

立法會
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Panel on Welfare Services

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

**Minutes of the 21st meeting
held on Monday, 29 October 2007, at 2:30 pm
in Conference Room A of the Legislative Council Building**

Members present : Dr Hon Fernando CHEUNG Chiu-hung (Chairman)
Hon LEE Cheuk-yan
Hon TAM Yiu-chung, GBS, JP
Hon Frederick FUNG Kin-kee, SBS, JP
Hon Alan LEONG Kah-kit, SC
Hon LEUNG Kwok-hung

Members absent : Hon Albert HO Chun-yan
Hon CHAN Yuen-han, SBS, JP
Hon LI Fung-ying, BBS, JP

Member attending : Hon WONG Kwok-hing, MH

Public Officers attending : Item II

Mr D C CHEUNG
Principal Assistant Secretary for Labour and Welfare
(Welfare) 4

Ms Joyce CHEUNG
Assistant Secretary for Labour and Welfare (Welfare) 4A

Action

Mr Tony YIP
Assistant Secretary for Labour and Welfare (Welfare) 4B

Ms LEUNG Kwai-ling
Principal Social Work Officer (Social Security)
Social Welfare Department

Mr NG Wai-kuen
Chief Social Security Officer (Social Security) 1/
Chief Social Security Officer (Social Security) 2
Social Welfare Department

Mr Kenneth NG
Senior Statistician
Social Welfare Department

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

Mr Bernard TANG
Supervisor (Policy and Legal Support)

Christian Action

Mr Sam KWONG
Assistant Director

Society for Community Organization

Ms SZE Lai-shan
Community Organizer

The Boys' and Girls' Clubs Association of Hong Kong

Mr WONG Kwai-yau
Supervisor

The Chinese Grey Power

Mr KU Shek-mau
Member

Mr LEUNG Wing
Organizer

Action

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

Ms LIU Ngan-fung
Chairman

Amy

港島單親互助社

Ms CHENG Sau-lan
Spokesman

Ms TSE Wan-wan

Oxfam Hong Kong

Ms WONG Shek-hung
Advocacy Officer for Hong Kong Program

The Hong Kong Council of Social Service

Ms Mariana CHAN
Chief Officer, Policy Research & Advocacy

Concerning Group for Women Poverty

Ms HO Foei-lin
Member

Concerning CSSA Review Alliance

Mr AU YEUNG Tat-chor
Community Organizer

Ms FUNG Mei-yung
Member

Mission to New Arrivals Ltd.

Rev. LEUNG Yau-tung
General Secretary

Hong Kong Women Christian Council

Miss LOH Yuen-ching
Executive Secretary

Action

Clerk in attendance : Miss Betty MA
Chief Council Secretary (2) 4

Staff in attendance : Ms Maisie LAM
Council Secretary (2) 2

Miss Maggie CHIU
Legislative Assistant (2) 4

I. Election of Chairman

The Subcommittee deliberated (Index of proceedings attached at **Annex**).

2. Dr Fernando CHEUNG, Chairman of the Subcommittee in office, presided at the meeting. He sought members' views on the need for re-election of the Chairman of the Subcommittee for the 2007-2008 session. Members agreed that re-election of the Chairman was not required and Dr Fernando CHEUNG would continue to assume chairmanship of the Subcommittee for the 2007-2008 session. Members also agreed that election of a deputy chairman of the Subcommittee was not necessary.

3. The Chairman added that he had advised at the meeting of the Panel on 11 October 2007 that the Subcommittee was concluding its work, and the Subcommittee would be dissolved upon presentation of its report to the Panel.

II. Annual adjustment of the standard payment rates under the Comprehensive Social Security Assistance Scheme

[LC Paper Nos. CB(2)128/07-08(01) to (04), CB(2)145/07-08(01) to (02) and CB(2)217/07-08(01) to (06)]

Views of deputations

4. The Subcommittee received views from 13 deputations on the annual adjustment of the standard payment rates under the Comprehensive Social Security Assistance (CSSA) Scheme. Major views of the deputations are summarised below –

- (a) the Administration should restore the CSSA standard payment rates to the 2003 level immediately;

Action

- (b) in addition to (a) above, the Administration should restore the CSSA standard payment rates for households comprising three or more able-bodied adults/children to the 1999 level, and resume the provision of the special grants and the long-term supplement which were abolished in 1999 for able-bodied CSSA recipients;
- (c) there was a pressing need for revising the levels of various types of special grants under the CSSA Scheme in accordance with the inflation rate. For example, the flat-rate grant for school-related items was insufficient to cover the actual expenses on textbooks and miscellaneous school-related items. To enhance transparency, the Administration should make public the adjustment mechanism for each type of special grants under the CSSA Scheme;
- (d) under the annual adjustment cycle for CSSA standard payment rates which took into account the Social Security Assistance Index of Prices (SSAIP) movement in the past 12 months, CSSA recipients had to catch up with past inflation. The livelihood of the CSSA recipients was adversely affected during the inflationary period. Given that food prices had risen sharply in the past few months and that food accounted for the largest proportion of the consumption items of CSSA recipients, the existing level of CSSA payments was far from adequate to meet the basic needs of CSSA recipients and it was extremely difficult, if not impossible, for them to achieve a balanced diet and nutrition as recommended by the Department of Health;
- (e) the Administration should consider reverting to the inflation forecast methodology for adjusting the CSSA standard payment rates;
- (f) the Administration should conduct expeditiously a comprehensive review of the adequacy of the CSSA standard payment rates to meet the basic needs of the recipients, as the last comprehensive review was conducted in 1996. Taking into account the change in the expenditure pattern of CSSA households over time, the review should focus on the basic needs items presently not covered under the SSAIP basket of goods and services, such as personal computers and related items, medical services provided by private Chinese medicine practitioners, expenses for mobile telephone and internet, and transport costs incurred from seeking employment. A review committee comprising CSSA recipients, relevant experts and academics should be set up for the purpose;
- (g) the inadequacy of CSSA payments for children had hampered their development. In view of the difference in the basic and essential needs of children in different age groups, the CSSA standard payment

Action

rate for able-bodied children should be varied according to their age group. To tackle inter-generational poverty, the Administration should introduce an asset-building programme under the CSSA Scheme to help children leave the CSSA net; and

- (h) the Administration should raise the "no-deduction" limit and the maximum level of disregarded earnings in order to provide more incentive to CSSA recipients to find jobs and remain in employment.

Discussion with the Administration

Adjustment of the CSSA standard payment rates

5. Principal Assistant Secretary for Labour and Welfare (Welfare)4 (PAS/LW(W)4) advised that up to September 2007, the 12-month moving average SSAIP registered a cumulative increase of 2.3% when compared with the period of November 2005 to October 2006. The Administration would present the latest SSAIP figure to the Panel on Welfare Services on 12 November 2007, and the exact financial implications and effect on CSSA standard payment rates to the Finance Committee (FC) in December 2007. Senior Statistician/Social Welfare Department (SWD) added that the SSAIP figure for September 2007 rose by 5% over a year earlier.

6. Members were of the view that an upward adjustment of 2.3% or so to the CSSA standard payment rates was too meager, given the strong economic upturn and improving Government fiscal position. Moreover, the prices of many basic necessity items, particularly imported foodstuffs, had increased significantly in the past few months. Members pointed out that the Administration had advised the Subcommittee in 2005 that if movements in the SSAIP and other economic indicators pointed to persistent high inflation, consideration could be given to seeking approval for additional inflationary adjustments to the standard payment rates ahead of the annual adjustment cycle. Members enquired about the meaning of persistent high inflation and whether the Administration would consider making corresponding adjustment to the CSSA standard payment rates ahead of the annual adjustment cycle.

7. PAS/LW(W)4 said that having regard to the impact of seasonal factors on the prices of consumer goods, the 12-month moving average SSAIP would secure a better basis for determining the level of CSSA standard payment rates. PAS/LW(W)4 further said that as stated in the Information Note (FCRI(1999-2000)6) 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 level. It was, however, not practicable to draw a line to define high inflation across the

Action

board without taking into consideration the domestic and external economic factors, the domestic and external inflation outlook and the fiscal position of the Government, etc. PAS/LW(W)4 assured members that the Administration would continue to monitor the actual SSAIP movement. The Administration would present the latest available SSAIP figure to FC in December 2007 and seek the necessary approval for new rates with effect from 1 February 2008.

Admin

8. At the request of members, PAS/LW(W)4 agreed to provide after the meeting further information on the meaning of "persistent high inflation" and the circumstances under which consideration could be given to seeking approval for additional inflationary adjustments to the standard payment rates ahead of the annual adjustment cycle.

Comprehensive review of the CSSA Scheme

9. Members expressed disappointment at the Administration's refusal to conduct a comprehensive review of the adequacy of the CSSA standard payment rates to meet the basic needs of the recipients, despite the repeated requests from members and deputations, and given that the last comprehensive review was conducted in 1996 and a number of basic needs items that were essential for most CSSA households nowadays were not included in the basket of goods and services covered under SSAIP and its weighting system.

10. PAS/LW(W)4 responded that the CSSA Scheme was a non-contributory scheme funded entirely by the general revenue and the payment of which amounted to \$17.6 billion in 2006-2007. The Scheme aimed to provide a safety net of last resort to those financially vulnerable to meet their basic needs. PAS/LW(W)4 added that the CSSA standard payment rates were reviewed annually to take into account 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 every five years on the basis of the findings of the Household Expenditure Survey on CSSA households. Given that the adjustment mechanism had been working effectively, the Administration did not see the need for reviewing the system.

11. Members considered that if the basic needs items to be included in SSAIP were not updated, the figures could by no means reflect accurately the impact of price changes on CSSA households. Members strongly urged the Administration to conduct a comprehensive review of the items of goods and services to be included in SSAIP and update the expenditure pattern of CSSA households on essential items. Mr WONG Kwok-hing requested to put on record his strong request for a comprehensive review of the CSSA Scheme.

Action

Adjustment mechanism for special grants

12. Responding to deputations' views on the inadequacy of the special grant for school-related expenses, Chief Social Security Officer (Social Security)1/SWD advised that the special grants for needy students to cover school-related expenses were normally paid before the commencement of the school year. Additional payments could be considered in case the actual expenses exceeded the grants upon production of relevant receipts. For expenses not supported by receipts, an additional payment of up to \$210 could be provided in each school year. The CSSA recipients were duly informed, at the time of application, of the items covered by the grants and the procedures for applying for additional payments where necessary.

13. Some members were of the view that the Administration should step up publicity on the eligibility and procedures for applying for additional payments under the special grant for school-related expenses. In addition, the Administration should make public the adjustment mechanism for each type of special grants under the CSSA Scheme.

14. Principal Social Work Officer (Social Security)/SWD stressed that briefing sessions for CSSA recipients had been organised at the unit/district level to provide them with the necessary information about the Scheme. In addition, internal guidelines had been issued to the frontline staff of the Social Security Field Units of SWD to ensure consistency in handling applications for CSSA payments.

15. PAS/LW(W)4 said that different types of special grants were provided to meet the special needs of CSSA recipients. There was a prescribed adjustment mechanism for each type of special grants under the CSSA Scheme, which were reviewed annually. The basis and timing of revision of CSSA special grants were set out in an information paper provided by the Administration to the Subcommittee last year.

Motion

16. The following motion moved by Mr LEUNG Kwok-hung and amended by Mr LEE Cheuk-yan was passed unanimously by members present at the meeting –

"本小組委員會要求政府立即恢復綜合社會保障援助(下稱"綜援")金額至1999年及2003年削減前的水平,並依據最新的社會保障援助物價指數,立即調整綜援金額,同時成立一個成員包括社會人士、學者及綜援受助人的委員會,研究釐定綜援金額的新機制,確保綜援金額足以應付綜援受助人生活所需。"

Action

(Translation)

"That, this Subcommittee requests the Government to immediately restore Comprehensive Social Security Assistance ("CSSA") rates to the level prior to the reduction of CSSA rates in 1999 and 2003, immediately adjust CSSA rates according to the latest SSAIP, and set up a committee comprising members from the community, the academics and CSSA recipients to examine the establishment of a new mechanism for determining CSSA rates so as to ensure that CSSA rates are adequate to meet the needs of CSSA recipients."

III. Any other business

17. There being no other business, the meeting ended at 4:32 pm.

Council Business Division 2
Legislative Council Secretariat
23 November 2007

**Proceedings of the 21st meeting of the
Subcommittee on Review of the
Comprehensive Social Security Assistance Scheme
on Monday, 29 October 2007, at 2:30 pm
in Conference Room A of the Legislative Council Building**

Time marker	Speaker(s)	Subject(s)	Action required
000000 – 000445	Chairman Mr Frederick FUNG	Election of Chairman and Deputy Chairman	
000446 – 000855	Chairman	Opening remarks	
000856 – 001140	Administration Chairman	The Administration's paper on the annual adjustment mechanism of the standard payment rates under the Comprehensive Social Security Assistance (CSSA) Scheme [LC Paper No. CB(2)128/07-08(01)]	
001141 – 001612	The Against Elderly Abuse of Hong Kong	Presentation of views by The Against Elderly Abuse of Hong Kong [LC Paper No. CB(2)145/07-08(01)]	
001613 – 001948	Christian Action	Presentation of views by Christian Action	
001949 – 002344	Society for Community Organization	Presentation of views by Society for Community Organization [LC Paper No. CB(2)217/07-08(01)]	
002345 – 002811	The Boys' and Girls' Clubs Association of Hong Kong	Presentation of views by The Boys' and Girls' Clubs Association of Hong Kong [LC Paper No. CB(2)128/07-08(02)]	
002812 – 003221	The Chinese Grey Power	Presentation of views by The Chinese Grey Power [LC Paper No. CB(2)145/07-08(02)]	
003222 – 003651	Hong Kong Association for the Survivors of Women Abuse (Kwan Fook)	Presentation of views by Kwan Fook [LC Paper No. CB(2)217/07-08(02)]	
003652 – 004057	Oxfam Hong Kong	Presentation of views by Oxfam Hong Kong [LC Paper No. CB(2)217/07-08(03)]	
004058 – 004530	港島單親互助社	Presentation of views by 港島單親互助社 [LC Paper No. CB(2)128/07-08(03)]	
004531 – 004957	The Hong Kong Council of Social Service	Presentation of views by The Hong Kong Council of Social Service [LC Paper No. CB(2)217/07-08(04)]	
004958 – 005408	Concerning Group for Women Poverty	Presentation of views by Concerning Group for Women Poverty [LC Paper No. CB(2)128/07-08(04)]	
005409 – 005926	Concerning CSSA Review Alliance	Presentation of views by Concerning CSSA Review Alliance [LC Paper No. CB(2)217/07-08(05)]	
005927 – 010247	Mission to New Arrivals Ltd.	Presentation of views by Mission to New Arrivals Ltd.	
010248 – 010637	Hong Kong Women Christian Council	Presentation of views by Hong Kong Women Christian Council	

Time marker	Speaker(s)	Subject(s)	Action required
010638 – 011028	Chairman Administration	<p>The Administration's response to the deputations' views, highlighting that -</p> <ul style="list-style-type: none"> (a) the non-contributory CSSA Scheme, which was funded by the general revenue, aimed to provide a safety net of last resort to those financially vulnerable to meet their basic needs. The CSSA Scheme had taken special care of the special needs of the elderly and children through the provision of a higher standard rate than able-bodied adults, as well as special grants and supplements; (b) as far as children's development was concerned, funding had been earmarked for setting up a Child Development Fund to provide more development opportunities for children from a disadvantaged background, with a view to reducing inter-generational poverty; (c) to better assist the disadvantaged group, including those on CSSA, to move towards self-reliance, every effort had been made to promote the development of social enterprise. A one-year pilot Transport Support Scheme had been launched in June 2007 to provide transport subsidy to needy job seekers and low-income employees living in Islands, North District, Tuen Mun and Yuen Long. A pilot to try out the "one-stop" employment service mode would be launched in 2008-2009; (d) the measures to relax the disregarded earnings (DE) arrangements under the CSSA Scheme, i.e. raising the "no-deduction" limit for DE from \$600 to \$800 and relaxing 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, would be rolled out shortly; and (e) there was an established adjustment mechanism for each type of special grants. As far as the special grant for selected items of school-related expenses was concerned, additional payments could be considered upon production of the relevant receipts. 	
011029 – 012209	Chairman Society for Community Organization Concerning CSSA Review Alliance The Against Elderly Abuse of Hong Kong Administration	Further views made by deputations on the inadequacy of the CSSA standard rates and special grants to meet the basic and special needs of different categories of CSSA recipients; and the absence of clear guidelines for approving applications from CSSA recipients for additional payments for school-related expenses	
012210 – 012717	Chairman Mr LEUNG Kwok-hung	Views of Mr LEUNG Kwok-hung that in view of the improving Government fiscal position, the	

Time marker	Speaker(s)	Subject(s)	Action required
		Administration should restore the CSSA standard payment rates to the level prior to the reduction of CSSA rates in 1999 and 2003	
012718 – 013451	Chairman Mr Frederick FUNG Administration	<p>Views of Mr Frederick FUNG that -</p> <ul style="list-style-type: none"> (a) the CSSA payment rates should immediately be restored to the 2003 level; (b) the Administration should immediately raise the CSSA standard payment rates to meet the basic needs that were essential to most CSSA households but not included in the basket of goods and services covered under the standard rates, such as internet service charges; and (c) there was a need for a comprehensive review of the CSSA Scheme to ensure that the rates could better meet the basic needs <p>The Administration's response that -</p> <ul style="list-style-type: none"> (a) the CSSA standard rates and supplements were reviewed periodically to keep pace with price changes. Having regard to the impact of seasonal factors on prices, the adjustment was made with due regard to the movement of the Social Security Assistance Index of Prices (SSAIP) for the past 12 months ending in October each year; and (b) it did not see a need to revert to the inflation forecast methodology for adjusting the CSSA standard payment rates. The Administration would monitor the actual SSAIP movement, and it would seek approval for additional inflationary adjustments to the standard payment rates ahead of the annual adjustment cycle if the movements in SSAIP and other economic indicators pointed to persistent high inflation 	
013452 – 013918	Chairman Mr LEE Cheuk-yan Administration	<p>Mr LEE Cheuk-yan's enquiry on the accuracy in measuring the price changes by adopting the 12-month moving average of SSAIP</p> <p>The Administration's remarks that using the 12-month moving average SSAIP could better reflect the price changes and discounting the seasonal factors</p>	
013919 – 014510	Chairman Mr LEE Cheuk-yan Administration Mr LEUNG Kwok-hung	<p>Mr LEE Cheuk-yan and the Chairman's enquiry on whether the current inflation rate had pointed to persistent high inflation and whether the Administration would consider seeking additional inflationary adjustments to the CSSA standard payment rates ahead of the new annual adjustment cycle</p> <p>The Administration's advice that it was not practicable</p>	

Time marker	Speaker(s)	Subject(s)	Action required
		to draw a line to define "high inflation" across the board without taking into consideration the economic factors such as the domestic and external inflation outlook, domestic and external economic environment, as well as the financial position of the Government	
014511 – 015435	Chairman Mr WONG Kwok-hing Administration	<p>Mr WONG Kwok-hing's enquiry about -</p> <p>(a) what measures would be devised to assist the CSSA recipients to relieve the burden brought about by inflation prior to the annual adjustment to the standard rates which would take effect in February of the following year; and</p> <p>(b) whether consideration would be given to reviewing the basket of goods and services included in the SSAIP</p> <p>The Administration's response that -</p> <p>(a) according to the Administration's Information Note to the Finance Committee issued in 1999, approval for additional adjustments to the CSSA standard payments ahead of the annual adjustment cycle would be sought if there was a high inflation of a magnitude 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 level; and</p> <p>(b) the findings of the latest round of the Household Expenditure Survey on CSSA Households in 2004/2005 revealed that the CSSA monthly payments were consistently higher than the average monthly expenditure of the non-CSSA households in the lowest 25% expenditure group of the same household size</p>	
015436 – 015812	Chairman Mr Alan LEONG	Views of Mr Alan LEONG that the Administration was not responsive in addressing the long-standing problem that the CSSA payments were inadequate for the recipients to meet their basic and essential needs	
015813 – 020011	Chairman Mr LEE Cheuk-yan	<p>Views of Mr LEE Cheuk-yan that adjustment to the CSSA standard payments should be made immediately according to the latest available SSAIP</p> <p>The Administration undertook to provide further information on the meaning of "persistent high inflation" and the circumstances under which consideration would be given to seeking approval for additional inflationary adjustments to the CSSA standard payment rates ahead of the new annual adjustment cycle</p>	Admin to follow up (para. 8 of the minutes refers)
020012 – 020219	Chairman Mr LEUNG Kwok-hung Mr LEE Cheuk-yan	Vote on the motion moved by Mr LEUNG Kwok-hung and amended by Mr LEE Cheuk-yan	

Time marker	Speaker(s)	Subject(s)	Action required
020220 – 020245	Chairman	Concluding remarks	

Council Business Division 2
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23 November 2007