

立法會
Legislative Council

LC Paper No. CB(2)2024/08-09

(These minutes have been
seen by the Administration)

Ref : CB2/PS/3/08

Panel on Welfare Services

Subcommittee on Poverty Alleviation

**Minutes of the fourth meeting
held on Friday, 15 May 2009, at 10:45 am
in Conference Room A of the Legislative Council Building**

Members present : Hon Frederick FUNG Kin-kee, SBS, JP (Chairman)
Hon LEE Cheuk-yan
Hon LEUNG Yiu-chung
Hon TAM Yiu-chung, GBS, JP
Hon Alan LEONG Kah-kit, SC
Hon Ronny TONG Ka-wah, SC
Hon CHEUNG Kwok-che
Hon WONG Sing-chi
Hon WONG Kwok-kin, BBS

Public Officers attending : Item I

Ms Carol YIP, JP
Deputy Secretary for Labour and Welfare (Welfare) 2

Mrs Polly CHAN
Principal Assistant Secretary for Labour and Welfare (Welfare) 4

Mr Henry LAI
Assistant Secretary for Labour and Welfare (Welfare) 4B

Ms LEUNG Kwai-ling
Assistant Director of Social Welfare (Social Security)

Mr CHAN Wing-hoi
Chief Social Security Officer (Social Security) 2
Social Welfare Department

Mr Kenneth NG Wing-cheung
Senior Statistician (Social Welfare)
Social Welfare Department

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

Staff in attendance : Miss Florence WONG
Senior Council Secretary (2) 5

Miss Maggie CHIU
Legislative Assistant (2) 4

Action

I. Review of the Comprehensive Social Security Assistance Scheme
[LC Paper Nos. CB(2)1481/08-09(01) and (02)]

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

Social Security Assistance Index of Prices (SSAIP)

2. Members raised the following concerns –

- (a) given that the Household Expenditure Survey (HES) on Comprehensive Social Security Assistance (CSSA) Households was conducted every five years, the survey might not be able to capture new necessity items of goods and services consumed by CSSA households during the five-year interval, for instance, the Internet access charges. Hence, the items of goods and services covered by SSAIP might not be compatible with the present needs of CSSA households;
- (b) given that the existing CSSA standard rates were determined as a result of CSSA Review conducted in 1996, the Administration should review whether the CSSA standard rates were adequate in meeting the basic needs of different categories of recipients; and
- (c) instead of comparing CSSA households with non-CSSA households in the lowest 20% income group, the Administration was requested to consider comparing the average monthly income of CSSA households with those households with earnings below 50% of the median income.

Action

3. The Administration made the following responses –
- (a) under the existing mechanism, standard rates of CSSA were reviewed annually in accordance with the movement of SSAIP in order to maintain the purchasing power of the payments. Besides, the Census and Statistics Department updated SSAIP on a monthly basis to reflect the impact of price changes on CSSA recipients. It was noteworthy that in August 2008, an adjustment to CSSA standard rates was made ahead of the normal cycle in order to ease the impact of inflation on CSSA recipients;
 - (b) the HES on CSSA Households collected information on the expenditure on all commodities and services consumed by CSSA households, i.e. the expenditure patterns of CSSA households. The weighting system of SSAIP was updated every five years on the basis of the finding of the HES on CSSA Households, and standard rates of CSSA were reviewed annually in accordance with the movement of SSAIP. The five-year arrangement was considered appropriate taking into account that the survey normally took more than two years to complete. According to the findings of the last round of HES on CSSA Households, when compared with the 1999/2000-based SSAIP, the weightings of the 2004/2005-based SSAIP remained fairly stable;
 - (c) the average monthly CSSA payment of a four-person CSSA household was comparatively higher than the average monthly income of a four-person non-CSSA household in the lowest 20% income group. In addition, CSSA recipients could choose to spend the payments, in the form of cash assistance, on goods and services based on their personal preference. Apart from standard rates, the CSSA Scheme also provided supplements and special grants to help different categories of recipients to meet their special needs;
 - (d) while the Administration would look into the aspect of Internet access charges in the new round of HES on CSSA Households, the Education Bureau, in partnership with the Environmental Protection Department, had launched a Computer Recycling Programme to provide needy students with refurbished computers and one year free Internet access services; and
 - (e) the former Commission on Poverty (CoP) considered that as Hong Kong was a relatively affluent society, it would not be appropriate to use a single income-based indicator to draw a poverty line. Rather a set of 24 multi-dimensional poverty indicators had been compiled by the former CoP to reflect the poverty situation of four

Action

Admin key social groups/areas, namely the children/youth, working people/adult, older people and community. The Administration hoped to provide the Panel on Welfare Services with an update on the poverty indicators in July 2009. It would also consider the Chairman's suggestion of providing information on the median household income.

Admin 4. To facilitate members' future discussion, Mr LEE Cheuk-yan requested and the Administration agreed to provide information, if any, as to whether information on the expenditure on Internet access charges was collected during the last round of HES on CSSA Households.

Admin 5. The Chairman advised that at a case conference between Duty Roster Members and the Administration in May 2009, the latter was requested to provide responses to issues raised at that meeting, in particular the one-year-continuous-residence requirement and rent allowance under the CSSA Scheme. As the issues were relevant to the discussion of this meeting, the Chairman requested the Administration to copy its response to the Subcommittee as well.

The operation of the discretionary mechanism on residence requirements

6. Members raised the following concerns –

- (a) in order to meet the criteria for exercising discretion to exempt the seven-year residence requirement under the CSSA Scheme, newly arrived single mothers had to find employment and consequently their children were left unattended. Such requirement should be relaxed, and the process for exercising discretion should be streamlined and expedited in the light of the well-being of the children;
- (b) it was unfair and unacceptable to impose the one-year-continuous-residence requirement on Hong Kong permanent residents who had lived and worked outside Hong Kong for some time. Many of them had returned to Hong Kong recently due to loss of jobs amidst the financial tsunami. However, they were not eligible for CSSA even though they were in genuine hardship simply because they could not meet the one-year-continuous-residence requirement. Such requirement should be abolished;
- (c) the discretion to waive the one-year-continuous-residence requirement would be exercised only until the applicants had almost used up their savings; and

Action

- (d) whether there were objective criteria for exercising discretion to waive the residence requirements apart from the consideration factors as set out in paragraph 10 of the Administration's paper.

7. The Administration made the following responses –

- (a) the residence requirements were introduced in 2004 in line with the recommendations in the Report of the Task Force on Population Policy. The requirements provided a rational basis on which the public resources were allocated, helped sustain a non-contributory social security system with an increasing demand and strike a balance between the interests of various sectors of the community. The seven-year residence requirement aimed to encourage new arrivals who could work to be self-reliant rather than relying on welfare assistance. The one-year-continuous-residence requirement aimed to discourage people who had lived outside Hong Kong for a long time from relying on CSSA as soon as they returned to Hong Kong;
- (b) the Director of Social Welfare (DSW) would take into account all relevant factors of each case to establish whether there was a genuine hardship for exercising his discretion to waive the seven-year residence requirement. Assistance would be provided to newly-arrived single mothers who were in genuine hardship, where appropriate. Each case would be considered on its own merits;
- (c) when considering whether to exercise discretion to waive the one-year-continuous-residence requirement, DSW would take into account all resources available to the applicants and their family members, including savings and assistance from friends and relatives. In 2008, 1 502 applications were exempted from the requirement and only 55 applications were rejected; and
- (d) there were internal communication channels, such as regular briefings and discussions, for Senior Social Security Officers (District) to share their experience in handling applications for waiving the residence requirements to ensure consistency in the process.

8. Considering that it was unreasonable to impose the one-year-continuous-residence requirement on Hong Kong permanent residents, Mr LEE Cheuk-yan requested the Legal Service Division of the Legislative Council (LegCo) Secretariat to provide a legal opinion on whether the one-year-continuous-residence requirement had violated the Basic Law, which

Action

stipulated that Hong Kong residents should have the right to social welfare in accordance with the law.

II. Any other business

Discussion item for the next meeting

9. Members agreed to receive views from deputations at the next meeting to be held on 9 June 2009 on the review of the CSSA Scheme, in particular the review mechanism of SSAIP and the operation of discretionary mechanism on residence requirements.

Proposal to conduct a duty visit by the Subcommittee
[IN15/08-09]

10. With reference to the information note on "Social enterprises, poverty alleviation and long-term care for the elderly in selected places" prepared by the Research and Library Services Division of LegCo Secretariat, members decided to conduct a duty visit to the Republic of Korea and Taiwan in the forthcoming summer recess. Members agreed that –

- (a) the visit would study the experience of both places in the development of social enterprises, and formulating and implementing anti-poverty strategies; and
- (b) the visit was tentatively scheduled for mid to late July 2009, say, from 19 to 25 July 2009.

11. There being no other business, the meeting ended at 12:55 pm.

Council Business Division 2
Legislative Council Secretariat
24 June 2009

**Proceedings of the fourth meeting of the
Subcommittee on Poverty Alleviation
on Friday, 15 May 2009, at 10:45 am
in Conference Room A of the Legislative Council Building**

Time Marker	Speaker(s)	Subject(s)	Action required
000000 - 000219	Mr LEE Cheuk-yan Chairman	Mr LEE Cheuk-yan was elected to chair the meeting during the temporary absence of the Chairman, and the resumption of the chair by the Chairman	
000220 - 000711	Admin Chairman	Briefing on the Social Security Assistance Index of Prices (SSAIP) and the operation of the discretionary mechanism on residence requirements under the Comprehensive Social Security Assistance (CSSA) Scheme (LC Paper No. CB(2)1481/08-09(01))	
000712 - 001143	Mr WONG Kwok-kin Admin Chairman	Adequacy of the sample size and the methodology of data collection in conducting the Household Expenditure Survey (HES) on CSSA Households	
001144 - 001919	Mr LEUNG Yiu-chung Admin Chairman	<p>Whether CSSA payments could catch up with the living standards given that the HES on CSSA Households was conducted every five years and how the durable goods consumed by CSSA households were reflected in the survey</p> <p>The Administration's response that –</p> <p>(a) the five-year interval was considered appropriate taking into account that the survey normally took more than two years to complete. According to the findings of the last round of HES on CSSA Households, the weightings of SSAIP remained fairly stable;</p> <p>(b) expenditure on durable goods in the three months of a reference quarter would be recorded by sampled households in the HES on CSSA Households; and</p> <p>(c) CSSA standard rates were reviewed annually in accordance with the movements of SSAIP in order to maintain the purchasing power of the payments. Under the existing adjustment mechanism, the Administration would consider seeking approval for additional adjustments to CSSA standard rates ahead of the annual adjustment cycle if movements of SSAIP and other economic indicators pointed to persistently high inflation. In August 2008, the Administration adjusted CSSA standard rates in this regard</p>	
001920 - 002907	Mr LEE Cheuk-yan Chairman Admin	Concern that 33% of total expenditure on all goods and services consumed by CSSA households were not covered by SSAIP, but provided by special grants. Hence, the total expenditure on goods and services by CSSA households	

Time Marker	Speaker(s)	Subject(s)	Action required
		<p>were not fully covered by the standard rates, if they were not eligible for special grants; and rationale for including item (B6) in Note B of Annex C to the Administration's paper</p> <p>The Administration's response that –</p> <ul style="list-style-type: none"> (a) CSSA households could choose to spend their CSSA payments, in the form of cash assistance, on goods and services based on their personal preference; different types of supplements and special grants were also provided under the CSSA Scheme to meet the special needs of the recipients; (b) to help needy students gain access to computer facilities, the Education Bureau, in partnership with the Environmental Protection Department, had launched a Computer Recycling Programme to provide needy students with refurbished computers and one year free Internet access services; and (c) the Administration would look into the aspect of Internet access charges in the coming 2009-2010 round of HES on CSSA Households 	
002908 - 003044	Mr CHEUNG Kwok-che Admin Chairman	<p>Concern about the adequacy of CSSA standard rates and the basis for determining the initial level of such rates</p> <p>The Administration's response that –</p> <ul style="list-style-type: none"> (a) many factors were taken into account in determining the initial level of CSSA standard rates . It was noteworthy that at that point in time, the Administration compared CSSA payments with the average monthly expenditure of non-CSSA households in the lowest 5% income group. Now that the average monthly CSSA payments of a four-person CSSA household was comparatively higher than the average monthly expenditure of a four-person non-CSSA household in the lowest 25% expenditure group; and (b) the existing adjustment mechanism for CSSA standard rates was considered effective <p>View of Mr CHEUNG Kwok-che that the Administration should review the criteria for determining standard rates of CSSA</p>	
003045 - 004313	Mr Alan LEONG Admin Chairman	<p>Enquiry on how the information collected by HES on CSSA Households would be taken into account in determining CSSA standard rates</p> <p>The Administration's response that the HES on CSSA Households would collect information on the expenditure on all commodities and services consumed by CSSA households, i.e. the overall consumption pattern of CSSA</p>	

Time Marker	Speaker(s)	Subject(s)	Action required
		households. The weighting system of SSAIP was updated every five years on the basis of the findings of the HES on CSSA Households, and CSSA standard rates were reviewed annually in accordance with the movement of SSAIP	
004314 – 005313	Chairman Admin	<p>Discussion on the definition of poverty line and rationale for comparing average monthly income of CSSA households with that of non-CSSA household in the lowest 20% income group</p> <p>The Administration's response that the former Commission on Poverty considered that as Hong Kong was a relatively affluent society, it would not be appropriate to use a single income-based indicator to draw a poverty line. Rather, a set of 24 multi-dimensional poverty indicators had been compiled. The Administration hoped to provide the Panel on Welfare Services with an update on the poverty indicators in July 2009</p> <p>The Administration was requested to consider providing information on the median household income</p>	Admin
005314 - 005940	Mr LEE Cheuk-yan Chairman Admin	<p>Whether the target sample of 1 600 CSSA households in the new round of HES on CSSA Households could be selected in accordance with the characteristics and profile of the households, e.g. households with aged, disabled members or children</p> <p>Concerns about the provision of dental services to children on CSSA and assistance to non-CSSA families in the lowest 20% income group</p> <p>The Administration's response that –</p> <p>(a) a random sample of 1 600 CSSA households was selected from various geographical areas and different categories of households based on the Social Welfare Department (SWD)'s records. Further dividing this sample size into sub-samples according to the different characteristics/profiles of households would be technically feasible, but the findings thereof would not be technically reliable or accurate due to the possibly limited number of households in the sub-samples; and</p> <p>(b) the School Dental Care Service under the Department of Health provided basic dental services for primary school students, and follow-up service would be provided as appropriate</p>	
005941 - 010741	Mr CHEUNG Kwok-che Chairman Admin	Elaboration on the findings of Annex B of the Administration's paper	
010742 - 010951	Chairman	Concern whether the changing needs on basic goods and	

Time Marker	Speaker(s)	Subject(s)	Action required
	Admin	<p>services of CSSA recipients could be covered by SSAIP, given that the HES on CSSA Households was conducted every five years</p> <p>The Administration's response that –</p> <p>(a) CSSA households could flexibly spend the CSSA payments, in the form of cash assistance, on goods and services based on their personal preference; and</p> <p>(b) CSSA households with genuine needs were urged to approach SWD staff for assistance, which would be rendered to needy families having regard to their individual circumstances</p>	
010952 - 011623	Mr LEE Cheuk-yan Admin	Whether information on the expenditure on the Internet access charges was collected in the last round of HES on CSSA Households	Admin
011624 – 011917	Chairman Admin	<p>Follow-up on issues raised at a case conference between Duty Roster Members with the Administration in May 2009</p> <p>Feasibility of providing different rates of rent allowance having regard to the rent levels in individual districts</p> <p>The Administration's response that it would be difficult, if not impossible, to set different rates of rent allowance taking into account the diversity in types and characteristics of private housing in various districts</p>	Admin
011918 – 012810	Mr LEE Cheuk-yan Admin Chairman	<p>Number of applications for exemption from the one-year-continuous-residence requirement in 2008, and the number of approved and rejected cases</p> <p>Concern about factors of consideration in exercising discretion to waive the one-year-continuous-residence requirement and seven-year residence requirement</p> <p>Concern about the difficulties of newly-arrived single parents in meeting the criteria for exercising discretion to waive the seven-year residence requirement</p>	
012811 - 013441	Mr WONG Sing-chi Admin Chairman	<p>View of Mr WONG Sing-chi that the well-being of children should be safeguarded, and assistance to needy families should be provided in a timely manner</p> <p>Basis for determining the limit of absence from Hong Kong allowed during the one-year period for continuous residence</p>	
013442 – 014147	Mr CHEUNG Kwok-che Admin Chairman	<p>Views of Mr CHEUNG Kwok-che that -</p> <p>(a) it was unfair and unreasonable to impose the one-year-continuous-residence requirement on Hong Kong permanent residents who had lived and worked outside Hong Kong for some time and returned to Hong Kong due to loss of jobs amidst the financial tsunami.</p>	

Time Marker	Speaker(s)	Subject(s)	Action required
		<p>The one-year-continuous-residence requirement should be abolished;</p> <p>(b) discretion for being exempted from the one-year residence requirement would be exercised only until the applicants' savings were nearly used up; and</p> <p>(c) frontline staff in the Social Security Field Units should be more sensitive and compassionate to the needs of CSSA applicants</p>	
014148 - 014830	Mr Alan LEONG Admin Chairman	<p>Whether there were objective criteria in determining exercising discretion to waive the residence requirements apart from the consideration factors set out in the Administration's paper</p> <p>The Administration's response that the main consideration factors were set out in paragraph 10-12 of the Administration's paper. In addition, regular internal briefings and discussions were held among SWD staff on processing CSSA applications, in particular the factors taken into account in exercising discretion to waive the residence requirements, with a view to ensuring consistency in the process</p>	
014831 – 014847	Chairman	Decision to extend the meeting for 15 minutes	
014848 – 015156	Mr LEE Cheuk-yan Chairman	Request for a legal opinion on whether the one-year-continuous-residence requirement had violated the Basic Law which stipulated that Hong Kong residents should have the right to social welfare in accordance with law	LegCo Secretariat
015157 – 015336	Chairman	Discussion item for the next meeting	
015337 – 020111	Chairman Mr LEE Cheuk-yan Mr CHEUNG Kwok-che Mr LEUNG Yiu-chung	Proposed overseas duty visit by the Subcommittee	LegCo Secretariat