

Transcript of remarks by SLW on additional measures to assist financially needy individuals and families (with video)

Following is the transcript of remarks by the Secretary for Labour and Welfare, Dr Law Chi-kwong, on additional measures to assist financially needy individuals and families this afternoon (February 4):

Reporter: Mr Law, can you just explain a little bit about the latest relaxation for the Working Family Allowance (WFA)? How many people do you think that this relaxation will help? How many people will benefit from this change? Why have you not considered setting up a temporary unemployment fund as many have suggested to actually help those people who are unemployed rather than underemployed, because many people are right now unable to find a job at all? About the scrapping of the Individual-based Work Incentive Transport Subsidy (I-WITS), how many people do you think will be affected by this change? Will it make it even more difficult for these underemployed individuals to get a subsidy after you have made the policy change.

Secretary for Labour and Welfare: Let me explain the measures that we are going to propose to the Finance Committee of the Legislative Council (LegCo) in the coming days. The first measure that we are going to propose is to lower the basic working hour requirement for the WFA from 144 hours to 72 hours. The major purpose is to address the concern during these days when a lot of people cannot work full-time and have to take no pay leave. Under these circumstances, a lot of families or individuals, because of this situation, apart from reduced income, they may lose the eligibility to apply for the WFA and therefore we consider it is timely to propose the lowering of that basic working hour requirement to 72 hours.

The second measure is related to the Short-term Food Assistance Service Projects. We normally call it the food bank programme. Again, many individuals who have lost their income would hope to have some kind of short-term relief for the food cost, but then partly because their own asset level may have exceeded the current eligibility standard, therefore they are not able to receive such temporary assistance. So, we propose to increase the asset limit for the eligibility of the food bank programme. Basically, it is more than double for different cases. The whole idea is really hoping that this food bank programme can provide temporary relief for those families who may be affected by unemployment or underemployment.

As to the question for them to have temporary unemployment benefits, I probably have answered this question in written form or oral questions in the LegCo for I just can't remember how many times already, but basically I repeated from time to time. Firstly, in this whole world, no country, no government has ever provided a non-means tested or non-contributory

unemployment benefit. It is very interesting that people in Hong Kong have been advocating for such a scheme that no one else in this world will do. Secondly, there are two alternatives (people suggested) in terms of temporary (assistance), either time-limited or when the unemployment rate drops to a certain level then we drop this programme. In the former case, when there is a time limit, let's say at the end of this year, it will be a very difficult policy decision to say that we can only help those who are unemployed on December 31 this year but not the ones who are unemployed on January 1 next year. They are equally needy in terms of the circumstances. It will also prompt their employers who are planning to make redundancy in January to advance it to December so that their employees can benefit from the so-called time-limited temporary unemployment benefits, because that would be a large sum of money, six months of \$9,000 will be \$54,000. That is a lot of money. If the second option is to limit (the eligibility) by a certain criterion, such as when the unemployment rate drops to a certain level then we stop it, let's say at 4 per cent, it will be very difficult in the policy terms that we should support the ones who are unemployed at 4 per cent of unemployment rate but not the ones who are unemployed at the unemployment rate of 3.99 per cent, because they are actually in the same situation. Although the general economy is slightly different, their difficulty would be the same, so this is not the way forward.

In fact, we do have a system already in place, the severance payment and long service payment. If you compare to other countries like the United States, Canada, United Kingdom, our severance payment and long service payment are about 2.9 times of the amount the employers in these other countries have to pay, so that is very substantial and the maximum amount is \$390,000 for severance payment or long service payment. Also, for those who have no sufficient means to meet their basic living, we do have a programme to help them, that is the Comprehensive Social Security Assistance Scheme. So, we do not consider a temporary one sounds meaningful in policy terms or practical in policy terms, so we are not contemplating this particular measure. But we, as I repeatedly said in the LegCo, we will try every effort to see what we can do under existing measures and existing programmes, and how to provide additional and better help to those who are needy. These two initiatives I announce today to be proposed to the LegCo are along that direction.

Reporter: Can you elaborate about the I-WITS because many people may not be able to apply for transport subsidy in the future? How many people will be affected by this change?

Secretary for Labour and Welfare: Currently, 95 per cent of those who are receiving I-WITS have their monthly working hours exceeding 72, in fact 64 per cent of them actually exceeding 144 hours per month. If we look at the information that we have, we do consider almost all of them would be eligible to apply for WFA. Probably one of the major reasons for not doing that is they have been repeatedly applying for the same allowance without taking the trouble of providing additional information so as to apply for a much higher benefit from the WFA. Even for those who may not be qualified to receive the WFA, they, as any individual in Hong Kong, can be benefited from the Public

Transport Fare Subsidy Scheme that is available to every citizen in Hong Kong.

(Please also refer to the Chinese portion of the transcript.)