications received under the two Schemes by the month of submission is tabulated below:

Month of submission	Number of WFA applications	Number of STFAS applications
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March 2021	9 460	2 021
April 2021	12 795	1 837
May 2021	15 959	1 942
June 2021	12 310	2 003
July 2021	11 371	1 220
August 2021	6 848	3 128
Total	68 743	12 151

The claim period of WFA applications covers the immediate past six calendar months preceding the submission of application. The WFAO has temporarily reduced the WFA working hour requirements starting from the claim month of June 2021. Therefore, applicants may lodge an application in July 2021 the earliest. If compared with the number of applications received during the previous claim period (i.e. six calendar months before), the number of applications received under the WFA Scheme in July and August 2021 increased by about 5 per cent and 12 per cent from January and February 2021 respectively. Based on past operational experience, we anticipate that majority of households which are interested in applying for WFA under the time-limited measure will do so towards the end of 2021, so as to cover more claim months in their applications.

(2) The Finance Committee of the Legislative Council approved the two time-limited measures on March 26, 2021. For the purpose of financial planning, it was roughly estimated that the time-limited measure for WFA and STFAS would involve an additional expenditure of about \$954 million and \$430 million respectively.

(3) The policy objective of the WFA Scheme (and its predecessor the Low-income Working Family Allowance (LIFA) Scheme) is to support lower-income working households which have longer working hours (e.g. being engaged in full-time employment) and are not on Comprehensive Social Security Assistance. The WFA Scheme promotes self-reliance by providing allowances under the principle of rewarding hard work according to working hours, and provides Child Allowance to each eligible child and youth in the household to alleviate inter-generational poverty.

The Government has, since the implementation of the LIFA Scheme in 2016, implemented a host of improvement measures. They include relaxing the eligibility criteria, substantially increasing the rates of allowances twice, and allowing household members to aggregate their working hours to apply for WFA.

In end-August 2021, there were about 61 900 WFA "active households" (Note) (involving about 210 000 persons), more than double the number of the then LIFA Scheme. In 2021-22, the estimated recurrent expenditure for WFA is about \$1.98 billion (excluding the expenditure required for implementing the time-limited relaxation of working hour requirements mentioned in part (2) of the reply), about three times of the then LIFA. In terms of WFA payments, taking a four-person household with two children as an example, they can receive up to \$4,200 per month, which is over 60 per cent higher than that

under the former LIFA at \$2,600 per month.

In the past few years, the Government has comprehensively reviewed and introduced a number of improvements to the WFA Scheme. We have also implemented a time-limited measure amid the pandemic. While the Government has no plan to review WFA again, we will continue to closely monitor the implementation of the Scheme.

Note: Referring to those households which have been approved with WFA and submitted the latest applications in the past six months.