

立法會
Legislative Council

LC Paper No. CB(2)1247/17-18
(These minutes have been
seen by the Administration)

Ref : CB2/PL/WS

Panel on Welfare Services

Minutes of meeting
held on Monday, 12 February 2018, at 10:00 am
in Conference Room 3 of the Legislative Council Complex

- Members present** : Hon SHIU Ka-chun (Chairman)
Hon KWONG Chun-yu (Deputy Chairman)
Hon Mrs Regina IP LAU Suk-ye, GBS, JP
Hon Michael TIEN Puk-sun, BBS, JP
Hon CHAN Chi-chuen
Hon LEUNG Che-cheung, SBS, MH, JP
Hon KWOK Wai-keung, JP
Dr Hon Fernando CHEUNG Chiu-hung
Dr Hon Helena WONG Pik-wan
Hon POON Siu-ping, BBS, MH
Hon Alvin YEUNG
Hon Andrew WAN Siu-kin
Hon CHU Hoi-dick
Hon Wilson OR Chong-shing, MH
Hon YUNG Hoi-yan
Dr Hon Pierre CHAN
Hon LUK Chung-hung
- Members absent** : Hon LEUNG Yiu-chung
Dr Hon KWOK Ka-ki
Dr Hon Junius HO Kwan-yiu, JP

Public Officers : Item IV
attending

Dr LAW Chi-kwong, GBS, JP
Secretary for Labour and Welfare
Labour and Welfare Bureau

Mr David LEUNG, JP
Commissioner for Rehabilitation
Labour and Welfare Bureau

Mr FONG Kai-leung
Assistant Director of Social Welfare (Rehabilitation
and Medical Social Services)
Social Welfare Department

Mrs CHAN SIU Suk-fan
Principal Assistant Secretary (Kindergarten
Education)
Education Bureau

Dr Verena LAU Wing-yin
Principal Education Officer (Special Education)
Education Bureau

Dr Florence LEE Mun-yau
Consultant Paediatrician (Child Assessment Service)
Department of Health

Item V

Ms Vivian HAU Ming-wai
Chief Social Security Officer (Social Security)²
Social Welfare Department

Items V & VI

Mr Caspar TSUI, JP
Under Secretary for Labour and Welfare
Labour and Welfare Bureau

Ms Michelle LAM Wai-yip
Assistant Director (Social Security)
Social Welfare Department

Mr Andrew KWAN Kai-ming
Senior Statistician (Social Welfare)
Social Welfare Department

**Attendance
by invitation** : Item VI

Prof WONG Hung
Associate Professor, Department of Social Work, The
Chinese University of Hong Kong

Mr WONG Wo-ping
Chief Officer (Policy Research and Advocacy), The
Hong Kong Council of Social Service

**Clerk in
attendance** : Mr Colin CHUI
Chief Council Secretary (2) 4

**Staff in
attendance** : Ms Catherina YU
Senior Council Secretary (2) 4

Miss Alison HUI
Legislative Assistant (2) 4

Action

I. Information paper(s) issued since the last meeting

Members noted that no paper had been issued since the last meeting.

II. Items for discussion at the next meeting

[LC Paper Nos. CB(2)812/17-18(01) to (02)]

2. Members agreed to discuss at the next meeting scheduled for 12 March 2018 the following items:

- (a) Follow-up on the Law Reform Commission Report on Child Custody and Access and related support measures;
- (b) Implementation arrangements for the Fujian Scheme; and

- (c) Review of Poverty Line.

III. Report of the Joint Subcommittee on Long-term Care Policy and priority allocation of a debate slot to the Chairman of the Joint Subcommittee

[LC Paper No. CB(2)852/17-18]

3. Members noted the Report of the Joint Subcommittee on Long-term Care Policy ("the Joint Subcommittee") and supported the Joint Subcommittee's request for priority allocation of a debate slot under rule 14A(h) of the House Rules for a motion debate on the Joint Subcommittee's Report at the Council meeting of 11 April 2018. Members also noted that as debates on Members' motions not intended to have legislative effect which were scheduled for the Council meeting of 7 February 2018 could not be held at that meeting, motion debates at that meeting and at subsequent Council meetings had to be deferred accordingly. In this connection, the Joint Subcommittee proposed to hold the aforesaid motion debate at the Council Meeting of 9 May 2018. It was also proposed that in addition to the debate on the motion on the Joint Subcommittee's Report, only one other debate on a Member's motion not intended to have legislative effect should be held at the same Council meeting. Members supported the Joint Subcommittee's proposal.

IV. Pilot Scheme on On-site Pre-school Rehabilitation Services

[LC Paper Nos. CB(2)812/17-18(03) to (04)]

4. At the invitation of the Chairman, Secretary for Labour and Welfare ("SLW") briefed members on the progress of the Pilot Scheme on On-site Pre-school Rehabilitation Services ("OPRS") and preliminary observations of the evaluative study.

Increasing the supply of pre-school rehabilitation service places

5. Mr POON Siu-ping enquired about the justifications for increasing 7 000 OPRS places only. He also asked whether more non-governmental organizations ("NGOs") would be engaged to meet the service demand arising from these additional service places and whether there would be sufficient manpower to meet the service needs. SLW responded that the shortage of allied health professionals (e.g. occupational therapists and physiotherapists) in the welfare sector was the major bottleneck in the increase in pre-school rehabilitation services. Nevertheless, the

Administration would still make its best efforts to increase service places, albeit in a progressive manner: the 4 000 additional OPRS places would be provided progressively in the 2018-2019 to 2019-2020 school years. He further said that the number of pre-school students was projected to reach at the peak in the 2017-2018 school year and the number would drop starting from the 2018-2019 school year. The Administration would keep in view the demand for pre-school rehabilitation services and allocate the required resources for service provision. Assistant Director of Social Welfare (Rehabilitation and Medical Social Services) ("AD(R&MSS") advised that currently 16 NGOs were offering around 3 000 OPRS places. The Administration would invite more NGOs to provide OPRS.

6. Dr Fernando CHEUNG said that the supply of OPRS places would still be inadequate to meet the demand after the provision of 7 000 additional places. Given that schools were not equipped with the required training facilities for the provision of special training and care services for children who were using services in special child care centres ("SCCCs"), OPRS could not benefit some 1 600 children who were waiting for SCCC services. In this connection, he urged the Administration to speed up the provision of SCCC places. Opining that the long waiting time was a result of the Administration's poor planning for service provision in the past, he said that the Administration should draw up comprehensive plans for provision of manpower and service venues for pre-school rehabilitation services.

Supply of allied health professionals

7. Mr KWOK Wai-keung opined that since the additional OPRS places would be provided in phases, the Administration should have time to plan ahead for the manpower supply for these service places. The Administration should disseminate information on the types and numbers of allied health professionals required for the additional service places so that tertiary institutions could plan for offering relevant programmes. SLW responded that the Food and Health Bureau had drawn up plans to alleviate the shortage of healthcare manpower. AD(R&MSS) supplemented that The Hong Kong Polytechnic University ("PolyU") had organized the postgraduate entry-level two-year Master programme in Occupational Therapy ("OT") and two-year Master programme in Physiotherapy ("PT") in 2012, 2014 and 2017. These programmes would be organized again in 2019. Furthermore, the shortage of speech therapists had been alleviated as more tertiary institutions had offered Master programmes in Speech Therapy in recent years and there were more than 130 graduates of the programmes in a year. In response to the

Chairman's enquiry about the collaboration between the Social Welfare Department ("SWD") and PolyU in organizing the Master programmes in OT and PT, AD(R&MSS) said that these programmes were organized by PolyU on a self-financing basis. SWD implemented a training sponsorship scheme to sponsor the tuition fees of students enrolled in these programmes to encourage them to join the welfare sector upon graduation. Students were required to serve at the relevant NGOs for three years upon graduation. There would be 60 odd graduates of these programmes in 2019. SLW said that Bachelor programmes usually took four years to complete and a triennium plan was required for offering Bachelor programmes. It would therefore be faster to increase the supply of allied health professionals through offering Master programmes. To relieve the shortage of occupational therapists and physiotherapists for the welfare sector, SWD would continue to implement the training sponsorship scheme.

8. Expressing concern that an educational psychologist ("EP") was currently serving six to 10 schools, the Deputy Chairman asked for the progress of the Enhanced mode of School-based Educational Psychology Service with the ratio of EP to school at 1:4. Pointing out that the target ratio was set by the Government of the previous term, Dr Fernando CHEUNG also enquired about the timetable for meeting the target. SLW responded that to increase the supply of EPs and clinical psychologists, publicly funded universities had planned to increase the places for the relevant programmes in the 2019-2022 triennium. Principal Education Officer (Special Education) advised that the Education Bureau ("EDB") would need to review the supply of EPs with publicly funded universities and then develop the implementation plan for extending the ratio of 1:4 to more schools according to the service needs of students.

Waiting time for pre-school rehabilitation services

9. In response to Mr POON Siu-ping's enquiry about how the additional OPRS places would improve the waiting time for such services, SLW said that it would hinge on whether the NGOs concerned were able to provide sufficient manpower. Apart from pre-school rehabilitation services, other service sectors such as elderly, rehabilitation and healthcare sectors also had a great demand for allied health professions. It would therefore be a challenge for the Administration to provide 2 000 additional OPRS places each year in the coming two school years. Commissioner for Rehabilitation ("C for R") supplemented that among some 8 000 children on the waiting list for subvented pre-school rehabilitation services, 42% of them were receiving the necessary rehabilitation training either

through the Pilot Scheme on OPRS or the Training Subsidy Programme for Children on the Waiting List of Subvented Pre-school Rehabilitation Services implemented by SWD in October 2014. Following the provision of the additional OPRS places, more children on the waiting list for subvented pre-school rehabilitation services would receive OPRS.

10. Opining that the demand for pre-school rehabilitation services had far outstripped the supply, Mr KWOK Wai-keung said that the Administration should set a service provision target and a timetable for achieving zero waiting time for such services. He also enquired about the average waiting time of children with special needs for assessment. SLW responded that the waiting time of 13.5 to 18.2 months set out in the Administration's paper (LC Paper No. CB(2)812/17-18(03)) referred to the waiting time for conventional subvented pre-school rehabilitation services (i.e. services provided by integrated programme in kindergarten-cum-child care centres ("KG-cum-CCCs"), Early Education and Training Centres ("EETCs"), and SCCCs). Children on the waiting list for these services would be offered OPRS as appropriate. When the OPRS places were increased to 7 000, there should be fewer children with special needs not being provided with any rehabilitation services. The demand for pre-school rehabilitation services had become greater with an increase in the number of children with special needs in recent years. The Administration had been increasing the provision of such services and some additional service places would come on stream in the coming few years. The Administration would monitor the service demand and subject to availability of resources, OPRS places could be further increased if necessary. The review of the Hong Kong Rehabilitation Programme Plan would also study the long-term planning for rehabilitation services. C for R advised that in addition to increasing OPRS places, it is estimated that 500 and 900 additional places would be provided for SCCCs and EETCs respectively between 2017-2018 and 2021-2022.

11. Expressing concern that some children on the waiting list for pre-school rehabilitation services were unable to receive necessary training in their prime learning period, the Deputy Chairman requested the Administration to provide information on the latest waiting time for such services.

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(Post-meeting note: The Administration's response was issued to members vide LC Paper No. CB(2)978/17-18(01) on 5 March 2018.)

Articulation of rehabilitation services from kindergartens to primary schools

12. Dr Fernando CHEUNG said that as pre-school rehabilitation services targeted at children aged from birth to six, these children could not continue to use the services when they went to primary school. He considered that the Labour and Welfare Bureau ("LWB") and EDB should discuss the articulation of rehabilitation services from kindergartens ("KGs") to primary schools. Given that primary schools which only admitted a few students with special needs were unwilling to allocate dedicated resources to these students, Mr LEUNG Che-cheung was concerned about the transitional arrangements for students with special needs from KGs to primary schools. SLW responded that SWD was discussing with EDB how information on these children could be disseminated to primary schools so that the schools concerned could follow up their training needs. LWB and EDB would also study the support for schools to meet the continuous training needs of children who required individual training (e.g. speech therapy services) when they proceeded to primary schools. Engaging NGOs in the development of rehabilitation services for these children would also be explored. In response to Mr LEUNG Che-cheung's enquiry about allocation of funding resources to schools which admitted students with special needs, SLW said that the primary and secondary schools concerned would deploy their own resources or use the extra resources provided by EDB to procure services for arranging additional support for students with special educational needs. As some of these services were not popular in the community, it was difficult for schools to acquire the required services.

Modes of pre-school rehabilitation services

13. Dr Fernando CHEUNG said that according to the interim report of the evaluative study on the Pilot Scheme on OPRS, some parents were unable to take their children to attend centre-based training and there was inadequate space in some KGs and KG-cum-CCCs for training. He took the view that in designing KGs and KG-cum-CCCs in future, the Administration should consider providing sufficient training space and facilities in KGs and KG-cum-CCCs. The Administration should also consider setting up more independent district training centres to meet the service needs of children with special needs. SLW responded that the Administration would study measures to overcome these on-site constraints.

14. Dr Fernando CHEUNG said that some NGOs which had provided OPRS considered that school-based pre-school rehabilitation services also had its merit. He asked whether the Administration would consider adopting other service modes for the additional OPRS places. He also took the view that parents would be able to train their children with special needs if they were kept informed of the development progress of their children. In this connection, he suggested that social workers should be deployed to KGs. The Deputy Chairman enquired whether the Administration would consider providing social worker outreach services for KGs. SLW responded that both OPRS and the integrated programme in KG-cum-CCCs had their own advantages. The Administration would review the modes of pre-school rehabilitation services having regard to the experience gained in regularizing the Pilot Scheme on OPRS. He further said that the Administration had proposed in the 2018-2019 Budget to increase the number of social worker posts substantially. Given that there were inadequate social workers in the market to fill these newly added posts and training of social workers took time, social workers would be provided for KGs in a progressive manner. The Administration was working on the provision of social work service for pre-primary institutions and hoped to implement the initiative starting from the 2018-2019 school year on a pilot basis.

Funding for the Pilot Scheme on On-site Pre-school Rehabilitation Services'

15. Noting that \$422 million had been allocated to provide 3 000 places under the Pilot Scheme on OPRS in December 2015, Mr POON Siu-ping enquired about the basis for earmarking \$460 million for providing 7 000 OPRS places. C for R responded that the \$422 million was allocated for implementing OPRS for a period of two years (i.e. an average of \$211 million a year) and \$460 million a year had been earmarked for OPRS. In other words, the fund allocated to OPRS per year was more than double after the Scheme was regularized.

(At 10:46 am, the Chairman adjourned the meeting to allow members to attend agenda item I "Election of Chairman" of the meeting of the Bills Committee on Guangzhou-Shenzhen-Hong Kong Express Rail Link (Co-location) Bill. The Chairman resumed the meeting at 11:04 am.)

V. Implementation of the Higher Old Age Living Allowance
[LC Paper Nos. CB(2)812/17-18(05) to (06) and
CB(2)855/17-18(01)]

16. At the invitation of the Chairman, Under Secretary for Labour and Welfare ("USLW") briefed members on the implementation arrangements for the Higher Old Age Living Allowance ("Higher OALA").

Implementation arrangements

17. In response to the Chairman's enquiry about the payment rate of the Higher OALA, Assistant Director (Social Security) ("AD(Social Security)") said that the payment rate on the effective date (i.e. 1 May 2017) was \$3,435 and had been increased to \$3,485 on 1 February 2018.

18. Mr POON Siu-ping enquired whether applicants would not be granted a lump-sum retrospective payment counting from the effective date (i.e. 1 May 2018) if they applied for Higher OALA after 31 December 2018. He also asked if the applications were processed by the SWD after the application deadline due to insufficient manpower, whether the applicants concerned would be granted the lump-sum retrospective payment. USLW responded that elderly persons must submit their applications on or before 31 December 2018 in order to receive the lump-sum retrospective payment and SWD had sufficient manpower to process Higher OALA applications. The Administration would launch publicity programmes to remind elderly persons to apply for Higher OALA before the deadline. In response to Mr POON Siu-ping's enquiry about how recipients of the existing allowance under OALA (renamed as the Normal OALA) would know whether they were eligible for Higher OALA, USLW explained the implementation arrangements which were set out in paragraph 13 of the Administration's paper (LC Paper No. CB(2)812/17-18(05)).

19. Mr Wilson OR said that to enable needy elderly persons to receive Higher OALA as early as possible, the Administration should speed up the disbursement of the allowance. USLW said that time was required to enhance SWD's Computerised Social Security System. Nevertheless, the Administration was confident that Higher OALA would be implemented on 1 June 2018 as planned. As suggested by Mr Wilson OR, USLW said that the Administration would promote Higher OALA at various levels, including briefings to District Councils members and elderly services units, etc.

Manpower arrangements

20. In response to Mr POON Siu-ping's enquiry about the manpower arrangements for implementing Higher OALA, AD(Social Security) said that the social security field units ("SSFUs") of SWD had been provided with 19 additional staff in mid-2017 to handle new applications arising from the relaxation of the asset limits under OALA and implementation of Higher OALA. Subject to the passage of the Appropriation Bill 2018, additional full-time staff would also be provided for the OALA Centralised Team in 2018-2019 for handling work in relation to the implementation of Higher OALA. The Administration would keep in view the situation and make suitable manpower arrangements for processing Higher OALA applications. In response to the Chairman's enquiry about the number of additional staff to be provided for the OALA Centralised Team, AD(Social Security) said that it would be a double-digit increase.

21. Referring to the submission from the Social Security Assistants' Branch of the Hong Kong Chinese Civil Servants' Association ("the Association") (LC Paper No. CB(2)855/17-18(01)), the Chairman expressed concern about the heavy workload of SWD's frontline staff. He enquired about details of the posts of the 19 additional staff provided for SSFUs. AD(Social Security) responded that the posts of the 19 additional staff included Social Security Officer II, Social Security Assistant ("SSA") and Clerical Assistant. Drawing on the experience from the implementation of OALA in 2013, additional manpower would be deployed to man the enquiry hotline and handle mails at an early stage when Higher OALA was implemented. The Chairman said that the additional manpower for SSFUs was provided in mid-2017 and according to the Association's submission, which was dated 6 February 2018, SWD's frontline staff were currently under great work pressure. It was an indication that even with the added manpower, the relevant service units of SWD were still under-staffed. AD(Social Security) responded that apart from SSFUs, the OALA Centralised Team would also be responsible for handling the reply slips and submissions in response to the notification letters issued to existing Normal OALA recipients and other Social Security Allowance ("SSA") recipients. Currently, there were 124 staff members in the OALA Centralised Team.

22. Mr LUK Chung-hung said that the staff union concerned had reflected that SSAs were required to investigate into cases involving asset declarations by Normal OALA applicants which were previously handled by Senior Social Security Assistants ("SSSAs"). Such an arrangement

was unfair to SSAs as the task was outside the scope of their duties and they might not have sufficient experience to perform the task well. The Administration should employ more SSSAs to handle those cases. AD(Social Security) responded that the OALA Centralised Team would review OALA cases on a regular basis to ascertain their continuous eligibility for the allowance. To enhance work efficiency and avoid overlapping of tasks, information on these cases obtained by another unit would be passed to the OALA Centralised team for conducting the review. Such an arrangement aimed to streamline the work procedures and there was no transfer of SSSAs' duties to SSAs. The Administration would strengthen the training and supervision for the staff concerned to complement the re-engineering of work.

Universal retirement protection

23. Dr Fernando CHEUNG said that the provision of Normal OALA did not help needy elderly escape from poverty because of the low level of the allowance. Instead of launching Higher OALA, the Administration should implement a financially sustainable universal retirement protection scheme with tripartite contributions. He enquired about the projected poverty rate following the implementation of Higher OALA and the additional expenditure incurred by the Government in providing Higher OALA in 2068 (i.e. 50 years later). He also asked whether the Administration would raise taxes in order to cover the additional expenses incurred in providing Higher OALA and if so, the rate of increase. USLW responded that the current term of the Government would not study universal retirement protection. Adopting a universal retirement protection approach would mean that around 80% of public resources would be allocated to elderly persons who had no financial difficulties. The Administration had provided needy elderly persons with assistance. On average, elderly singletons who were on Comprehensive Social Security Assistance ("CSSA") received around \$6,300 a month and those with special needs could receive over \$10,000 a month. Higher OALA was introduced to provide a higher amount of allowance for elderly persons with more financial needs. The implementation of Higher OALA would increase the government's recurrent expenditure by a total of \$76 billion in the first 10 years of its implementation. At Dr Fernando CHEUNG's request, USLW undertook to provide a projection of the additional expenditure incurred by the Government in providing Higher OALA in 2068 (i.e. 50 years later), taking into account the effect of population ageing.

(Post-meeting note: The Administration's response was issued to members vide LC Paper No. CB(2)1164/17-18(01) on 3 April 2018.)

24. Mr Wilson OR said that the Democratic Alliance for the Betterment of Hong Kong had submitted some proposals on universal retirement protection to the Administration in the past. In the light of the ageing population, the Administration should consider introducing universal retirement protection. Mr LUK Chung-hung said that the Hong Kong Federation of Trade Unions considered that to recognize the contributions of elderly persons and according to the principle of social justice, the Administration should move toward the direction of adopting a tripartite contributory, non-means-tested retirement protection system.

25. USLW responded that the Hong Kong Mortgage Corporation ("HKMC") planned to launch the Life Annuity Scheme in mid-2018 to help elderly persons address the longevity risk by providing guaranteed and stable cash income, enabling them to better plan for retirement. According to some life annuity schemes in the market, for \$1 million of premium, male annuitants at the entry age of 65 would receive "fixed monthly payout" of some \$5,000. This would relieve the burden of retirement of the relatively well-off retirees. Together with the OALA payment, elderly persons who joined a life annuity scheme would have a rather decent monthly income. The Administration was considering how OALA might dovetail with the HKMC's initiative. The current thinking was that only the "fixed monthly payout" under the HKMC's Life Annuity Scheme would be counted as monthly income under OALA, while the lump-sum "premium" would not be included in the calculation of assets. The Administration would continue to liaise with HKMC, and finalize the relevant calculations in respect of the means test under OALA after HKMC had confirmed and announced the detailed arrangements for the Life Annuity Scheme. Mr LUK Chung-hung called on the Administration to announce the relevant arrangements as early as possible. Mr LEUNG Che-cheung opined that the lump-sum "premium" should not be regarded as assets under OALA, otherwise many elderly persons might not be willing to join the Scheme. This would defeat the objective of launching the Scheme.

Means test requirements under the Old Age Living Allowance

26. While supporting the implementation of Higher OALA and the relaxation of the asset limits for Normal OALA as interim measures before a tripartite contributory and non-means-tested retirement protection scheme was introduced, Mr LUK Chung-hung said that the asset limits for

Higher OALA and Normal OALA should be further relaxed to \$400,000 and \$800,000 respectively for elderly couples. Mr CHAN Chi-chuen said that when OALA was implemented in 2013, all Members belonging to the pan-democratic camp took the view that OALA should be non-means-tested. Considering the means test necessary, many Members belonging to the pro-establishment camp suggested that the asset limits should be substantially increased. The proposed asset limits ranged from \$300,000 to \$1 million. Although the former SLW had promised that the asset limits for OALA would be reviewed, the Administration had not conducted a substantive review of the asset limits since its implementation. He took the view that Normal OALA should be non-means-tested.

27. USLW responded that the Administration had increased the asset limits for OALA in the past. The asset limits for Normal OALA had been raised from \$225,000 to \$334,000 for elderly singletons and from \$341,000 to \$506,000 for elderly couples. The increase was not as slight as some members had mentioned. Given that the asset limits were only adjusted according to inflation, Mr CHAN Chi-chuen urged the Administration to conduct a substantive review of the asset limits and relax them substantially. Mr Wilson OR said that in the light of the huge fiscal surplus and the rapid ageing population, the Administration should consider waiving the means test for SSA applicants who were aged between 65 and 69.

28. Mr LEUNG Che-cheung said that the Administration should consider allowing elderly couples to opt to apply for Higher OALA on an individual basis to cater for the situation in which the couples had disputes over the ownership of the allowance payable to them. AD(Social Security) responded that elderly couples might apply for Higher OALA individually provided that they could prove that they did not share use the assets. Mr LEUNG Che-cheung reiterated that SWD should model on the approach adopted by the Inland Revenue Department for filing tax return and allow elderly couples to apply for Higher OALA on an individual basis.

Assessment on the number of applications for the Higher Old Age Living Allowance

29. The Deputy Chairman said that the Government's policies were ineffective in alleviating poverty as the poverty rate was only decreased from 31.6% to 29.5% after the implementation of relevant policies. As such, many members of the public had called for implementation of a universal retirement protection scheme. Some elderly persons might not

apply for Normal OALA because they found the asset test troublesome. On the other hand, the lump-sum retrospective payment might give some eligible elderly persons who did not apply for Normal OALA an incentive to apply for Higher OALA. He enquired about the number of elderly persons who were eligible but did not apply for Normal OALA and the Administration's assessment on the number of Higher OALA applicants. USLW responded that since some elderly persons might not be willing to disclose their assets, the Administration did not have the information on the number of elderly persons who were eligible but did not apply for Normal OALA. The Administration would enhance publicity on Higher OALA, hoping that eligible elderly persons would apply. If the lump-sum "premium" of HKMC's Life Annuity Scheme would not be included in the calculation of assets under OALA, more elderly persons might become eligible. The Administration would monitor whether there was a surge in the number of Higher OALA applications.

Administrative costs for implementing the Higher Old Age Living Allowance

30. Mr CHAN Chi-chuen said that the different levels of income and asset limits under Higher OALA would bring about a lot of hidden administrative costs for implementing Higher OALA as many NGOs, community organizations and District Council Members would assist elderly persons in applying for Higher OALA. Taking the Community Care Fund ("CCF") programmes as an example, the total amount disbursed to various implementing agencies (including disbursements to beneficiaries) as at 30 November 2017 was around \$5.6 billion. Although the target percentage of the administrative costs of CCF programmes was 5% of the total amount of subsidies, the relevant percentage of costs of some programmes was 15%. Given that the scale of OALA was larger than that of CCF programmes, he enquired about the administrative costs (including manpower costs and payments to implementing agencies) incurred in the implementation of Higher OALA. USLW responded that the estimated administrative costs for the implementation of OALA were around \$40 million.

Receiving deputations' views on the Higher Old Age Living Allowance

31. In response to the Chairman's invitation of views, members present supported Dr Fernando CHEUNG's suggestion of inviting deputations to attend a Panel meeting and give views on Higher OALA.

VI. Review of the Comprehensive Social Security Assistance Scheme

[LC Paper Nos. CB(2)812/17-18(07) to (08) and CB(2)863/17-18(01)]

32. At the invitation of the Chairman, USLW briefed members on the overall situation of the CSSA Scheme.

33. Members noted that Prof WONG Hung, Associate Professor, Department of Social Work of the Chinese University of Hong Kong and Mr WONG Wo-ping, Chief Officer (Policy Research and Advocacy) of the Hong Kong Council of Social Service had been invited to give views on the CSSA Scheme. At the invitation of the Chairman, Prof WONG Hung and Mr WONG Wo-ping expressed their views which were summarized in the **Appendix**.

The Administration's response to views of academic/individual

34. Responding to the views expressed by Prof WONG and Mr WONG, USLW made the following points:

- (a) the CSSA standard payment rates had increased by over 18% in the past five years and the increase in average payment for elderly singletons was more than 27%;
- (b) more than 12 assistance programmes launched by CCF had been regularized to provide targeted assistance for the needy. For example, the CCF programme to increase the grants for school-related expenses for primary and secondary students of CSSA households by \$1,000 had been regularized from the 2014-2015 school year;
- (c) CCF had relaunched the "Subsidy for CSSA Recipients Living in Rented Private Housing" ("Subsidy Programme") in November 2017 for two years, and adjusted the arrangements of the Subsidy Programme so that the actual rent paid by eligible CSSA households was taken into account in calculating the amount of subsidy. The enhanced arrangements would serve as the basis for a possible model for regularizing the Subsidy Programme in future;
- (d) the Social Security Assistance Index of Prices ("SSAIP") reflected the impact of price changes on CSSA recipients.

While some expenditures (e.g. spending on food) had increased, the prices of some commodities had dropped. Some members therefore had the impression that the adjustment to the standard payment rates did not fully reflect the actual situation; and

- (e) from October 2016, a three-year pilot scheme was implemented under CCF to encourage disabled CSSA recipients to engage in employment by raising the maximum level of disregarded earnings ("DE") by 60% from \$2,500 per month to \$4,000 per month.

35. Senior Statistician (Social Welfare) supplemented that the standard payment rates and asset limits had substantially increased after the review of the CSSA Scheme in 1996. The range of increase for the former was 7% to 68% and the latter was 9% to 41%. SSAIP was a Consumer Price Index ("CPI"), similar to those CPIs compiled by the Census and Statistics Department ("C&SD"), but targeted CSSA recipients in particular. It was compiled scientifically using objective data from relevant survey.

Discussion

Levels of Comprehensive Social Security Assistance payments

36. Dr Fernando CHEUNG said that although the standard payment rates would be adjusted annually according to the movement of SSAIP, the subsistence level had not been adjusted since 1996. The existing levels of CSSA payments were inadequate in meeting the basic needs and many CSSA households could not make ends meet. He asked when the Administration would conduct a review of the subsistence level under the CSSA Scheme. Mr POON Siu-ping said that the Administration should conduct a review of both the subsistence level and the amount of DE under the CSSA Scheme.

37. Dr Fernando CHEUNG said that according to the Administration, when comparing the average monthly CSSA payments with the average monthly expenditure of non-CSSA households in the lowest 25% expenditure group, the former was higher in all household categories. He opined that this would give the public a wrong impression that the monthly CSSA payment was higher than the expenditure of a quarter of the population. In his view, the average monthly CSSA payments were comparable to the average monthly expenditure in the lowest 10th percentile expenditure group, but not 25% as stated by the

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Administration. Senior Statistician (Social Welfare) responded that the comparison set out in the table in paragraph 6 of the Administration's paper (LC Paper No. CB(2)812/17-18(07)) was reasonable as it compared the average monthly CSSA payment of all CSSA cases (with effect from 1 February 2018) with the average monthly expenditure of non-CSSA households in the lowest 25% expenditure group (as at December 2017). At Dr Fernando CHEUNG's request, Senior Statistician (Social Welfare) undertook to provide the percentiles of monthly expenditure of non-CSSA households which were equivalent to the corresponding average monthly CSSA payments for different household sizes (i.e. from one person to six persons or more households).

(Post-meeting note: The Administration's response was issued to members vide LC Paper No. CB(2)1227/17-18(01) on 18 April 2018.)

Rent allowance

38. Mr LUK Chung-hung said that many CSSA households were inadequately housed because the rent allowance was insufficient to cover their rental expenses and nearly 50% of CSSA households living in private housing were paying a rent exceeding the maximum rent allowance ("MRA"). He enquired whether the Administration would consider setting a minimum standard for living space for CSSA households and pegging the rent allowance with that standard. USLW noted the suggestion and said that setting such a standard involved the private rental market and was not within the purview of the Administration. The Chairman said that the suggestion did not aim to interfere with the private rental market but to set a threshold for setting rent allowance for CSSA households.

39. Mr LUK Chung-hung was of the view that CPI(A) could not fully reflect the expenditure pattern of CSSA households as it only covered approximately 50% of households in the relatively low expenditure ranges. Given that CSSA households were in the lowest 10% income group, there should be a CPI specifically for low-income households. He further said that the CPI(A) rent index for private housing only captured the overall rental paid by households in the lower expenditure group but could not reflect the soaring rental of sub-divided units. He enquired how the Administration would address the rental problems faced by CSSA households living in sub-divided units. USLW responded that the rental level of private housing was related to its supply and demand. Increasing the rent allowance under the CSSA Scheme might lead to an increase in

the overall rental level of private housing and the CSSA households concerned as well as non-CSSA low-income households would suffer in the end. The Administration would address the housing needs of persons who were unable to afford private housing through boosting the supply of public rental housing and enhancing relevant CCF assistance programmes.

40. At the invitation of view by Mr POON Siu-ping on the enhanced arrangements for the Subsidy Programme, Prof WONG Hung said that the Subsidy Programme was not part of the CSSA system even if it was regularized. He said that according to an informal standard adopted by the Administration, the rent allowance should cover the actual rent paid by 90% of CSSA households. The Administration should formalize this standard and set the level of rent allowance at the actual rent paid by 90% of CSSA households. To address the Administration's concern that an increase in the rent allowance might trigger an increase in the rental level of private housing, imposition of rental control should be considered. He further said that although the amounts of CSSA payments had increased, the proportion of recurrent expenditure for CSSA in total recurrent government expenditure had reduced. According to a feature article entitled "Statistics on Comprehensive Social Security Assistance Scheme, 2004 to 2014" in the Hong Kong Monthly Digest of Statistics published by C&SD in September 2015, the CSSA recurrent expenditure had reduced from 9.3% in 2006-2007 to 6.4% in 2014-2015 in the total recurrent government expenditure.

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41. USLW responded that the Administration adopted a multi-pronged approach to assisting CSSA recipients. The enhancements to the Subsidy Programme and the Work Incentive Transport Subsidy ("WITS") Scheme sought to relieve the financial burden of the grass-roots. The expenditure on the SSA Scheme and the CSSA Scheme accounted for 7.2% and 5.6% of the total recurrent government expenditure respectively in 2017-2018. At the Chairman's request, USLW undertook to provide a written response of the Administration regarding the reduction in the percentage of recurrent expenditure on the CSSA Scheme in total recurrent government expenditure.

(Post-meeting note: The Administration's response was issued to members vide LC Paper No. CB(2)1227/17-18(01) on 18 April 2018.)

42. Prof WONG Hung said that instead of comparing CSSA payment with the expenditure of the non-CSSA households concerned, the

Administration should either compare CSSA payment with the income of the non-CSSA households concerned or compare the expenditure of CSSA households with that of the non-CSSA households concerned. Senior Statistician (Social Welfare) responded that as CSSA payment was provided for CSSA households to meet their basic needs, it was reasonable to compare CSSA payment with the expenditure of non-CSSA households.

43. Mr WONG Wo-ping said that the rent allowance was supposed to cover the actual rent paid by 90% of CSSA households, but the monthly subsidy provided under the Subsidy Programme was either 50% of the portion of the rental amount exceeding the applicable MRA or 15% of the applicable MRA, whichever was the less. Given that the monthly MRA as at 1 February 2017 for one-person CSSA households was only \$1,810, these households could not afford the expensive rental of sub-divided units even if they were provided with the subsidy. USLW responded that the CSSA Scheme aimed to provide a safety net to meet the basic needs of those who were unable to support themselves financially. In addition, the Government also implemented other measures, including public housing, free public healthcare services, free and universal primary and secondary education in public sector schools and social welfare services, to assist the underprivileged. The Administration would continue to review and make adjustments to various components of the CSSA Scheme as appropriate. The Administration was willing to exchange views with members in this regard.

Employment assistance for Comprehensive Social Security Assistance recipients

44. Mr LUK Chung-hung said that the Administration should provide assistance for able-bodied CSSA applicants to enter the workforce. The effectiveness of the Support for Self-reliance Scheme ("SFS Scheme") should be reviewed and the SFS Scheme should be enhanced. Under the Community Work Programme of the SFS Scheme, CSSA applicants were required to perform community work up to a certain number of hours in order to receive CSSA. He suggested that community work should be replaced by training programmes designated by the Administration to help CSSA recipients improve their employability and leave the CSSA net. In the light of the reviving employment market and the implementation of the WITS Scheme and the Low-income Working Family Allowance ("LIFA") Scheme, the Administration should review the arrangements for DE to incentivize CSSA recipients to join the labour force.

45. USLW responded that many grass-roots strived to become self-reliant and did not want to receive CSSA. The number of CSSA applications had dropped in the past few years. The Administration would continue to provide employment support services for the grass-roots and strengthen support for women to alleviate their burden of taking care of children and elderly family members so as to release women labour force.

Comprehensive review of the Comprehensive Social Security Assistance Scheme

46. The Chairman said that the CSSA Scheme had not been reviewed for many years and there were a number of loopholes in the CSSA system. These loopholes included:

- (a) the standard payment rates were insufficient to meet the basic needs;
- (b) the CSSA mechanism lacked transparency and the participation of society;
- (c) the medical assessment mechanism failed to identify persons with difficulties taking up employment;
- (d) the rent allowance was inadequate to cover rental of private housing;
- (e) CSSA recipients were stigmatized;
- (f) elderly persons were required to apply for CSSA on a household basis;
- (g) the asset threshold for elderly CSSA was too high;
- (h) the raising of the eligible age for elderly CSSA;
- (i) family members were unable to support elderly CSSA recipients to acquire better quality residential care services;
- (j) persons with disabilities were required to apply for CSSA on a household basis;

- (k) the asset threshold for persons with disabilities under the CSSA Scheme was too high;
- (l) the rent allowance was insufficient for persons with disabilities to rent suitable housing;
- (m) the grant to cover costs of medical, rehabilitation, surgical appliances and hygienic items were unable to cover the costs of newer appliances and items;
- (n) the special diet allowance was unable to cater for the needs of different groups;
- (o) able-bodied CSSA recipients were not eligible for (i) basic housing and relevant grant such as grant for rent deposit and domestic removal grant; (ii) basic medical and rehabilitation grants; (iii) grant to cover monthly telephone charges; and (iv) long-term supplement;
- (p) employment support services provided for CSSA recipients lacked continuity;
- (q) the amount of DE had not been adjusted for many years;
- (r) arrangements for DE were unable to encourage children to provide financial support for their parents;
- (s) CSSA recipients were required to be on CSSA for not less than two months in order to be eligible for DE benefits;
- (t) young persons who worked for the first time had not been taken into account under the arrangement of disregarding the first month's total income earned by a CSSA recipient aged 15 or above from a new job; and
- (u) children from CSSA households did not have the opportunity to participate in extra curriculum activities.

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At the Chairman's request, USLW undertook to provide a response to the above-mentioned issues.

(Post-meeting note: The Administration's response was issued to members vide LC Paper No. CB(2)1227/17-18(01) on 18 April

2018.)

47. The Chairman said that the Administration should not attempt to address the problems of the CSSA Scheme in a piecemeal manner. Taking the view that the CSSA Scheme could only be improved through a comprehensive review, he urged the Administration to promise to conduct such a review.

48. The Deputy Chairman said that the items covered by SSAIP had not been reviewed for a long time and with the passage of time, many items which were not covered by SSAIP had become necessities. A review of basic items under the CSSA Scheme was therefore necessary. Furthermore, the rent allowance was insufficient to cover the rent paid by many CSSA households living in private housing. The respective adjustment mechanisms for the standard payment rates and for rent allowance should be improved. He further said that requiring persons with disabilities to apply for CSSA on a household basis and meet a high asset requirement would render them not adequately covered by the safety net. In the light of all these problems, the Administration should conduct a comprehensive review of the CSSA Scheme.

49. USLW responded that the Administration had no plan at this stage to conduct a comprehensive review of the CSSA Scheme. Special grants and supplement were provided for eligible CSSA households to meet their special needs. The Administration updated the weighting system of SSAIP in accordance with the results of the Household Expenditure Survey on CSSA households every five years to take into account the latest expenditure pattern of CSSA recipients and the impact of price changes. The Administration would follow the established mechanism for the time being.

Eligible age for elderly Comprehensive Social Security Assistance

50. Dr Fernando CHEUNG said that the Administration had not conducted any consultation exercise on its policy of raising the eligible age for elderly CSSA from 60 to 65 ("the new policy"). The new policy also lacked justifications to support the Administration's claim that elderly persons aged between 60 and 64 had fewer basic needs than before and no longer required special grants to cover the costs of dental treatment and spectacles. The Administration also did not have any evidence to prove that there were currently plenty of jobs available in the market for this group of elderly persons. Since the public at large and different political parties objected to the new policy, the Administration should withdraw it.

USLW responded that elderly persons aged between 60 and 64, who were receiving CSSA before the implementation of the new policy, would not be affected. The CSSA payments for disabled persons or persons in ill health would also not be affected by the new policy. The participation rate of elderly persons who were aged 65 in the workforce had increased from 7.1% in 2012 to 9.9% in 2016. The Administration would provide support for elderly persons aged above 60, e.g. conducting retraining programmes, to help them join the labour market. Special grants would be provided for eligible elderly CSSA recipients with special needs.

51. In response to the enquiry of the Chairman and the Deputy Chairman about whether the Administration had conducted any consultation on the new policy, USLW said that the new policy was formulated by the Government of the previous term and he had nothing to supplement. The Chairman regretted that a response was not given to the enquiry on the ground that the new policy was formulated by the previous term of the Government. In his view, the current term of the Government should also be accountable for policies made by the previous terms of the Government.

Disregarded earnings

52. Mr CHU Hoi-dick said that the maximum amount of earnings to be fully disregarded (i.e. \$800) had not been adjusted for more than 10 years. Given that the Statutory Minimum Wage had been increased, the Administration should accede to the request for increasing the amount of earnings which could be fully disregarded from \$800 to \$2,000 to encourage CSSA recipients to become self-reliant. USLW responded that as the CSSA Scheme was a non-contributory scheme and increasing the amount of DE would incur additional government expenses, the Administration should be prudent in adjusting the amount of DE. Various measures had been implemented to encourage employment and LIFA had been enhanced to benefit more working households. As such, the current level of DE was considered appropriate.

(At 12:50 pm. the Chairman extended the meeting for 15 minutes beyond the appointed ending time to allow sufficient time for discussion.)

53. In response to the Chairman's invitation of views, members present did not object to Dr Fernando CHEUNG's suggestion of inviting deputations to attend a Panel meeting and give views on the CSSA Scheme.

(Post-meeting note: A special meeting of the Panel had been scheduled for 19 March 2018 for receiving public views on the CSSA Scheme.)

VI. Any other business

54. There being no other business, the meeting ended at 1:00 pm.

Council Business Division 2
Legislative Council Secretariat
20 April 2018

Panel on Welfare Services

Meeting on Monday, 12 February 2018, at 10:00 am

Review of the Comprehensive Social Security Assistance Scheme

Summary of views and concerns expressed by academic/individual

No.	Name of academic/ individual	Views
1.	Prof WONG Hung Associate Professor, Department of Social Work, The Chinese University of Hong Kong	<ul style="list-style-type: none"> ● As rental expenses were not included in the Social Security Assistance Index of Prices, the adjustment of Comprehensive Social Security Assistance ("CSSA") standard payment had not taken account of rental expenses of CSSA households. The CSSA payment was insufficient to cover daily expenses of CSSA households who had to use part of the CSSA payment to pay rent. ● The Administration should review the subsistence level which had not been adjusted for many years. ● The amount of disregarded earnings should be reviewed so as to catch up with the rise in expenses (e.g. transport and meals) incurred in going to work. ● The Administration should resume the provision of long-term supplement for able-bodied CSSA recipients. ● Standard payment rate for three-person households and four-person households should be increased to the level before the review of the CSSA Scheme in 1996.
2.	Mr WONG Wo-ping Chief Officer (Policy Research and Advocacy), The Hong Kong Council of Social Service	LC Paper No. CB(2)874/17-18(02)