



(Translation)

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8 June 2009

Secretary General
Legislative Council Secretariat
Legislative Council Building
8 Jackson Road, Central
Hong Kong
(Attn: Mrs Queenie YU)

Dear Mrs Yu,

**Problems Faced by Residents Returning
to Hong Kong Due to Unemployment**

Thank you for your letter of 18 May 2009, requesting the Social Welfare Department (SWD) to respond to the enquiries raised by Legislative Council (LegCo) Members at the LegCo Case Conference held on 4 May this year regarding the one-year-continuous-residence requirement and rent allowance under the Comprehensive Social Security Assistance (CSSA) Scheme. Please find below our reply.

Operational arrangement for exercising discretion to waive the one-year-continuous-residence requirement (paragraph 10 of the minutes of meeting)



2. As explained in the letter of the Labour and Welfare Bureau dated 27 April to the LegCo Secretariat, when a Social Security Field Unit of the Social Welfare Department (SWD) has received a CSSA application involving any person not meeting the one-year-continuous-residence requirement, the caseworker will explain to the applicant, among other things, that for cases with genuine hardship, the Director of Social Welfare (DSW) may exercise discretion to waive the requirement. To enhance transparency, SWD has also prepared a pamphlet to facilitate the applicants' understanding of residence requirements under the CSSA Scheme and the factors that DSW will take into consideration in exercising discretion. The pamphlet has been uploaded to the SWD website for public reference.

3. In view of the concerns expressed by LegCo Members, SWD will further remind its staff at the Social Security Field Units to explain in detail to applicants the discretionary arrangement, and advise them that they may re-approach SWD for assistance if they encounter hardships in future.

4. In fact, CSSA is not the only source of assistance available for those in need. When there are proven needs, and subject to meeting the respective eligibility criteria, other forms of assistance are also available. These include employment support services, emergency relief, temporary cash grants from charitable trust funds, medical waivers, child care services and assistance in kind. When a CSSA applicant is identified to have other welfare needs, no matter whether his CSSA application is successful or not, staff of the Social Security Field Unit will refer him to other appropriate agencies, e.g. Integrated Family Service Centres, for follow-up actions.

5. We believe that the discretionary arrangement has already provided flexibility in the implementation of the residence requirements.



Reason for adopting 56 days as the permissible limit of absence from Hong Kong for meeting the one-year-continuous-residence requirement (paragraph 12 of the minutes of meeting)

6. CSSA applicants who have been absent from Hong Kong up to 56 days during the year immediately before the date of application will be treated as having met the one-year-continuous-residence requirement. This flexible arrangement is to cater for the possible need of applicants to travel out of Hong Kong temporarily for tourism purpose or visiting relatives abroad.

The number of CSSA applications in which exemption from the one-year-continuous-residence requirement has and has not been granted respectively (paragraph 19 of the minutes of meeting)

7. In 2008, discretion was exercised for 1 502 CSSA applications in which the applicants did not meet the one-year-continuous-residence requirement, whereas 55 applications involving such applicants were rejected.

Methodology for setting the 1996 CSSA rent allowance levels (paragraph 22 of the minutes of meeting)

8. The Government set up a Steering Group to conduct a review on the CSSA Scheme in March 1995. In accordance with the recommendation of the review report, the maximum rent allowance (MRA) with respect to different household sizes was raised by 17% to 52% from 1 April 1996 to reflect more accurately the actual rent paid by CSSA households living in private housing. Since April 1997, the MRA has been adjusted annually in accordance with the movement of the rent index for private housing of the Consumer Price Index (A). That index is compiled by the Census and Statistics Department on a monthly basis to reflect the trend of private housing rents paid by non-CSSA households with relatively low expenditure.



Higher rent allowance for CSSA recipients living in urban areas
(paragraph 22 of the minutes of meeting)

9. CSSA recipients are free to choose their accommodations. As they live in different types of premises (such as cubicles and suites) and the rental levels could be affected by a variety of factors (such as floor area, facilities, location and age of the property), the rent levels of premises may vary wildly even if such premises are within the same district. We consider it inappropriate to set different MRAs for different districts.

Statistics on CSSA recipients living in private housing and in receipt of rent allowance who are recommended by SWD to the Housing Department (HD) for compassionate rehousing on financial ground (paragraph 26 of the minutes of meeting)

10. Compassionate rehousing is a form of housing assistance which aims to provide assistance to individuals or families who have genuine and imminent housing problems which cannot be resolved by the individuals or families themselves. All CSSA recipients recommended for compassionate rehousing must pass a “Comprehensive Means Test”. In 2008, SWD recommended a total of 2 269 cases to HD for compassionate rehousing. Of these cases, 748 were on CSSA.

The number and percentage of singletons living in private housing in Tsuen Wan, Shatin and Hong Kong Island who are in receipt of a rent allowance adequate for covering the actual rent (paragraph 28 of the minutes of meeting)

11. The requested figures are provided in the table below:



District	Number of singleton CSSA recipients living in private housing		
	Number of singleton CSSA recipients whose actual rent is below or equivalent to the MRA (a)	Total number of singleton CSSA recipients living in private housing who are in receipt of rent allowance (b)	Percentage (a)/(b)
Tsuen Wan	264	756	34.92%
Shatin	167	270	61.85%
Hong Kong Island	913	2 862	31.90%

12. The total number of singleton CSSA recipients in Hong Kong who are living in private housing and are receiving rent allowance is 21 481. Among them, 3.5%, 1.3% and 13.3% are living in Tsuen Wan, Shatin and Hong Kong Island respectively.

Yours sincerely,

(Original Signed)

(FUNG Pak-yan)

for Director of Social Welfare

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Clerk to LegCo Panel on Welfare Services

(Attn: Miss Betty MA (Ch Council Secy(2)4)