

ITEM FOR FINANCE COMMITTEE

HEAD 170 – SOCIAL WELFARE DEPARTMENT

Subhead 700 General non-recurrent

Item 811 Short-term food assistance

Subhead 000 Operational expenses

Members are invited to approve –

- (a) an increase in commitment by \$18.3 million from \$1,259 million to \$1,277.3 million under Head 170 Social Welfare Department Subhead 700 General non-recurrent Item 811 Short-term food assistance to meet the increase in demand for food assistance arising from the time-limited relaxation of the asset limits of the Short-term Food Assistance Service Projects; and
- (b) a supplementary provision of \$280.4 million for 2021-22 under Head 170 Social Welfare Department Subhead 000 Operational expenses to meet the increase in demand for food assistance arising from the time-limited relaxation of the asset limits of the Short-term Food Assistance Service Projects.

PROBLEM

The Government needs to provide additional support to individuals and families temporarily affected by the coronavirus disease 2019 (COVID-19) pandemic.

/PROPOSAL

PROPOSAL

2. We propose to increase the commitment under Head 170 Social Welfare Department Subhead 700 General non-recurrent Item 811 Short-term food assistance by \$18.3 million from \$1,259 million to \$1,277.3 million, and provide a supplementary provision of \$280.4 million for 2021-22 under Head 170 Social Welfare Department Subhead 000 Operational expenses to meet the increase in demand for food assistance arising from the one year time-limited relaxation of the asset limits of the Short-term Food Assistance Service Projects (STFASPs).

JUSTIFICATION

3. The STFASPs serve to supplement other poverty alleviation measures and help the underprivileged tide over their financial difficulties. Since the STFASPs were launched in 2009, additional funding has been injected for service continuation and enhancement. The total approved commitment for Head 170 Subhead 700 Item 811 Short-term food assistance currently stands at \$1,259 million. As announced by the Chief Executive in the 2020 Policy Address, the Government will make the food assistance service a permanent one from August 2021 upon completion of the existing service contracts¹.

4. With the slackening of the labour market due to the COVID-19 pandemic since early 2020, low-income households have been severely affected. There has been an upsurge in service demand for short-term food assistance. Comparing the period from January to December 2020 with the same period in 2019, the number of service users increased by 45% from 38 405 to 55 864, while the meal-day² consumption increased by 47% from 2 525 332 to 3 710 442. With the approval of this Committee in September 2020³, an increase in commitment by \$127 million was made under Head 170 Subhead 700 Item 811 Short-term food assistance to meet the rising demand for the STFASPs due to the COVID-19 pandemic.

5. The newly unemployed and under-employed individuals and families temporarily affected by the COVID-19 pandemic will not be eligible for short-term food assistance if their assets exceed the current limits of the STFASPs. We propose

/to

¹ Upon regularisation of the service, the funding mode of the STFASPs will be changed to Lump Sum Grant Subvention with enhancements in terms of increased professional manpower for the service operators and re-demarcation of the service boundary for individual operators.

² A meal-day refers to a measurement unit of food assistance provided for one eligible service user for one day (i.e. breakfast, lunch and dinner).

³ Please refer to FCR(2020-21)71.

Encl.

to relax the asset limits of the STFASPs temporarily by pitching them to those of the Working Family Allowance (WFA) Scheme. For illustration, we propose to relax the asset limit of a one-person household from \$99,000 to \$266,000, and that of a four-person household from \$264,000 to \$548,000. The current asset limits of the STFASPs and the WFA Scheme are set out at the Enclosure.

FINANCIAL IMPLICATIONS

6. We estimate that the proposed one-year time-limited relaxation of the asset limits of the STFASPs can benefit around 120 000 additional service users, involving an additional expenditure of about \$430 million (including \$359.7 million in 2021-22 and \$70.1 million in 2022-23). Since the approved commitment of Head 170 Subhead 700 Item 811 Short-term food assistance can absorb part of the expenditure (about \$61 million), the additional funding required for the proposed relaxation will be about \$369 million. To this end, we propose to increase the commitment under Head 170 Subhead 700 Item 811 by \$18.3 million to meet the requirements for the period from June to July 2021 (i.e. before the regularisation of the STFASPs) and provide a supplementary provision of \$280.4 million for 2021-22 under Head 170 Subhead 000 Operational expenses to meet the requirements for the period from August 2021 to March 2022 (i.e. upon the regularisation of the STFASPs). Meanwhile, the Government will include the provision required in 2022-23 (i.e. \$70.1 million for April and May 2022) in the draft estimates of the forthcoming year, and seek the approval of the Legislative Council in the context of the Appropriation Bill 2022.

IMPLEMENTATION

7. Subject to this Committee's approval, the time-limited relaxation of asset limits of the STFASPs will take effect from June 2021.

PUBLIC CONSULTATION

8. The Government briefed members of the Panel on Welfare Services on the proposal in this paper on 8 February 2021. Members supported the submission of the funding proposal to this Committee.

BACKGROUND

9. Since February 2009, Social Welfare Department has been commissioning non-governmental organisations to operate service projects which provide one-off basic short-term food assistance for a period of up to eight weeks

/to

to help individuals and families encountering sudden change and facing immediate financial hardship cope with their daily food expenditure. Operators of the STFASPs may extend the service period beyond eight weeks, depending on the special needs of individual applicants and their families. Operators will refer the service users in need to mainstream welfare services (e.g. the Comprehensive Social Security Assistance Scheme and family services) to alleviate their long-term welfare needs.

10. Under the STFASPs, service users normally receive dry rations (such as canned food) and food coupons, including hot meal coupons, which can be redeemed at designated food stalls, supermarkets and restaurants. Operators are required to design special menus to meet the needs of special clientele groups, for health or religious reasons, such as infants, children, the chronically ill, elderly persons and ethnic minorities.

Labour and Welfare Bureau
Social Welfare Department
March 2021

**Asset Limits under
the Short-term Food Assistance Service Projects (STFASPs) and
the Working Family Allowance (WFA) Scheme
(as at March 2021)**

Household Size	Asset Limit of STFASPs	Asset Limit of the WFA Scheme
1	\$99,000	\$266,000
2	\$132,000	\$360,000
3	\$198,000	\$469,000
4	\$264,000	\$548,000
5	\$264,000	\$609,000
6	\$264,000	\$659,000
7	\$264,000	\$703,000
8	\$264,000	\$737,000
9	\$264,000	\$815,000
10 or above	\$264,000	\$878,000
