

立法會 *Legislative Council*

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Panel on Welfare Services

Background brief prepared by the Legislative Council Secretariat for the meeting on 11 February 2019

Supplements and special grants under the Comprehensive Social Security Assistance Scheme

Purpose

This paper gives an account of past discussions of the Panel on Welfare Services ("the Panel") on supplements and special grants under the Comprehensive Social Security Assistance ("CSSA") Scheme.

Background

2. The CSSA Scheme provides a safety net for those who cannot support themselves financially. Under this Scheme, there are different standard rates for various recipients to meet their basic needs. Apart from standard rates, the CSSA Scheme also provides supplements at the following rates with effect from 1 February 2019, including:

- (a) long-term supplement at \$2,240 for a single person per year;¹
- (b) single parent supplement at \$355 per month;
- (c) community living supplement at \$340 per month;
- (d) transport supplement at \$285 per month; and
- (e) residential care supplement at \$340 per month.

Moreover, a series of special grants (including housing and related grants, medical and rehabilitation grants, family grants, child-care grants, school grants, burial grant, etc.)² are payable to meet the special needs of recipients.

¹ Able-bodied adults/children are not entitled to long-term supplement.

² Please refer to "A Guide to Comprehensive Social Security Assistance" issued by the Social Welfare Department for details of various special grants under the Comprehensive Social Security Assistance ("CSSA") Scheme:
[https://www.swd.gov.hk/storage/asset/section/250/CSSAG1018\(eng\).pdf](https://www.swd.gov.hk/storage/asset/section/250/CSSAG1018(eng).pdf).

3. In accordance with the established mechanism, the Administration adjusts CSSA standard payment rates (including CSSA standard rates and supplements) on an annual basis taking into account the movements of the Social Security Assistance Index of Prices ("SSAIP"). In addition, the Administration updates 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 households and the impact of price changes.

Deliberations of the Panel

Review of supplements and special grants under the Comprehensive Social Security Assistance Scheme

4. Members expressed concern that the CSSA payment rates could not meet the basic needs of able-bodied adults since the Administration reduced the provision of various special grants and the long-term supplement for them in 1999. At its meetings on 13 November 2017 and 12 November 2018, the Panel passed three motions respectively urging the Administration to, inter alia, review the items under the special grants, substantially increase the level of rent allowance under the housing and related grants, and resume the provision of special grants for relocation, dental treatment and spectacles as well as the long-term supplement for able-bodied adult CSSA recipients. The wording of these motions is in **Appendix I**.

5. The Administration advised that while it had no plan to conduct a comprehensive review of the CSSA Scheme or review the items under the special grants at the moment, it would keep in view the various components and arrangements of the Scheme so as to address the needs of CSSA recipients in a more effective manner. It would also continue to monitor the relevant situation with a view to strengthening the support for needy persons under the CSSA Scheme through targeted measures as appropriate.

Rent allowance³ under the housing and related grants

6. Noting that the maximum rates of the rent allowance ("MRA") under

³ Under the CSSA Scheme, rent allowance is payable as a standard special grant to all CSSA recipients to meet the cost of accommodation. The amount of allowance is the actual rent paid or the prescribed maximum level of rent allowance ("MRA") by household size, whichever is the less. At its meeting on 3 April 1998, the Finance Committee of the Legislative Council authorized the Secretary for the Treasury (now the Secretary for Financial Services and the Treasury) to adjust MRA annually in accordance with the movement of the Consumer Price Index (A) rent index for private housing.

the housing and related grants could cover the actual rent paid by 97% of CSSA households living in public rental housing ("PRH"), some members called on the Administration to increase MRA to cover the actual rent paid by all CSSA households living in PRH. The Administration advised that among the CSSA households who were living in PRH and were paying an actual rent higher than MRA, some were elderly persons or families who did not wish to move to a smaller PRH unit although some of the family members had already moved out. The Administration would, however, consider exploring whether there was room for reducing the number of CSSA households living in PRH who were paying an actual rent higher than MRA.

7. Some members were concerned that under the established mechanism, the annual adjustment of MRA based on the movements of the Consumer Price Index (A) ("CPI(A)") rent index for private housing was unable to reflect changes in the rental expenditures by CSSA households. Given that the rental of private housing in different districts varied, some members took the view that various rent indices should be adopted for different districts to alleviate the rental pressure borne by CSSA households living in different districts.

8. According to the Administration, adjusting MRA on the basis of the CPI(A) rent index for private housing was able to reflect the movement of private housing rent faced by the relatively low expenditure group of households and had therefore been used as an objective basis for updating MRA since its endorsement by the legislature in 1998. Although rental of private housing in urban areas was higher, CSSA recipients generally preferred to live in urban areas to have more convenient access to workplace. It would be difficult to categorize recipients according to districts and apply a different rate of rent allowance for each category.

9. Some members expressed concern that MRA could only cover the actual rent paid by about 50% of CSSA households living in rented private housing. They called on the Administration to adjust the amount of MRA with reference to the expenditure level of households in the lowest 5% expenditure group, or based on the increase in market rent. At its meeting on 13 November 2017, the Panel passed a motion urging the Administration to immediately review the adjustment mechanism for rent allowance, so that the level of rent allowance could cover the actual rent paid by 90% of CSSA households living in private housing. The wording of this motion is in **Appendix II**.

10. The Administration advised that increasing the rent allowance in accordance with the actual rent paid by CSSA households might induce an increase in the rentals for private housing. The Administration would continue to address the housing needs of persons who were unable to afford

private housing through boosting the supply of PRH. Compassionate rehousing would also be arranged to recommend PRH allocation for those families with genuine and imminent long-term housing needs but were unable to address their housing needs on their own. Besides, the Community Care Fund had relaunched the Subsidy for CSSA Recipients Living in Rented Private Housing ("the Programme") to provide a one-off subsidy to CSSA households living in rented private housing and paying rent which exceeded MRA. Under the Programme, the maximum level of subsidy provided for eligible one-person households and two-or-more-person households had been increased from \$2,000 to \$3,300 and \$4,000 to \$11,400 respectively. The Programme would last for two years until 29 November 2019 and the Administration would keep in view its implementation with a view to regularizing the Programme in the future.

Medical and rehabilitation grants

11. Noting that some CSSA recipients were having difficulties in applying for the medical and rehabilitation grants under the CSSA Scheme, some members urged the Administration to streamline the application procedures for these grants to cover costs of wheelchairs, spectacles, etc., with a view to reducing the administrative cost and safeguarding the dignity of CSSA recipients during the application process. The Administration advised that a recommendation of an occupational therapist or a physiotherapist would be accepted as medical ground to support an application for the medical and rehabilitation grants to cover costs of wheelchairs. The Administration further explained that under the existing arrangement, CSSA recipients who were elderly, disabled or medically certified to be in ill-health and wished to apply for the medical and rehabilitation grants had to be assessed and recommended by doctors, occupational therapists, physiotherapists, or prosthetists of the Department of Health or the Hospital Authority; or occupational therapists or physiotherapists of the Social Welfare Department ("SWD") or non-governmental organizations subvented by SWD.

12. Some members expressed concern that the special diet allowance under the medical and rehabilitation grants had failed to cater for the needs of different groups of the CSSA recipients. The Administration advised that the allowance covered the most common diseases, and comprised a higher rate and a lower rate to take into account the actual needs of different persons. At the same time, a special grant to cover the costs of medical, rehabilitation, surgical appliances and hygienic items was also payable to eligible CSSA recipients subject to medical recommendations. To safeguard proper use of public funds, applicants/recipients were required to purchase items that would meet their actual medical and rehabilitation needs in accordance with medical recommendations.

Relevant papers

13. A list of the relevant papers on the Legislative Council website is in **Appendix III**.

Council Business Division 2
Legislative Council Secretariat
31 January 2019

Panel on Welfare Services

**Motion passed under agenda item V on
"Annual adjustment of social security payment rates under the
Comprehensive Social Security Assistance Scheme and the Social
Security Allowance Scheme, and issues relating to rent allowance under
the Comprehensive Social Security Assistance Scheme"
at the meeting on 13 November 2017**

(Translation)

The Comprehensive Social Security Assistance ("CSSA") is the "safety net" under the social security system in Hong Kong. Given that the Government has not conducted any overall review of the CSSA system for years, resulting in the CSSA level being far from adequate in meeting the basic needs of members of the public, this Panel urges the Government to conduct an overhaul of the CSSA system which should cover the following areas:

1. re-assessment of the basic needs and review of the level of standard rates and its adjustment mechanism;
2. items which are covered by special grants and the adjustment mechanism and level of such grants;
3. arrangements for the elderly and people with disabilities to apply for CSSA on an individual basis; and
4. relaxation of the calculation of disregarded earnings; and
5. the medical assessment mechanism.

Moved by : Dr Hon Fernando CHEUNG Chiu-hung

Panel on Welfare Services

**Motion passed under agenda item IV on
"Annual adjustment of social security payment rates under the
Comprehensive Social Security Assistance Scheme and the Social
Security Allowance Scheme, and issues relating to rent allowance under
the Comprehensive Social Security Assistance Scheme"
at the meeting on 12 November 2018**

(Translation)

The CSSA system, despite being a major poverty alleviation measure, has not been reviewed for many years. Currently, elderly persons and persons with disabilities account for 80% of CSSA cases. This Panel urges the Government to redefine the basic needs in a scientific way; immediately shelve the arrangement of raising the eligible age for elderly CSSA to 65; allow the elderly and persons with disabilities to apply for CSSA on an individual basis; relax the disregarded earnings arrangements; substantially increase the level of rent allowance; and resume the provision of grants for relocation, dental treatment and spectacles as well as the long-term supplement to able-bodied persons. An overhaul of the CSSA system should brook no delay!

Moved by : Dr Hon Fernando CHEUNG Chiu-hung

Panel on Welfare Services

**Motion passed under agenda item IV on
"Annual adjustment of social security payment rates under the
Comprehensive Social Security Assistance Scheme and the Social
Security Allowance Scheme, and issues relating to rent allowance under
the Comprehensive Social Security Assistance Scheme"
at the meeting on 12 November 2018**

(Translation)

Since the Government reduced the provision of various special grants and the long-term supplement to able-bodied adults in 1999, the CSSA payment rates to able-bodied adult CSSA recipients cannot meet their basic needs, nor can the annual adjustment resolve the difficulties in their living. This Panel calls on the Government to immediately include more items under the special grants for able-bodied adult CSSA recipients, so as to enable them to cover necessities such as relocation, dental care, purchase of spectacles, use of Internet service and mobile phones. The Government should also resume the provision of the long-term supplement to them, so as to meet their needs of buying durable goods.

Moved by : Hon SHIU Ka-chun

Panel on Welfare Services

**Motion passed under agenda item V on
"Annual adjustment of social security payment rates under the
Comprehensive Social Security Assistance Scheme and the Social
Security Allowance Scheme, and issues relating to rent allowance under
the Comprehensive Social Security Assistance Scheme"
at the meeting on 13 November 2017**

(Translation)

Given the great discrepancy between the rent allowance under the Comprehensive Social Security Assistance ("CSSA") Scheme and the rental level in private housing, nearly 50% of CSSA households living in private housing are facing the problem of paying a rent exceeding the rent allowance, whilst the adjustment mechanism for rent allowance cannot reflect the actual rent paid by CSSA households. This Panel urges the Government to immediately review the mechanism concerned, so that the level of rent allowance can cover the actual rent paid by 90% of CSSA households living in private housing.

Moved by : Hon LEUNG Yiu-chung

Appendix III

Relevant papers on supplements and special grants under the Comprehensive Social Security Assistance Scheme

| Committee | Date of meeting | Paper |
|---------------------------|-------------------------------|--|
| Panel on Welfare Services | 13 November 2017 (Item V) | Agenda Minutes LC Paper No. CB(2)449/17-18(01) |
| | 12 February 2018 (Item VI) | Agenda Minutes LC Paper No. CB(2)1227/17-18(01) |
| | 19 March 2018 (Item I) | Agenda Minutes LC Paper No. CB(2)1939/17-18(01) |
| | 12 November 2018 (Item IV) | Agenda Minutes |

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