

政府總部
勞工及福利局
香港下亞厘畢道
中區政府合署



LABOUR AND WELFARE BUREAU
GOVERNMENT SECRETARIAT

Central Government Offices
Lower Albert Road
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Legislative Council Secretariat
Legislative Council Building
8 Jackson Road
Central
Hong Kong
(Attn: Miss Betty MA)
(Fax No.: 2185 7845)

11 February 2011

Dear Miss MA,

**The Administration's response to the Hon WONG Sing-chi's
further enquiries on rent allowance under the
Comprehensive Social Security Assistance Scheme**

Thank you for your email of 24 January this year, relaying the Hon WONG Sing-chi's further enquiries on the above subject.

Maximum levels of rent allowance

As the Administration has explained vide LC Paper No. CB(2)786/10-11(01), the maximum levels of rent allowance (MRA) under the Comprehensive Social Security Assistance (CSSA) Scheme are adjusted annually in accordance with the movement of the Consumer Price Index (CPI) (A) rent index for private housing. The index is compiled by the Census and Statistics Department (C&SD) on a monthly basis and reflects the movement of private housing rent faced by the relatively low expenditure group of households. The index has been used as an objective basis for updating the MRA since its endorsement by the Legislative Council in 1998.

The MRA was last adjusted in June 2003 in accordance with the above adjustment mechanism by making reference to the moving average of the CPI(A) rent index for private housing for the period from April 2001 to March 2002. Although the CPI(A) rent index for private housing indicated that there was continuous room for downward adjustment of the rates in the years following the last adjustment (the lowest being -17.3% in 2005), the Administration has frozen the MRA having regard to the state of the economy. We will continue to monitor

the situation and adjust the MRA in accordance with the established mechanism when necessary.

Review the CSSA system to improve the living standard of recipients

CSSA is a safety net of last resort provided by the Government for those who cannot support themselves financially and is designed to help them meet their basic needs. The CSSA Scheme is a non-contributory social security scheme and the expenditure is fully borne by taxpayers. We must act with prudence and caution in considering any changes to the Scheme and ensure the proper use of public funds and the sustainability of the CSSA system.

In accordance with the established mechanism, the Government adjusts CSSA standard payment rates (including the CSSA standard rates, supplements and monthly meal allowance under the special grants category) on an annual basis taking into account the movements of the Social Security Assistance Index of Prices (SSAIP). Taking into account the movement of the SSAIP, the Social Welfare Department (SWD) adjusted the CSSA standard payment rates upward by 3.4% with effect from 1 February this year. Following the adjustment, the average monthly CSSA payment to a four-member CSSA family without any income is \$10,371.

Furthermore, SWD updates the weighting system of the SSAIP every five years with reference to the Household Expenditure Survey (HES) on CSSA Households so that the index can more accurately reflect the latest expenditure pattern of CSSA households. SWD is conducting the 2009-10 round of the HES on CSSA Households in collaboration with C&SD, and has completed the data collection work. Report preparation and the work for updating the expenditure weights for compiling the SSAIP will take place between March and October 2011.

The current mechanism described above is well-established. We will continue to monitor the movements of the SSAIP to ensure that the purchasing power of CSSA is maintained.



(Simpson Lo)
for Secretary for Labour and Welfare

c.c.
Director of Social Welfare
(Attn: Ms LUNG Siu-kit

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