

立法會
Legislative Council

LC Paper No. CB(2)1625/05-06
(These minutes have been
seen by the Administration)

Ref : CB2/PS/1/04

Panel on Welfare Services

**Subcommittee on Review of the
Comprehensive Social Security Assistance Scheme**

**Minutes of the 11th meeting
held on Tuesday, 28 February 2006 at 10:45 am
in the Chamber of the Legislative Council Building**

Members present : Dr Hon Fernando CHEUNG Chiu-hung (Chairman)
Hon LEE Cheuk-yan
Hon CHAN Yuen-han, JP
Hon TAM Yiu-chung, GBS, JP
Hon LI Fung-ying, BBS, JP
Hon LEUNG Kwok-hung

Members absent : Hon Frederick FUNG Kin-kee, JP
Hon Alan LEONG Kah-kit, SC

Public Officers attending : Ms Salina YAN
Deputy Secretary for Health, Welfare and Food
(Elderly Services and Social Security)

Mr D C CHEUNG
Principal Assistant Secretary for Health, Welfare and Food
(Elderly Services and Social Security) 2

Miss Cherie YEUNG
Assistant Secretary for Health, Welfare and Food
(Elderly Services and Social Security) 4

Miss Nancy LAW, JP
Deputy Director of Social Welfare (Administration)

Mr LAI Shiu-bor
Chief Social Security Officer (Social Security) 2
Social Welfare Department

Mr Kenneth NG
Senior Statistician (Social Welfare)
Social Welfare Department

**Deputations
by invitation** : The Against Elderly Abuse of Hong Kong

Ms Kennex YUE
Chief Executive Director

Ms CHENG Hang-mei
Member

Society for Community Organization

Ms SZE Lai-shan
Community Organizer

Children's Rights Association

Ms TING Kit-wah
Chairperson

Concerning Group for Women Poverty

Ms YEUNG Suet-lam
Member

Ms WONG Fo-mui
Member

Concerning CSSA Review Alliance

Ms WONG Shek-hung
Social Worker

Ms CHENG Chun-yin
Representative of Students' Parents

Mr PAK Yee-keung
Representative of Disables

Hong Kong Association for the Survivors of Women Abuse
(Kwan Fook)

Ms LIU Ngan-fung
Chairman

May
Member

The Boys' and Girls' Clubs Association of Hong Kong

Mr WONG Kwai-yau
Supervisor

Joint Alliance for Universal Retirement Protection

Mr WAN Hoi-wing
Representative

Mr WAN Bong
Representative

The Hong Kong Association of Senior Citizens

Mr MAK Hon-kai
Chairman

Mr LAW Wing-tat
Committee Member

The Hong Kong Committee on Children's Rights

Dr CHOW Chun-bong
Chairperson

Ms Evelyn Razack
Child Participation and Development Officer

The Hong Kong Council of Social Service

Mr CHUA Hoi-wai
Business Director

Dr WONG Hung
Researcher

Ms Mariana CHAN
Chief Officer

Hong Kong Federation of Handicapped Youth

Mr CHOI Sai-lo
Member

Mr CHAN Ka-yin
Policy Advocacy Officer

1st Step Association

Ms KWONG Suet-yi

Ms POON Sze-ching

Clerk in attendance : Ms Doris CHAN
Chief Council Secretary (2) 4

Staff in attendance : Miss Mary SO
Senior Council Secretary (2) 8

Miss Maggie CHIU
Legislative Assistant (2) 4

I. Basic needs of the elderly, the disabled and children and the provision of long-term supplement

(LC Paper Nos. CB(2)1223/05-06(01) to (07))

Views of deputations

At the invitation of the Chairman, representatives from the following organisations presented their views as set out in their respective submissions -

- (a) Against Elderly Abuse of Hong Kong (LC Paper No. CB(2)1223/05-06(02) tabled at the meeting);
- (b) Hong Kong Association for the Survivors of Women Abuse (Kwan Fook) (LC Paper No. CB(2)1223/05-06(06) tabled at the meeting);
- (c) Concerning Group for Women Poverty (LC Paper No. CB(2)1223/05-06(04) tabled at the meeting);
- (d) Society for Community Organization and Children's Rights Association (LC Paper No. CB(2)1223/05-06(03));
- (e) Hong Kong Council of Social Service (HKCSS) (LC Paper No. CB(2)1281/05-06(01) tabled at the meeting);
- (f) Concerning CSSA Review Alliance (LC Paper No. CB(2)1223/05-06(05) tabled at the meeting); and
- (g) The Boys' and Girls' Clubs Association of Hong Kong (LC Paper No. CB(2)1223/05-06(07)).

2. Mr MAK Hon-kai of the Hong Kong Association of Senior Citizens urged the Administration to -

- (a) implement an old age pension scheme for all Hong Kong residents;
- (b) provide half-price public health care services to elders on presentation of senior citizen card;
- (c) assist elders to make good use of their skills and knowledge to help others; and
- (d) liaise with local universities to allow elders to attend classes and lectures as observers.

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3. Mr WAN Bong of the Joint Alliance for Universal Retirement Protection urged the Administration to expeditiously re-visit the implementation of an old age pension scheme for every citizen in Hong Kong.
4. Mr CHOI Sai-lo of the Hong Kong Federation of Handicapped Youth urged the Administration to review the Comprehensive Social Security Assistance (CSSA) Scheme, as the existing standard rates, special grants and supplements were unable to meet the basic needs of recipients.
5. Ms POON Sze-ching of the 1st Step Association, a single, disabled CSSA recipient, said that she could not afford to see private doctors who charged \$200-\$300 per consultation, replace a broken-down washing machine and pay for home care service. Ms KWONG Suet-yi pointed out that the safety net should not merely meet the basic needs of the disabled, it should also provide an allowance to ensure the psychosocial well-being of the disabled, such as to cover the expenses in participating in social activities so that they did not have to become homebound because of lack of means.
6. Dr CHOW Chun-bong of the Hong Kong Committee on Children's Rights said that living in poverty children on CSSA were deprived of their developmental right, which was one of the rights stipulated under the United Nations Convention on the Rights of the Child which Hong Kong had to comply with. Dr CHOW pointed out that in the United Kingdom, a child was considered to be in poverty if he could not afford to go out with his friends once every two weeks and take a vacation once a year. According to a survey conducted in 1993 on 60 CSSA children living in Tsuen Wan district, a significant part of their CSSA payments was spent on food items at an average of some \$800 a month, which left them with very little else to spend on other basic items. The well-being of CSSA children were further aggravated by the stigma put on them by the community that people on public assistance were lazy and useless people. As a result, many CSSA children had a very low self-esteem and lacked self-confidence. For instance, many CSSA children preferred to go without, rather than to approach the Social Security Field Units of the Social Welfare Department (SWD) to apply for the special grants.

The Administration's response

7. Deputy Secretary for Health, Welfare and Food (Elderly Services and Social Security) (DSHWF(ES&SS)) responded as follows -
 - (a) the CSSA Scheme had already provided a broad coverage to meet the basic and special needs of the elderly, the disabled and children through the provision of higher standard rates, special grants and

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supplements, details of which were set out in the Administration's paper (LC Paper No. CB(2)1223/05-06(01));

- (b) the reason for adjusting the CSSA standard rates downwards by 11.1% in 2003 was due to over-adjustments for inflation of CSSA standard rates in 1997-98 and 1998-99. Such downward adjustment, therefore, should not affect the purchasing power of the recipients;
- (c) to ensure that the CSSA standard rates closely follow the price changes reflected by the Social Security Assistance Index of Prices (SSAIP), a new annual adjustment cycle that took into account the SSAIP movement for the past 12 months ending 31 October following approval by the Finance Committee (FC) in December and the new rates to be effected in the following February was recently adopted. In December 2005, the FC approved a 0.4% increase in the CSSA standard payment rates from 1 February 2006;
- (d) the Administration was committed to providing a safety net for people in need. However, it was worth noting that the expenditure on the non-contributory CSSA had increased drastically from \$3.4 billion in 1994-95 to \$17.6 billion in 2004-05;
- (e) apart from providing financial assistance through the CSSA Scheme, all CSSA recipients also received free medical service at public hospitals and clinics, support in public housing, free education, etc. For instance, in respect of CSSA children, other forms of support and assistance outside the CSSA Scheme were provided to cater to their developmental needs, details of which were set out in a paper previously submitted to this Subcommittee (LC Paper No. CB(2)539/04-05(01));
- (f) to further help the needy children, the Financial Secretary (FS) announced in the 2006-07 budget that an additional \$30 million would be allocated to strengthen family support and an additional \$20 million to improve the pilot Comprehensive Child Development Service;
- (g) to realise the vision of "ageing in place", the 2006-07 budget also included an allocation of an additional \$20 million to strengthen home care services for the elderly; and
- (h) in line with the Government's policy of promoting healthy ageing, the Administration would continue to encourage and assist elders to make good use of their skills and knowledge to help others.

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Discussion

8. Mr LEE Cheuk-yan asked the Administration -
 - (a) whether it would conduct a review on the adequacy of the CSSA standard rates using the basic need approach, having regard to the fact that the last exercise on such was conducted in 1996;
 - (b) when it would come up with a proposal to provide financial support for people in their old age; and
 - (c) what measures would be taken to address the issue of children in poverty.

9. DSHWF(ES&SS) responded as follows -
 - (a) the Administration had no plan to conduct a review on the adequacy of the CSSA standard rates using the basic need approach at this stage, as the last study conducted on such in 1996 was a very comprehensive one using the basic need approach. For instance, the food items and their costs were determined for each age group with reference to the advice of Government dieticians and the average retail prices of the lowest 50% price range provided by the Census and Statistics Department (C&SD);
 - (b) to ensure the CSSA standard rates would not fall under the baseline provided by the basic need approach, CSSA standard rates were adjusted regularly with reference to the movement of the SSAIP. On top of the regular monitoring on the changes of the SSAIP, the weighting system of the SSAIP (i.e. the relative expenditure shares of individual items of goods and services covered by the index) were updated every five years on the basis of the findings of the Household Expenditure Survey (HES) on CSSA Households. The last HES on CSSA Households was launched during October 2004 and September 2005. An analysis on the data collected from the HES on CSSA Households was being conducted by SWD and C&SD. It was the Administration's intention to brief members on the outcome of the analysis in due course;
 - (c) apart from (b) above, additional supplements had been and would continue to be provided to meet the special needs of CSSA recipients where justified. For instance, with effect from 1 November 2005, a monthly community living supplement of \$100 had been payable to

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severely disabled CSSA recipients who were not living in institutions to recognise the heavier expenses they might incur while living in the community;

- (d) the principle of according priority treatment to meet the needs of children was well embedded in the CSSA Scheme, under which children were provided with higher standard rates than other able-bodied recipients. They were also provided with a range of special grants for taking care of their school-related needs. For instance, a meal allowance of \$195 per month was provided for CSSA children who were full-time students and had to take lunch away from home. This however did not mean that they only had less than \$10 to spend on a lunchbox, as provision for food was already covered in their CSSA standard rates;
- (e) the Administration was willing to examine whether the existing CSSA standard rates and special grants were adequate to meet the basic and special needs of CSSA recipients, having regard to the views expressed by some deputations about the inadequacy of these rates. In trying to establish the basic needs of the financially vulnerable, there was a need to give due regard to the income and expenditure of the lower income groups of the society so that a balance between caring for the needy and not demotivating people to be self-reliant could be maintained. Based on the existing profile of CSSA recipients, it was estimated that if HKCSS' recommendations on new standard rates were accepted, a four-member CSSA family now receiving an average of \$9,000 CSSA payment a month might receive \$13,000;
- (f) there was no question that the developmental needs of needy children must be met. However, whether these needs should be covered by the CSSA Scheme needed to be further examined, for the reason already given in paragraph 7(e) above. In the meantime, the Health, Welfare and Food Bureau (HWFB) would discuss with the Education and Manpower Bureau (EMB) on ways to streamline applications for the about \$140 million Life-wide Learning Fund set up by the Hong Kong Jockey Club Charities Trust to support needy students to participate in co-curricular activities organised by schools and the \$75 million earmarked for EMB to provide school-based after school learning and other support services for needy students; and
- (g) a study was being undertaken by the Central Policy Unit to find out how the existing arrangements for retirement protection, including mandatory savings for the working population, social security

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assistance for needy elders, and personal savings, under the three-pillar approach developed by the World Bank, could be more sustainable in the light of the ageing population. The study was expected to be completed in mid-2006.

10. Mr LEE Cheuk-yan disagreed with the reasons given by DSHWF(ES&SS) for not conducting a review on the adequacy of the CSSA standard rates using the basic need approach, as the needs of the recipients had changed over the past 10 years. For instance, it was now very common for students to use Internet to do homework. Mr LEE hoped that HWFB would not shift its responsibility to help needy students to EMB.

11. Dr WONG Hung of the HKCSS also said that comparing the expenditure patterns of CSSA households with those of the non-CSSA households whose average income was in the lowest 10th percentile would not help to find out whether the existing CSSA standard rates were adequate to meet the minimum standard of living acceptable to the community. This was because those households were also living in poverty, albeit they were not on CSSA because of the stigmatisation put on people on CSSA that they were lazy and useless.

12. Responding to Mr LEE Cheuk-yan's enquiry on whether the meal allowance was sufficient to meet the lunch expenses of full-day students on CSSA, Chief Social Security Officer (Social Security) 2 said that as the food cost was already covered by the standard rates, the \$195 meal allowance was intended as a supplement to take account of the additional cost incurred in taking meals away from home by full-day students and was not meant to cover the full cost of such meals.

13. Ms LI Fung-ying asked the Administration -

- (a) whether it still honoured the pledge made in the report on the 1996 CSSA review that the CSSA standard rates would not be allowed to fall below the baseline drawn up according to the basic needs approach, having regard to the findings of the basic needs study conducted by HKCSS that the existing CSSA rates for the elderly, the disabled and children could no longer meet their basic needs; and
- (b) whether it would adjust the CSSA standard rates upwards to tie in with the anticipating 1.1% rise in inflation for the year, as announced by FS in the 2006-07 budget.

Ms LI further requested the Administration to provide a response in writing to each and every suggestion/recommendation made by the deputations in their submissions and/or oral representations.

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14. DSHWF(ES&SS) responded as follows -

- (a) the Administration had not abandoned the basic needs approach adopted in the 1996 review of the CSSA Scheme. The Administration considered the mechanisms outlined in paragraph 9(b) above could ensure the adequacy of the CSSA standard rates to meet the basic needs of recipients, albeit there might be some individual items under the CSSA Scheme which might warrant closer examination to ensure their adequacy;
- (b) the Administration would carefully study the new information provided by HKCSS in its submission for this meeting, and where necessary, would obtain more information from HKCSS on its basic needs study after the meeting;
- (c) with the adoption of the new annual adjustment cycle outlined in paragraph 7(c) above, it was the Administration's plan to brief this Subcommittee or the Panel on Welfare Services in September/October 2006 on adjusting the CSSA standard rates; and
- (d) the Administration would carefully consider all the suggestions/recommendations made by deputations in their submissions and/or oral representations, and provide a written response. To facilitate its preparation for such response, it would be useful if the Secretariat could compile a summary of the suggestions/recommendations made by the deputations.

Admin

Clerk

15. Referring to the comments made by the Administration in paragraph 9(e) above that if the HKCSS' recommendations on new standard rates were accepted, a four-member CSSA family now receiving an average of \$9,000 CSSA payment a month might receive \$13,000, Mr CHUA Hoi-wai of the HKCSS said that HKCSS did not know how the Administration had come up with such a conclusion which was previously mentioned in the Administration's paper for this Subcommittee on 17 February 2005. Mr CHUA pointed out that it was unfair and inappropriate of the Administration to make such a conclusion openly when the HKCSS' basic needs study then was still unfinished and not publicised. The Administration had also failed to consult HKCSS before making such a conclusion.

16. Miss CHAN Yuen-han said that if the Administration was sincere in upholding the basic needs approach in providing a safety net for the needy, it should expeditiously conduct a comprehensive review of the CSSA Scheme to ascertain the adequacy of the Scheme to meet the basic needs of the recipients

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having regard to the findings of the basic needs study of the elderly, the disabled and children conducted by HKCSS which revealed that the CSSA standard rates were largely unable to meet the basic needs of the elderly, the disabled and children. Miss CHAN shared Dr WONG Hung's view that comparing the expenditure patterns of CSSA households with those of the non-CSSA households whose average income was in the lowest 10th percentile would not help to find out whether the existing CSSA standard rates were adequate to meet the minimum standard of living acceptable to the community. In her view, it would only provoke antagonism and conflict in the community. To prevent the Administration from evading the problem, Miss CHAN said that the Subcommittee should discuss with the Administration on the basic needs of different categories of recipients, i.e. the elderly, the disabled and children, one by one. Miss CHAN also urged the Administration to expeditiously respond to the call for providing retirement protection to every Hong Kong residents, as not every one's retirement life could be secured under the three-pillar approach developed by the World Bank.

17. Mr LEUNG Kwok-hung expressed views similar to other members, and further said that as a first step the Administration should reinstate the CSSA standard rates to the pre-2003 level.

Conclusion

18. In closing, the Chairman asked the Administration whether, and if so, what changes it would make to improve the CSSA Scheme to better meet the basic needs of the needy.

19. DSHWF(ES&SS) responded that she was not in a position to respond to the Chairman's question in paragraph 18 above, as any changes made to the CSSA Scheme entailed policy changes which needed to be carefully examined. The Administration would continue to adopt an open mind in listening to the views and suggestions of the public on the Scheme. The Administration would carefully consider the views and suggestions raised by deputations and provide a written response to them in due course.

20. The Chairman said that the Subcommittee would continue to discuss the basic needs of the needy with the Administration, upon receipt of the written response to the views and suggestions made by deputations from the Administration.

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21. There being no other business, the meeting ended at 1:02 pm.

Council Business Division 2
Legislative Council Secretariat
3 April 2006