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Paper for the Panel on Welfare Services

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

Purpose

This paper reports on the deliberations of the Subcommittee on Review of the Comprehensive Social Security Assistance Scheme (the Subcommittee).

Background

2. On 8 November 2004, the Panel on Welfare Services (the Panel) was briefed on the specific reviews to be undertaken by the Administration to improve the Comprehensive Social Security Assistance (CSSA) Scheme. These reviews included: (a) an evaluation of the intensive employment assistance projects implemented since October 2003 to help employable CSSA recipients and the "near-CSSA" unemployed move into work; (b) a review of the existing CSSA arrangements and related services for single parent families on CSSA; and (c) the provision of disregarded earnings under the CSSA Scheme.

3. The Administration advised that it would take into account Members' views and those of other sectors of the community, and consult Members and the Social Welfare Advisory Committee on the relevant issues. Members of the Panel considered that there was a need to conduct a comprehensive review of the CSSA Scheme, and decided at the meeting on 8 November 2004 to set up a subcommittee to follow up the issue.

The Subcommittee

4. The terms of reference and membership of the Subcommittee are set out in **Appendices I and II** respectively.

5. Under the chairmanship of Dr Hon Fernando CHEUNG Chiu-hung, the Subcommittee has held 21 meetings and met with 81 organisations between December 2004 and October 2007. A list of the organisations which have given views to the Subcommittee is in **Appendix III**.

Deliberations of the Subcommittee

6. The Subcommittee has examined various aspects of the existing arrangements of the CSSA Scheme, and has taken into consideration the views of the public, service users and non-governmental organisations (NGOs) providing welfare services. A gist of the Subcommittee's deliberations is summarised in the following paragraphs.

Annual adjustment mechanism of CSSA standard payment rates

7. The Administration sought the views of the Subcommittee on 22 July 2005 on the proposals to adjust the CSSA and the Social Security Allowance (SSA) standard payment rates on an annual basis, taking into account the inflation or deflation as reflected by the movement of the Social Security Assistance Index of Prices (SSAIP). The SSAIP is compiled by the Census and Statistics Department on a monthly basis to measure inflation according to the expenditure pattern of CSSA households. Under the proposed annual adjustment cycle, the CSSA standard payment rates would be adjusted according to the movement of SSAIP for the past 12 months ending in October each year. A submission would then be made to the Finance Committee (FC) for approval in December, and the new rates would take effect from February of the following year. The Subcommittee further discussed the proposals at two subsequent meetings on 22 November and 5 December 2005.

8. While members in general did not object to adopting an automatic adjustment mechanism, some members were concerned about the methodology for adjusting the standard payment rates. They were worried that the livelihood of the poor would be adversely affected during the inflationary period if their CSSA payments were adjusted based on the actual SSAIP movements in the previous year, and were of the view that the Administration should consider reverting to the inflation forecast methodology for adjusting social security payments.

9. The Administration explained that if the forecast method was used and when there was a significant over-estimation, the differences would be taken into account in calculating the adjustment for the following year. It would be difficult for CSSA recipients to adjust to a significant downward adjustment of rates to make up for the over-adjustment at the beginning of the next cycle. The Administration advised that if movements in SSAIP and other economic

indicators pointed to likely high inflation, consideration could be given to seeking approval for inflationary adjustments to the standard payment rates ahead of the new annual adjustment cycle.

10. Despite members' repeated requests for the adoption of a forecast methodology, the Administration reiterated that it did not see the need to change the mechanism. Having regard to the Administration's response, the Subcommittee held a closed meeting on 5 December 2005 to discuss the drawing up of a proposal for adjusting upwards the standard payment rates under the CSSA and SSA Schemes to reflect the inflationary movements in SSAIP ahead of the annual adjustment cycle. Representatives from NGOs and academics were also invited to give views on the matter.

11. Based on the deliberations of the closed meeting, the Subcommittee drew up some suggestions on the adjustment mechanism for the Administration's consideration. These included, inter alia, the development of different SSAIP for children and the elderly in view of their varied special needs, and a six-monthly review of CSSA standard payment rates based on the actual price movements of the SSAIP.

12. The Administration provided a response which was circulated to members vide LC Paper No. CB(2)2381/05-06(01) on 11 August 2006. In gist, the Administration held the view that the existing CSSA rates and grants, with their regular review mechanism, could meet the basic needs of CSSA families. The Administration reaffirmed its stance that it would adopt an annual adjustment cycle that took into account the SSAIP movements for the past 12 months ending in October, followed by approval by FC in December, and new rates being effected in February of the following year. The new annual adjustment cycle came into effect as from 1 February 2006.

13. The Subcommittee revisited the adjustment mechanism at the meeting on 29 October 2007 having regard to the high inflation as shown by the economic indicators. Members enquired about the meaning of persistent high inflation, and whether the Administration would consider making corresponding adjustment to the CSSA standard rates ahead of the annual adjustment cycle.

14. The Administration explained that having regard to the impact of seasonal factors on the prices of consumer goods, the 12-month moving average SSAIP would form a better basis for determining the level of CSSA standard payment rates. The Administration advised that as stated in the Information Note provided by the Administration to FC in July 1999, approval for additional inflationary adjustments to the standard payment rates ahead of the annual adjustment cycle would be sought if inflation was raging at a high level similar to that experienced in the early 1990s when the forecast inflation methodology was adopted, i.e. at a high level of close to double-digit. It was,

however, not practicable to draw a line to define high inflation across the board without taking into consideration the domestic and external economic factors, the domestic and external inflation outlook and the fiscal position of the Government. The Administration assured members that it would continue to monitor the actual SSAIP movement.

15. Members strongly urged the Administration to make adjustment to the CSSA standard payment rates ahead of the annual adjustment cycle at times of high inflation. The Subcommittee passed a motion on 29 October 2007 urging the Administration to set up a committee comprising members from the community, the academics and CSSA recipients to examine the establishment of a new mechanism for determining the CSSA rates, and to adjust the rates immediately according to the latest month of SSAIP.

Comprehensive review of the CSSA Scheme and the adequacy of standard payment rates

16. According to the Administration, the provision of standard payment rates under the CSSA Scheme was to provide a safety net of last resort for those in need so that they could meet their basic and essential needs. The Subcommittee attached great importance to the adequacy of the standard payment rates in meeting the basic needs of different categories of recipients, in particular the children, the elderly and the disabled. Given that the prevailing set of CSSA rates was determined as a result of the CSSA Review conducted in 1996, members held the view that the basic needs referred to in the review were outdated. For instance, there were no internet charges in the last decade.

17. The Administration advised that the CSSA standard payment rates were reviewed annually to reflect more accurately the impact of price changes faced by CSSA recipients. On top of the regular monitoring on the changes of SSAIP, the weighting system of SSAIP was updated once every five years on the basis of the findings of the Household Expenditure Survey (HES) on CSSA households. The latest round of survey was conducted in 2004-2005, and the Administration provided a paper on the survey findings to the Subcommittee on 21 August 2006 (LC Paper No. CB(2)2945/05-06(01)). According to the findings, the average CSSA monthly payment was higher than the average monthly CSSA household expenditure. Moreover, the average CSSA monthly payment of CSSA households was comparatively higher than the average monthly income of non-CSSA households in the lowest 25% income group. The Administration further advised that since the current annual adjustment mechanism of the CSSA standard payment rates had worked effectively, it did not see the need for conducting a fresh review of the adequacy of the CSSA standard rates.

18. Members were dissatisfied at the Administration's reluctance to conduct a comprehensive review of the CSSA standard payment rates despite their repeated requests. They considered that the updating of the weighting system of SSAIP was related to the relative importance of individual items of goods and services consumed by CSSA recipients, but the basic needs items to be included in SSAIP was a different issue. The updating exercise should by no means be regarded as a review of the adequacy of the CSSA standard rates. To ensure that the CSSA standard rates could meet the living expenses of CSSA households, members urged the Administration to review the items of goods and services included in SSAIP and update the expenditure pattern of CSSA households on essential items. Members also considered it meaningless to compare the average CSSA monthly payment with the average CSSA monthly household expenditure, as it was impossible for CSSA households to spend more than the monthly CSSA payments.

19. To facilitate members' understanding of the major goods and services included in the SSAIP weighting system, the Administration provided a list of items, compiled from the findings of the 1994-1995 HES on CSSA households, reflecting the overall consumption by CSSA households and CSSA recipients. The Administration pointed out that as CSSA was disbursed in the form of cash, the recipients could choose to spend the money on goods and services based on their own personal preference.

20. Members remained of the view that the Administration should conduct a comprehensive review of the CSSA Scheme expeditiously, including the items which should be classified as basic needs for the purpose of inclusion in the standard rates, with a view to ensuring that the different standard CSSA rates were adequate to meet the essential needs of different categories of recipients.

Basic needs of children on CSSA

21. Following the release of the initial findings of the basic needs study conducted by the Hong Kong Council of Social Service (HKCSS) in early 2005, the Subcommittee discussed the basic needs of children with the Administration and deputations. Some members strongly urged the Administration to take into account the following suggestions made by HKCSS to better meet the basic needs of children –

- (a) the monthly standard rates for children should include allowance to enable each recipient attending school and living with his/her family to buy two newspapers per week;
- (b) each CSSA household comprising child(ren) attending school should be provided with special grants to purchase a computer and to cover monthly internet charges;

- (c) the monthly standard rates for children should include allowance to enable each recipient attending school to participate in one cultural/leisure/sports activity organised by an educational or NGOs every three months;
- (d) the monthly standard rates for children should include allowance to allow each recipient to seek medical treatment three times a year from providers in the private sector, such as Chinese medicine practitioners and bone-setters; and
- (e) each CSSA household should be provided with special grants to cover telephone installation fees and monthly telephone charges.

22. The Administration advised that it attached great importance to ensuring that the basic needs of children on CSSA were met. Notably, children on CSSA were provided with higher standard rates than other able-bodied recipients. In addition, a full range of special grants were also payable to children on CSSA to meet their educational expenses. For instance, a meal allowance of \$195 per month was provided for children who were full-time students and had to take lunch away from home, in addition to the provision of food covered in their CSSA standard rates. Notwithstanding this, there was a need to distinguish whether a particular need was a basic or developmental need. The Administration considered the current monthly standard rates for CSSA children and households adequate to cover daily expenses.

23. Members remained unconvinced and the Subcommittee passed a motion on 10 January 2005 requesting the Administration to include the five basic need items for children proposed by HKCSS in determining the CSSA payment rates for children, and to reinstate the long-term supplements so as to make up for the shortfalls of the existing payment rates in meeting the basic needs of children.

24. In response, the Administration undertook to examine the recommendations of the basic needs study of HKCSS upon receipt of the full report from HKCSS. On the other hand, it would continue its regular review of the CSSA payments by making reference to the latest five-year HES on CSSA households, as well as the relativity between the CSSA payments to households and those of the non-CSSA low income groups.

Basic needs of elderly on CSSA

25. In the light of the Administration's advice that the CSSA Scheme provided a broad coverage to meet the basic and special needs of the elderly, the Subcommittee examined the adequacy of the CSSA payments for the elder recipients. Deputations pointed out to the Subcommittee that many elders on

CSSA had to cut down their expenses on food items in order to save money for meeting their medical expenses, and the provision of public Chinese medicine service was far from adequate to meet the demand. In view of the ageing population, the Subcommittee strongly called upon the Administration to address the problem of inadequate medical services for the needy elders.

26. The Administration advised that the monthly standard payment rates for CSSA elders had been increased by \$380 since 1 April 1998 to cater for their psycho-social needs. In addition, an annual long-term supplement was paid to those who were old, disabled or medically certified to be in ill-health and had been receiving assistance continuously for 12 months or more for the replacement of household and durable goods. Subject to medical recommendation, special grants would also be provided for CSSA recipients to meet their specific medical needs, such as payments to cover the cost of medically-recommended diet and medical appliances. The Administration further advised that CSSA recipients could obtain free medical treatment at public hospitals and clinics, and did not have to pay for the drug charges included in the standards fees and charges of the Hospital Authority's services.

27. The Subcommittee also paid special attention to the difficulties faced by the poor elderly in applying for CSSA. The Subcommittee was concerned about the requirement for the elderly living with their family members to apply for CSSA on a household basis.

28. The Administration explained that the rationales for requiring persons who were living with family members to apply for CSSA on a household basis were to encourage family members to support each other and to prevent the avoidance of the duty of care by resorting to CSSA. The Administration further explained that the requirement for family members having to provide a proof of not supporting the elderly was for the purpose of verifying the income and assets of the elderly in processing the applications. Such requirement was applicable to all cases without prejudice against the elderly.

29. The Administration advised that it had no intention to change its policy of requiring CSSA applicants to apply on a household basis, which was in line with the policy objective that financial assistance funded by general revenue should be provided to those most in need.

30. Notwithstanding the Administration's explanation, the Subcommittee considered that the policy of requiring all CSSA applications to be made on a household basis had the undesirable consequence of deterring many elderly persons living with their family members from applying for assistance and causing them undue economic hardship. The Subcommittee called for a review of the policy.

Review of special grants

31. The Subcommittee noted that different types of special grants were provided under the CSSA Scheme to meet the special needs of the recipients. Arising from members' concern about the basis for determining the payment rates of each type of special grant under the CSSA Scheme, the Subcommittee requested the Administration to provide details of the basis of revision of each type of special grant. The information provided by the Administration was issued to members vide LC Paper No. CB(2)2381/05-06(01).

32. The Subcommittee discussed the adequacy of the level of the burial grant under the CSSA Scheme on 22 May 2006. Deputations pointed out to the Subcommittee that the current level of the burial grant was not adequate to cover all the necessary funeral-related expenses.

33. The Administration explained that the level of the burial grant was set with reference to the Emergency Relief Fund. It had also conducted market surveys to ascertain the adequacy of the grant, and the results showed that the burial grant was adequate to meet the basic expenses in relation to funeral matters. The Administration did not prescribe a list of items on which the burial grant might be spent so as to allow flexible use of the grant by the deceased recipients' family according to their wish. All funeral-related expenses could be reimbursed under the grant, up to the prescribed maximum level. The Administration added that funeral arrangement was a matter of personal choice. It considered the current level of burial grant generally sufficient to cover the basic funeral and related expenses, and had no plan to overhaul the mechanism.

34. The Subcommittee also examined issues relating to the provision of dental grant. Members noted that CSSA recipients who were old, disabled or medically certified to be in ill health were given the dental grant to cover the actual expenses or the ceiling amount of the treatment items set by the Social Welfare Department (SWD) in consultation with the Department of Health (DH). While the eligible CSSA recipients might seek dental services from designated clinics and apply for dental grant from SWD to cover the expenses, the scope of dental grant did not cover teeth extraction. The Subcommittee considered the arrangement unacceptable and held the view that dental treatment and emergency dental services should be provided at the same designated dental clinics, while the processing of applications for dental grant should be streamlined and expedited.

35. Members also noted that the Administration had reduced the special grants for able-bodied CSSA recipients since 1999, which included dental expenses. Deputations pointed out that able-bodied CSSA recipients could not afford the costs of dental treatment given that public dental services

provided by DH were limited to emergency dental services. The Subcommittee strongly called upon the Administration to consider providing dental grant to all able-bodied CSSA recipients aged below 60.

36. The Administration explained that for able-bodied CSSA recipients aged below 60 who were in genuine financial hardship and unable to afford the dental expenses, a discretionary payment of dental grant might be made to cover the expenses on an exceptional basis depending on the merits of individual cases. The Administration further explained that under the existing arrangement, CSSA recipients who had been approved dental grant were free to turn to registered private dentists for treatment. The amount of dental grant payable would be equal to the cost charged by the designated clinic/non-designated clinic or the ceiling amount set by SWD, whichever was the less. The Administration undertook to consider members' suggestion of allowing CSSA recipients on dental grant to receive dental treatment and emergency dental services at the same designated dental clinics.

Discretion to waive the seven-year residence rule

37. Members noted that CSSA may be granted at the discretion of the Director of Social Welfare (DSW) to a person who do not satisfy the residence requirements in exceptional circumstances. In determining whether a discretion should be exercised to exempt a person from the seven-year residence rule, DSW will take into account all relevant factors of the case to establish whether there is genuine hardship. The main factors include –

- (a) means of the applicant's livelihood since arrival in Hong Kong;
- (b) cause of the present hardship;
- (c) resources available and possible sources of help in Hong Kong;
- (d) whether other forms of assistance are available; and
- (e) possibility of the applicant returning to his/her place of origin.

38. Some members were concerned that the frontline staff of the Social Security Field Units (SSFUs) of SWD would automatically turn down an application for CSSA after knowing that the applicant concerned did not satisfy the seven-year residence requirement. These members were of the view that the SSFU staff, in apprising potential applicants of the eligibility criteria for CSSA, should also inform them of the discretionary power given to DSW to waive a person in genuine hardship from meeting the residence requirement.

39. The Administration advised that frontline SSFU staff would let applicants know of DSW's discretionary power to waive the seven-year

residence requirement for genuine hardship cases. Moreover, since October 2004, it had also been the standard practice of SSFUs to give a copy of the pamphlet on residence requirement for CSSA and SSA to each and every CSSA applicant who did not meet the seven-year residence requirement. The pamphlet explained the residence requirement for CSSA and SSA with the aid of Frequently Asked Questions. If the applicants wished to seek waiver of residence requirement, frontline SSFU staff would obtain all relevant information and submit a report to their senior officers for a decision. Irrespective of whether the application was approved or rejected, the applicants would be informed in writing of the results of their applications as well as their right to lodge an appeal with the Social Security Appeal Board if they were aggrieved with the decisions made by SWD. According to the Administration, during the period between 1 January 2004 and 31 January 2007, the numbers of approved and rejected cases involving people who did not meet the seven-year residence requirement were 2 243 and 73 respectively.

40. The Administration further advised that to ensure that the exercising of discretion under the CSSA Scheme to waive the residence rule was applied fairly and consistently, all District Social Welfare Officers met regularly to exchange views and share experience on the operation of the CSSA and SSA Schemes, including the operation of discretion under the CSSA Scheme to waive the seven-year residence requirement.

41. Some members raised queries as to who should be in a position to decide whether it was in the best interest of the CSSA applicant to return to his/her place of origin. The Administration explained that although one of the considerations to exempt a person from the seven-year residence requirement for CSSA was the possibility of the applicant returning to his/her place of origin, the wish of the applicant to stay in Hong Kong would be respected. The Administration assured members that DSW would take into consideration all the relevant factors in exercising discretion.

42. The Subcommittee also examined the poverty problems created by the seven-year residence requirement. Deputations informed the Subcommittee that many new-arrival single mothers faced great financial hardship for being unable to meet the residence requirement. They were unable to find suitable employment because of their low-education attainment and the need to take care of their young children. Given that these new arrivals were not eligible for CSSA, they had to rely on their child(ren)'s CSSA for a living. The Subcommittee was of the view that the existing exercise of discretion under the CSSA Scheme to waive the seven-year residence requirement still had a lot of room for improvement. For instance, the process for exercising discretion should be streamlined and expedited. Some members also asked the Administration to consider removing the residence requirement. Members urged SWD to examine the existing operation of the discretionary mechanism so that applicants did not have to resort to seeking assistance from individual

Legislative Council (LegCo) Members before they were granted CSSA. They also hoped that SSFU staff would be more forthcoming in understanding the difficulties encountered by the new arrivals, so that timely and appropriate social services could be provided.

43. The Administration advised that the adoption of a seven-year residence requirement for CSSA was in line with one of the recommendations of the Task Force on Population Policy, i.e. to ensure the allocation of public resources on a rational basis and the long-term sustainability of heavily subsidised public services.

44. In view of the Administration's position, the Subcommittee agreed that the Subcommittee Chairman would write to the Financial Secretary, Chairman of the Commission on Poverty, requesting the Commission on Poverty to look into the poverty problems created by the seven-year residence requirement. The Subcommittee Chairman should also write to the then Secretary for Health, Welfare and Food requesting the Administration to conduct a review of the operation of the discretionary mechanism.

Discretion to waive the one-year-continuous residence requirement

45. Members noted that a CSSA applicant must have resided in Hong Kong continuously for at least one year immediately before the date of application. Absence from Hong Kong up to a maximum of 56 days during the one-year period was regarded as satisfying the residence requirement. Members also noted that CSSA might be granted at the discretion of DSW to a person who did not satisfy the residence requirement.

46. The Subcommittee queried the rationale for imposing the one-year-continuous-residence requirement on permanent residents who, for various reasons, had lived outside Hong Kong for a period of time.

47. The Administration stressed that the residence requirement under the CSSA Scheme was introduced on 1 January 2004 on the basis of the recommendations in the Report of the Task Force on Population Policy. If a CSSA applicant was in genuine hardship, DSW might consider exercising discretion to waive the residence requirement and grant assistance to the applicant. The Administration advised that it had consulted the Social Welfare Advisory Committee, the Elderly Commission, the Rehabilitation Advisory Committee, the Chairmen and Vice-chairmen of District Councils on the proposal to revise the residence requirement for CSSA in the context of the Report of the Task Force on Population Policy. It did not see a need for revising the residence requirement.

48. While recognising that discussion on the population policy was beyond the purview of the Subcommittee, members maintained the view that the

operation of the discretion mechanism under the CSSA Scheme still had a lot of room for improvement. The Subcommittee called upon the Administration to review the mechanism to ensure that those in genuine financial hardship could receive timely and appropriate assistance.

Evaluation study of the Intensive Employment Assistance Projects (IEAPs) for CSSA and near-CSSA recipients

49. Given that the evaluation study of IEAPs for CSSA and near-CSSA recipients conducted by the research team from the Chinese University of Hong Kong was near completion, the Administration briefed the Subcommittee on 23 June 2005 on the key findings and the following 10 areas of recommendations –

- (a) continuous funding for IEAPs;
- (b) improving IEAPs;
- (c) requiring CSSA single parent recipients with youngest child below 15 to work;
- (d) further review on arrangement of disregarded earnings (DE);
- (e) improving the Community Work (CW) Programme;
- (f) reviewing CSSA Programme for the able-bodied;
- (g) enhancing the Active Employment Assistance (AEA) Programme;
- (h) adjusting welfare policy to meet the changing demand;
- (i) supporting programme integration; and
- (j) adoption of social investment approach.

Details of these recommendations were set out in LC Paper No. CB(2)2028/04-05(01).

50. All deputations who presented views to the Subcommittee found IEAPs to be generally effective in helping CSSA and near-CSSA recipients move towards self-reliance, and considered that these should be continued. However, some deputations considered that the research team should remove those recommendations which were not directly related to IEAPs, such as the imposition of a time-limit on CSSA entitlement for able-bodied recipients and the requirement for CSSA single parent recipients with youngest child below 15 to work.

51. The Subcommittee was of the view that the Administration should not implement any recommendations made by the research team, such as requiring CSSA single parent recipients with youngest child below 15 to work, before these recommendations were considered thoroughly by the Subcommittee.

52. The Administration explained that the purpose of informing the Subcommittee of the findings of the evaluation study was to apprise members of the direction in enhancing the capacity and incentive to work among people receiving CSSA and likely to receive CSSA. The Administration stressed that although two of the main areas of recommendations made by the team were on requiring CSSA single parent recipients with youngest child below 15 to work and reviewing the DE arrangement, these two recommendations had no direct bearing on similar reviews being undertaken separately by the Administration. The Administration's plan was to revert to members on the progress on the review of arrangements for CSSA single parent recipients in July 2005, and on the outcome of the DE review before the end of 2005. No definite timetable had been set for the implementation of the recommendations set out in the Administration's paper. The Administration assured members that it would consult the Subcommittee before implementing any recommendations.

53. The Administration issued the outcome of its review of the scope for disregarded earnings (DE) under the CSSA Scheme, and briefed the Panel on Welfare Services on 30 March 2007. The Administration proposed to raise the "no-deduction limit" for DE from \$600 to \$800, and relax the criteria for allowing CSSA recipients to be eligible for DE from not less than three months on CSSA to not less than two months. The Panel held a further meeting to discuss with the Administration on 12 April 2007. While members did not object to the Administration's proposals, they considered that the "no-deduction" limit for DE and the maximum level of DE should be raised to \$1,000 and \$3,500 respectively to provide greater incentive for employable CSSA recipients to work. The Administration advised that the recommendations had struck a reasonable balance between, on the one hand, providing CSSA recipients with more financial incentives through the provision of DE to find and remain in employment and, on the other hand, maintaining DE at a level which would not attract entrance to the CSSA net unless persons were in genuine need or delay the exit of employable recipients from the system.

Review of arrangements for single parent recipients under the CSSA Scheme

54. The Subcommittee had monitored closely the proposal of requiring CSSA single parent recipients to work. The Administration briefed the Subcommittee in May 2005 on its initial review of arrangements for single parent families and the options to help single parents on CSSA move towards self-reliance and reduce the risk of social exclusion through engagement in work. The Subcommittee noted the Administration's recommendation for single parents on CSSA with the youngest child aged six to 14 to be required to seek at least part-time employment. The same requirement would apply to family carers who claimed CSSA on grounds of the need to look after young children. No change would be made to the eligibility criteria for the standard rates for single parents, but the single parent supplement would only be paid to

single parents earning at least \$1,430 a month and with at least one child aged below 15.

55. The Subcommittee considered the proposal unacceptable having regard to the special difficulties faced by single parents in finding employment and the inadequacy of after school care support services for these single parents. The Subcommittee also objected to the proposed arrangement of deducting \$200 from the CSSA payments if the single parents and family carers failed to comply with the mandatory requirement to work. In view of the special needs of single parent families, the Administration should let single parents decide when they were ready to seek employment. The Subcommittee expressed unanimous opposition to the proposed scheme at the meeting on 24 May 2005.

56. In the light of the comments of the Subcommittee, the Administration revised its proposals to require only single parents and child carers on CSSA with the youngest child aged 12 to 14, instead of six to 14, to seek at least part-time employment (i.e. jobs entailing not less than 32 hours' work a month). In addition, there would be no change to the arrangements for the single parents supplement and a package of arrangements consisting of a mandatory employment assistance programme specifically for single parent recipients, and basic skills and skills upgrading training would be launched by the SWD to help these people to find work. The Subcommittee discussed the revised proposals at three subsequent meetings on 22 July, 31 October and 22 November 2005.

57. The Administration advised that in response to the call for more employment support for single parents and family carers with no or limited work experience, a New Dawn Project (which was a trial Employment Assistance Project including 20 IEAPs with a \$30 million funding support from the Lotteries Fund) would be launched for a period of 18 months commencing from April 2006. The Administration stressed that the sole reason for requiring single parents and family carers with the youngest child aged between 12 to 14 to seek employment was to help them achieve self-reliance. No single parents/family carers would be penalised if they made genuine efforts to find employment. Exemptions from seeking employment would be allowed where justified, for instance, for the recently bereaved, those who had recently been victims of domestic violence and those who had to care for disabled family members.

58. The Subcommittee, however, maintained the view that the Administration should abort the proposal as there were not enough part-time jobs in the market suitable for these single parents and family carers on CSSA. The Subcommittee requested the Administration to revise the proposal to help single parents and family carers achieve self-reliance by taking into account participation in voluntary work. Members also considered that training should be regarded as reasons for exemption to seek employment, and that

single parents and family carers should be encouraged, rather than forced, to seek employment.

59. Notwithstanding the Subcommittee's repeated request for aborting the proposals, the Administration advised that the New Dawn Project would be launched as proposed, and a review of the Project would be conducted at the end of the 18-month implementation period. The Subcommittee expressed grave disappointment at the Administration's decision in taking forward the proposals. Two motions were passed at the meetings on 31 October and 22 November 2005 to condemn the Administration for ignoring the views of the Subcommittee, and for insisting on bypassing LegCo in the implementation of the New Dawn Project and disregarding the interests and well-being of single parent families. The motions also reiterated that the Government must abort the Project.

60. The Administration issued the findings of the evaluation study of the New Dawn Project for single parents and child carers on CSSA on 31 May 2007. The Panel on Welfare Services discussed the evaluation study with the Administration on 3 and 27 July 2007. The Administration advised that having regard to the favourable response of the New Dawn Project and positive findings and recommendations made in the evaluation study, the project would be continued in its existing mode of operation for 30 months.

Conclusion

61. Notwithstanding that the Subcommittee has held 21 meetings with the Administration to examine the existing arrangements of the CSSA Scheme and has made a number of suggestions for its consideration, the Subcommittee notes that the Administration has not heeded the requests. The Subcommittee expresses regret at the Administration's negative stance.

Recommendations of the Subcommittee

62. The Subcommittee recommends that the Administration should –
- (a) conduct a comprehensive review of the CSSA Scheme expeditiously, including the items which should be classified as basic needs for the purpose of inclusion in the CSSA standard rates, with a view to ensuring that the different standard CSSA rates are adequate to meet the essential needs of different categories of recipients, in particular children and elderly on CSSA;
 - (b) relax the DE arrangements under the CSSA Scheme;

- (c) review the adjustment methodology and set up a committee (comprising members from the community, academics and CSSA recipients) to examine the establishment of a new mechanism for determining CSSA rates so as to ensure that the rates would be adequate to meet the needs of CSSA recipients;
- (d) make adjustment to the CSSA standard payment rates ahead of the annual adjustment cycle at times of high inflation according to the latest month of SSAIP;
- (e) relax the residence requirement for applying for CSSA. Most members also suggest that the Administration should consider removing the seven-year residence requirement;
- (f) conduct a review of the operation of the discretionary mechanism in respect of the residence requirement;
- (g) review and relax the policy of requiring CSSA applicants, especially the elderly applicants, to apply for CSSA on a household basis; and
- (h) allow CSSA recipients on dental grant to receive dental treatment and emergency dental services at the same designated dental clinics.

63. The Subcommittee also recommends that the Panel should follow up the above with the Administration.

Advice sought

64. Members are invited to endorse the report of the Subcommittee.

Panel on Welfare Services

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

Terms of Reference

To review the existing arrangements for the Comprehensive Social Security Assistance and the Social Security Allowance Schemes, taking into consideration the views of the public, service users and non-governmental organisations providing welfare services.

Panel on Welfare Services
Subcommittee on Review of the
Comprehensive Social Security Assistance Scheme

Membership List

Chairman	Dr Hon Fernando CHEUNG Chiu-hung
Members	Hon Albert HO Chun-yan (since 21 October 2006) Hon LEE Cheuk-yan Hon Fred LI Wah-ming, JP (until 8 October 2005) Hon CHAN Yuen-han, SBS, JP Hon TAM Yiu-chung, GBS, JP Hon LI Fung-ying, BBS, JP (16 December 2004 to 20 October 2006) (since 17 October 2007) Hon Frederick FUNG Kin-kee, SBS, JP Hon Alan LEONG Kah-kit, SC Hon LEUNG Kwok-hung (Total : 9 Members)
Clerk	Miss Betty MA
Legal adviser	Mr LEE Yu-sung
Date	29 October 2007

Panel on Welfare Services

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

List of organisations which have made representations to the Subcommittee

1st Step Association

Association Concerning Sexual Violence Against Women

Association Concerning Sexual Violence Against Women - RainLily

Association for the Advancement of Feminism

Association for the Rights of the Elderly

ADPL Social Service Ltd – Elderly Leadership Training Project

Blindforce

Christian Action

Concerning CSSA Review Alliance

Concerning CSSA Review Alliance Action Group

Caritas Elderly Service

Concern for Return Hong Kong Group

Concern for Singleton Right Group

Concerning Group for Women Poverty

Concern Group on the Rights of New Immigrant Women

Caritas-Hong Kong/Family Service

Civil Human Rights Front

Christian Prison Pastoral Fellowship

Children's Rights Association

Cleaning Workers Union

Disable and Carer Concern Group

Dr WONG Hung, The Chinese University of Hong Kong

Evangelical Lutheran Church Social Service - HK

Elderly Right League

Funeral Business Association

Grassroot Women Poverty Concern Group

Harmony House

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

Hong Kong Catholic Commission for Labour, Kowloon

Hong Kong Chinese Civil Servants' Association Social Security Assistants' Branch

Hong Kong Chinese Civil Servants' Association, Social Work Officer Grade Branch

Hong Kong Christian Institute

Hong Kong Christian Kun Sun Association

Hong Kong College of Technology

Hong Kong Christian Service, Elderly Council

Hong Kong Domestic Workers General Union

Hong Kong Employment Development Service

Hong Kong Federation of Handicapped Youth

Hong Kong Lutheran Social Service

Hong Kong Right for Homeless Association

Hong Kong Social Security Society

Hong Kong Social Workers Association

Hong Kong Social Workers' General Union

Hong Kong Women Christian Council

Hong Kong Women's Coalition in Equal Opportunity

Heep Lai Club CSSA Concern Group

Human Rights Front Human Rights Commission Task Force

Industrial Relations Institute

International Social Service Hong Kong Branch

Joint Association Against CSSA Cut

Joint Alliance for Universal Retirement Protection

Justice and Peace Commission of the HK Catholic Diocese

Mutual Aid Association for Single Parent Families (HK Island)

Mission to New Arrivals Ltd

New Immigrants' Mutual Aid Association

New Territories Association Retraining Centre

New Women Arrivals League

Oxfam Hong Kong

Society for Community Organization

Strive for Grassroot Life Alliance

St. James' Settlement

Single Mothers Concern Group

The Against Elderly Abuse of Hong Kong

The Boys' and Girls' Clubs Association of Hong Kong

The Comfort Care Concern Group

The Chinese Grey Power

The Hong Kong Association of Senior Citizens

The Hong Kong Committee on Children's Rights

The Hong Kong Council of Social Service

The Mental Health Association of Hong Kong

The Mental Health Association of Hong Kong Training & Employment Service Centre (Kwan Tong)

Tuen Mun District Women's Association

The Society of Rehabilitation and Crime Prevention, Hong Kong

Volunteer Group of the Paraclete-Care-And-Comfort Angel of Holy Carpenter Church

Workers' Association for Professional Domestic Helper

Women's Committee, Hong Kong Confederation of Trade Unions

YMCA of Hong Kong

「同心社」綜援家庭互助組

爭取基層生活保障聯席

爭取長者福利聯合行動組

港島單親互助社