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Panel on Welfare Services

Updated background brief prepared by the Legislative Council Secretariat for the meeting on 11 November 2019

Providing one-off extra allowance to recipients of social security payments, Working Family Allowance and Work Incentive Transport Subsidy

Purpose

This paper provides background information and gives an account of the discussions of the Panel on Welfare Services ("the Panel") on the provision of one-off extra allowance for recipients of social security payments, Working Family Allowance ("WFA") and Work Incentive Transport Subsidy ("WITS") by the Administration.

Background

2. The Administration has provided one-off extra allowance to recipients of Comprehensive Social Security Assistance ("CSSA") and Social Security Allowance ("SAA") consecutively since the 2007-2008 financial year. On 15 August 2019, the Financial Secretary announced a package of measures to counter the challenging external and local economic environment. Such measures include, among other things, providing an extra allowance to social security recipients, which is equal to one month of the standard payment rates of CSSA, Old Age Allowance, Old Age Living Allowance or Disability Allowance. Similar arrangements will apply to recipients of WFA and individual-based WITS.

Deliberations of the Panel since 2012-2013 session

Effectiveness of one-off relief measures

3. While expressing support for providing additional relief measures for

the disadvantaged, some members were concerned about the long-term effectiveness of the one-off measures to assist the CSSA and SSA recipients. Pointing out that the Administration had provided the one-off relief measures consecutively in the past years, these members were of the view that the Administration should address the crux of the problem and consider adjusting upwards the standard payment rates of CSSA and SSA rates if the current payment levels were proven to be inadequate for the recipients even at times of economic downturn.

4. Some other members had raised concern that the Administration had not conducted any review of the CSSA Scheme in connection with the social changes and economic growth since 1996. These members called on the Administration to conduct a study on the needs of the disadvantaged groups and on whether the existing level of CSSA payment was adequate to meet their needs.

5. The Administration advised that the decision to provide additional one-off payments in the past years was based on individual circumstances on each occasion. This did not mean that the Administration considered the existing CSSA and SSA payment rates inadequate. The standard payment rates of CSSA and SSA rates would continue to be reviewed annually in accordance with the established adjustment mechanism.

6. The Administration also advised that on top of the regular monitoring on the changes of the Social Security Assistance Index of Prices ("SSAIP"), the weighting system of SSAIP was updated every five years on the basis of the findings of the Household Expenditure Survey on CSSA Households to ensure that up-to-date expenditure patterns of CSSA households were accurately reflected in the compilation of SSAIP. An increase in the standard payment rates in accordance with the movement of SSAIP would enable CSSA recipients to catch up with inflation. Irrespective of household sizes, the average monthly CSSA payments were higher than the average monthly expenditure of non-CSSA households in the lowest 25% expenditure group. Considering that the current annual adjustment mechanism had worked effectively, the Administration had no plan at this stage to review the CSSA standard rates.

7. Some members suggested that the Administration should consider providing CSSA recipients living in private rental housing with an extra month of rent allowance or non-accountable rent allowance. The Administration advised that the Community Care Fund ("CCF") had relaunched and enhanced the programme entitled "Subsidy for CSSA Recipients Living in Rented Private Housing" ("the Programme") in 2017 to provide subsidy for CSSA households living in private rental housing and paying rent which exceeded the maximum rates of the rent allowance under the CSSA Scheme. Under the enhanced Programme, the subsidy for one-person households had increased from a one-off of \$2,000 to a maximum of \$3,400 per year; whereas that for two-or-more-person households had increased from a one-off of \$4,000 to a maximum of around \$6,800 to \$11,900 per year depending on the number of household members. The Programme would last for two years until 29 November 2019 and the Administration would keep in view its implementation with a view to regularizing the Programme in the future.

8. Some members raised concern that the one-off relief measure could not provide immediate and direct assistance for the low-income group and the unemployed. These members considered that the Administration should provide concrete assistance, such as unemployment subsidy, for the unemployed.

9. According to the Administration, the Labour Department had launched a series of measures to strengthen employment assistance and support. CSSA was not the only source of assistance available for those in need. Where there were proven needs, other forms of assistance, such as emergency relief, temporary cash grants from charitable trust funds and assistance in kind were available. The Social Welfare Department ("SWD") staff would, having regard to individual circumstances, render appropriate assistance to those in need.

10. Some members considered that the Administration should have a radical change to its concept about one-off measures. They held the view that the introduction of one-off measures was an attempt of the Administration to avoid increasing social security assistance and other types of financial assistance. As there were still many needy people not covered by the assistance schemes launched by the Administration or CCF, the Administration should address the problem and provide them with regular financial assistance.

11. The Administration advised that poverty statistics had shown that quite a number of families were living below the poverty line although their family members were working full-time. The Administration considered that priority should be accorded to assisting low-income working families living below the poverty line.

Enhancing the Working Family Allowance Scheme and the Work Incentive Transport Subsidy Scheme

12. Members considered that as many casual workers were unable to meet the working hour requirements under the WFA Scheme, the Administration should further relax the working hour requirements with a

view to benefiting more low-income families. These members also called on the Administration to resume the household-based WITS and increase the amount of WITS.

13. The Administration advised that it had implemented enhancement measures concerning the income and working hour requirements under the WFA Scheme in April 2018 in order to benefit more households, particularly single-parent households, households with children and singleton households. Since then, the Administration had received new applications for WFA from over 24 000 households. The Administration would keep in view the development and consider enhancing the WFA Scheme and the WITS Scheme having regard to members' views.

14. In response to members' concern that many ethnic minorities ("EMs") might not be aware of the WFA Scheme due to language barrier, the Administration advised that various non-governmental organizations which provided dedicated support for EMs had assisted the latter in applying for WFA.

Disbursement of payments

15. Some members expressed concern about whether there was sufficient manpower to implement the one-off relief measures smoothly. They considered that the Administration should establish a mechanism for future disbursement of one-off subsidies. Some other members urged the Administration to set up a super computer so as to speed up the disbursement of the one-off extra allowance.

16. The Administration advised that additional manpower was not required for implementing the one-off relief measures. SWD would review its work arrangements and the procedure for disbursing one-off extra allowance as and when necessary in order to enhance efficiency. SWD would also keep in view the workload and work pressure of the staff concerned in the course of work re-engineering.

Relevant papers

17. A list of the relevant papers on the Legislative Council website is in the **Appendix**.

Council Business Division 2 Legislative Council Secretariat 5 November 2019

Relevant papers on providing one-off extra allowance to recipients of social security payments, Working Family Allowance and Work Incentive Transport Subsidy

Committee	Date of meeting	Paper
Panel on Welfare Services	21 May 2013 (Item IV)	Agenda Minutes
Finance Committee	7 June 2013 (Item 3)	Agenda Minutes
Panel on Welfare Services	12 May 2014 (Item III)	Agenda Minutes
Finance Committee	12 July 2014 (Item 16)	Agenda Minutes
Panel on Welfare Services	13 April 2015 (Item IV)	Agenda Minutes LC Paper No. CB(2)1498/14-15(01)
Finance Committee	26 June 2015 (Item 2)	Agenda Minutes
Panel on Welfare Services	11 April 2016 (Item V)	Agenda Minutes
Finance Committee	22 April 2016 (Item 3)	Agenda Minutes
Panel on Welfare Services	13 March 2017 (Item IV)	Agenda Minutes
	9 April 2018 (Item III)	Agenda Minutes
	15 April 2019 (Item III)	<u>Agenda</u> <u>Minutes</u> <u>LC Paper No.</u> <u>CB(2)1492/18-19(01)</u>

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