

立法會
Legislative Council

LC Paper No. CB(2)1583/99-00

(These minutes have been
seen by the Administration)

Ref : CB2/PL/WS

LegCo Panel on Welfare Services

Minutes of meeting
held on Monday, 13 September 1999 at 10:45 am
in the Chamber of the Legislative Council Building

Members Present : Hon CHAN Yuen-han (Chairman)
Hon HO Sai-chu, SBS, JP (Deputy Chairman)
Hon David CHU Yu-lin
Hon Cyd HO Sau-lan
Hon LEE Cheuk-yan
Hon LEE Kai-ming, SBS, JP
Hon Fred LI Wah-ming, JP
Hon YEUNG Yiu-chung
Hon LAW Chi-kwong, JP

Members Absent : Hon Eric LI Ka-cheung, JP
Hon Ronald ARCULLI, JP
Dr Hon YEUNG Sum
Hon CHOY So-yuk

Public Officers Attending : Item II - The Active Employment Assistance Programme

Mr Andrew LEUNG
Director of Social Welfare

Mr HO Wing-him
Deputy Secretary for Health and Welfare 2

Mrs Marion LAI
Deputy Director of Social Welfare (Administration)

Mr Lauie LO
Principal Assistant Secretary for Health and Welfare (Welfare)1

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Mr CHENG Chok-man
Acting Assistant Director of Social Welfare (Social Security)

Mrs Carrie CHAN
Chief Social Security Officer
Social Welfare Department

Mr S S KWONG
Executive Director
Employees Retraining Board

Mr Patrick PANG
Deputy Executive Director
Employees Retraining Board

Mr M C LEUNG
Senior Labour Officer (Employment Services)
Labour Department

Item III - CSSA - review of requirements of disregarded earnings

Mr Andrew LEUNG
Director of Social Welfare

Mr HO Wing-him
Deputy Secretary for Health and Welfare 2

Mrs Marion LAI
Deputy Director of Social Welfare (Administration)

Mr Laurie LO
Principal Assistant Secretary for Health for Welfare (Welfare 1)

Mr CHENG Chok-man
Acting Assistant Director of Social Welfare (Social Security)

Item IV - Work of Special Investigation Teams

Mr Andrew LEUNG
Director of Social Welfare

Mr HO Wing-him
Deputy Secretary for Health and Welfare 2

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Mrs Marion LAI
Deputy Director of Social Welfare (Administration)

Mr Laurie LO
Principal Assistant Secretary for Health for Welfare (Welfare 1)

Mr CHENG Chok-man
Acting Assistant Director of Social Welfare (Social Security)

Mr LI Kok-ming
Chief Social Security Officer
Social Welfare Department

Item V - Follow-up discussion on effect of tightening of CSSA
on the elderly the disabled and single parent families

Mr Andrew LEUNG
Director of Social Welfare

Mr HO Wing-him
Deputy Secretary for Health and Welfare 2

Mrs Marion LAI
Deputy Director of Social Welfare (Administration)

Mr Laurie LO
Principal Assistant Secretary for Health for Welfare (Welfare 1)

Mr CHENG Chok-man
Acting Assistant Director of Social Welfare (Social Security)

Miss Ann LAU
Assistant Director of Social Welfare (Family and Child Welfare)

Clerk in Attendance : Ms Doris CHAN
Chief Assistant Secretary (2) 4

Staff in Attendance : Ms Joanne MAK
Senior Assistant Secretary (2) 4

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I. Confirmation of minutes of meeting held on 1 February 1999

(LC Paper No. CB(2) 2672/98-99)

The minutes of the meeting held on 1 February 1999 were confirmed.

Matters to be followed up in the next session

2. As the regular meetings of the Panel were held immediately after the regular meetings of the Panel on Health Services which quite often overran, the Chairman suggested rescheduling the regular meetings of the Panel to avoid undue delay in starting the meetings. Mr LAW Chi-kwong opined that the present arrangement was convenient to members who had joined both Panels. He therefore proposed not to change the existing arrangement. The Chairman suggested and members agreed that the meeting arrangements could be reviewed by the Panel in the next session.

3. As to whether an additional meeting should be scheduled to study various issues arising from the review of the Comprehensive Social Security Assistance (CSSA), Director of Social Welfare (DSW) advised that as a comprehensive review of the Active Employment Assistance (AEA) Programme would be carried out one year after the implementation, the Administration would not be able to provide the Panel with the outcome of the review before October 1999. Members agreed that the subject should be followed up by the Panel in the next session.

II. The Active Employment Assistance Programme

(LC Paper No. CB(2) 2764/98-99(01))

4. At the invitation of the Chairman, DSW briefed members on the major features of the AEA Programme under the Support for Self-reliance (SFS) Scheme. He said that rather than being a scheme for full employment, the AEA Programme focused mainly on developing a co-ordinated programme of employment-related services for CSSA recipients as a stepping stone off welfare dependency. Services ranging from counselling and retraining to employment services were provided by SWD, the Labour Department (LD), the Employees Retraining Board (ERB) working in close link with non-Government organizations (NGOs) in the relevant fields. Once enrolled, an able-bodied unemployed adult would have to apply for at least two jobs per fortnight and attend the Workplan progress interview on a fortnightly basis. Since the implementation of the AEA Programme, the feedback from the front-line staff was encouraging. 121 CSSA recipients had succeeded in securing employment and some of them had left the CSSA net to re-join the workforce. SWD had made some 700 job-referrals to LD, ERB and the Hong Kong Council of Social Service (HKCSS). In total, five cases of refusing to comply with the job search or community work obligation, which were liable to a termination of CSSA benefit, were recorded. Four out of these five cases re-joined the AEA Programme after the SWD staff had interviewed them. DSW said that a review of the Programme would be carried out to assess the attitude of CSSA recipients in seeking employment as well as the situation in the employment

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market.

5. Mr LEE Cheuk-yan expressed concern that the employment opportunity of some casual workers in the participating organizations would be taken away by "community workers" as a result of the community work obligation under the AEA Programme. He asked how the Administration could ensure that the Programme would not create unemployment for these non-CSSA recipients. The Chairman shared Mr LEE's concern and urged the Administration to make explicit agreement with the participating organizations that the placement of AEA Programme participants would not affect the employment of existing staff in the organizations.

6. In reply, DSW said that the Administration had put in place a set of criteria for referring CSSA recipients enrolled in the AEA Programme to take up community work. He said that an able-bodied unemployed CSSA recipient would be referred to take up employment-related services, such as receptionist in the community centres, helpers in the kitchens of the Hospital Authority hospitals or in an environmental improvement work, etc. DSW stressed that the Administration had made clear to the participating organizations that under no circumstances would the CSSA recipients be required to replace existing employees in the discharge of their duties.

7. Chief Social Security Officer, Social Welfare Department (CSSO/SWD) added that notwithstanding introduction of the SFS in June 1999, the community work component was implemented in larger scale only in August 1999. In the months of June and July 1999, 10-plus able-bodied unemployed CSSA recipients had performed community work in a few organizations. She further said that the Administration had adopted 10 criteria to assess whether the placements available were suitable for CSSA recipients. The major criterion taken into account by SWD was that the placements would not replace regular employment in the organization.

8. Mr LEE Cheuk-yan said that it was difficult to differentiate whether an employee was sacked because of a CSSA recipient providing the so-called community work. He expressed concern about the possible negative impact of the Programme on the labour market. He questioned how the Administration could say for sure that the employment opportunities in the organizations concerned would not be affected.

9. DSW responded that all CSSA recipients enrolled in the Programme would be required to undertake community work arranged by SWD for no more than one day per week. In view of the irregular pattern of the service, it was believed that the Programme could not replace a regular post in the organization. In addition, the Administration did not want to deter the CSSA recipients from seeking employment if they were required to undertake a relatively long period of community work under the Programme. DSW reiterated that the Administration would review the Programme in one year's time after taking into account the operational experience and revert to the Panel when the review results were available.

10. Noting from paragraph 22 of the information paper that about 1% of CSSA

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recipients who had enrolled in the Programme were able to secure placements, Mr Fred LI expressed doubts about the cost-effectiveness of the Programme given that about 70 staff had been deployed to provide dedicated support to the new Programme within SWD.

11. DSW replied that since the introduction of the AEA Programme on 1 June 1999, SWD had received some 7 000 enquiries about the Programme. After receiving details of the Programme, about half of the enquirers decided to seek jobs on their own initiatives and did not apply for CSSA. For those enrolled, 121 in the AEA Programme were able to secure employment, though about half of them could only change to the low earnings category and therefore they were still receiving the CSSA to supplement their income. DSW stressed that the aim of the AEA Programme was to enhance the positive attitude of CSSA recipients in seeking jobs. There was no guarantee that every participant could be able to find a job after enrolling in the Programme. Nevertheless, counselling would be provided to individual participants whenever required.

12. Mr Fred LI then sought information on the number of single, able-bodied unemployed CSSA recipients who had chosen to terminate CSSA benefit as a result of the complexity of the Programme. In response, CSSO/SWD said that the SFS Scheme was implemented by phases. Only those CSSA recipients who were single, able-bodied and unemployed were included in the first phase. In the second phase, CSSA recipients whose family members were able-bodied adults were requested to enroll in the Programme. CSSO/SWD said that given the Programme was applicable to all new re-activated and existing cases, and since the same kind of service was provided, the Administration did not keep separate records of each category of cases and was unable to provide the information requested by Mr LI. Assistant Director of Social Welfare (Social Security) (Ag) (ADSW(SS)(Ag)) added that about 60% of the able-bodied unemployed CSSA recipients were single.

13. The Chairman enquired whether figures on the number of able-bodied unemployed CSSA recipients who had terminated CSSA benefit before and after the introduction of the AEA Programme were available for comparison. She also sought information on the number of single parent families which could not participate in the AEA Programme to seek employment simply because of a lack of supporting services.

14. DSW replied that the number of CSSA recipients did not necessarily have a direct correlation with the unemployment rate. To illustrate this point, he said that in 1996-97 when the unemployment rate was low, the number of CSSA recipients continued to be on a rising trend. He pointed out that with the introduction of the AEA Programme, the CSSA recipients adopted a more positive attitude in job seeking. As to whether the participation of single parent families in the Programme would be affected by a lack of supporting services, DSW said that single parent CSSA recipients were required to enroll in the Programme only when their youngest child reached the age of 15. The Administration would endeavour to provide necessary assistance to these families.

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15. In response to Mr Fred LI, DSW said that the CSSA recipients attending full-time retraining courses provided by ERB would be exempted from attending the Workplan progress interview on a fortnightly basis as required by the Programme.

16. Mr LEE Cheuk-yan noted that only 121 participants in the AEA Programme had secured employment which compared unfavourably with the average placement rate of ERB of over 70%. Mr LEE urged the Administration to consider relaxing the eligibility for the allowance to attend part-time retraining courses, which was presently limited to once per year, so as to encourage enrolment in retraining courses.

17. DSW reiterated that the 121 CSSA recipients in question were those who had secured employment after enrolling in the AEA Programme. He pointed out that some 770 participants, though still receiving CSSA, were actively seeking employment. The Administration had made referrals to LD, ERB and HKCSS. The respective job-referrals made were 42%, 35% and 12%.

18. As regards the arrangements for other CSSA recipients who had enrolled in the Programme but not yet secured employment, CSSO/SWD said that the AEA Programme highlighted the need to adopt a one-to-one service relationship in the helping process. Once enrolled, an able-bodied unemployed adult would attain the status of job seeker and receive personalized service from SWD staff, who would look after his needs and offer him the necessary information and guidance in relation to job search. The Administration gave due respect to individual participants' freedom of choice in deciding their own way for job seeking. For this reason, the Administration did not make written referrals to ERB for CSSA recipients enrolled in the AEA Programme, instead it provided useful information to them. An able-bodied unemployed CSSA recipient enrolled in the Programme would only be required to apply for at least two jobs per fortnight and attend the Workplan progress interview on a fortnightly basis.

19. As regards the work of ERB in the area of AEA, Executive Director, Employees Retraining Board said that CSSA recipients were accorded priority in enrolment in retraining courses so as to help them acquire the necessary skills to re-enter the labour market as soon as possible. In June and July 1999, the number of applicants who had disclosed their status as CSSA recipients was 1 023, representing an increase of 11% over the same period of last year. The placement rate of CSSA recipients was about 54% to 55%. He added that day time retraining courses had been provided for the unemployed irrespective of whether they were CSSA recipients. As for evening courses, the attendees were required to pay for 20% of the course fees. Under the new guidelines, priority for evening courses would be given to the unemployed and retrainees.

20. Mr LEE Cheuk-yan queried the discrepancy in the number of CSSA recipients enrolled in ERB's retraining courses as provided by the Administration and ERB. In reply, CSSO/SWD said that the figure provided by ERB was referring to the CSSA

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recipients in general whereas the figure provided by the Administration was the number of CSSA recipients who had enrolled in the AEA Programme.

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21. DSW pointed out that SWD had commenced a Longitudinal Study of CSSA Unemployed Recipients on 12 July 1999. The study would cover unemployed CSSA recipients before 1 June 1999 and job seekers enrolled in AEA in the period from June to July/August 1999. It was expected that an interim evaluation report would be completed in mid-2000, to be followed by a final report by end-2000. The Chairman requested the Administration to revert to the Panel when the findings of the review report were available.

III. CSSA - review of requirements of disregarded earnings
(LC Paper No. CB(2) 2764/98-99(02))

22. In response to the Chairman's enquiry about the expected completion date of the review of the current arrangements on disregarded earnings (DE), DSW said that the information paper from the Administration had set out the general approach for conducting the review of DE arrangements. At present, an employable able-bodied CSSA recipient in regular employment was entitled to monthly DE of \$1,805. The objective of the DE arrangements was to provide an incentive for the CSSA recipients and to meet the related expenses in going to work. "Regular employment" was currently defined as "working no less than 120 hours and earning no less than \$3,200 a month". The Administration noted Panel members' concern that given the current economic situation, it might be difficult for some unemployed CSSA recipients to find a job which met these requirements. There were presently some 4 000 CSSA recipients who met these requirements. In considering relaxing these minimum requirements, DSW said that the Administration had to take into account two factors. Firstly, it had to ensure that the entitlement of monthly DE together with the CSSA benefits would not result in a higher monthly income for a CSSA recipient than a non-CSSA recipient if they were performing the same kind of job. Secondly, the Administration had to make reference to the labour market, in particular the income of the low income earners. According to the Census and Statistics Department, "not having full-time employment" meant working less than 35 hours a week. DSW said that the Administration had to put in place a flexible mechanism for the provision of DE under the CSSA Scheme. SWD was considering ways to improve the existing arrangements. It was expected that a recommendation would be put forward later this year with detailed proposals.

23. Mr LEE Cheuk-yan questioned why the Administration could not draw up detailed proposals for the DE arrangements given that it supported the general principle to encourage CSSA recipients to seek employment. DSW responded that the Administration had to strike a proper balance between a flexible mechanism for DE arrangements and abuse of the system. There was concern that some CSSA recipients might stay on easy part-time jobs for a long time and refuse to enroll in the AEA Programme if the minimum requirements of the DE entitlement were to be relaxed.

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24. Miss Cyd HO opined that as a CSSA recipient could only benefit from total disregard of the first month's income from a new job once every two years, the Administration should review the arrangement as an employee might have his/her service terminated frequently due to various reasons, other than his/her own fault.

25. The Chairman agreed that the Administration should review the rules governing employable able-bodied adults' entitlement to monthly DE under the CSSA Scheme. She pointed out that it was getting more difficult for a CSSA recipient to find a job and the average monthly income was decreasing. The Administration had to strike a balance between setting a meaningful monthly DE and encouraging CSSA recipients to take up employment.

Adm 26. The Chairman considered that the Administration had not adequately addressed members' concerns raised at the previous Panel meetings on the matter. She urged the Administration to take note of members concerns and revert to the Panel with more concrete proposals as early as possible when the Panel resumed its business in the next session.

IV. Work of Special Investigation Teams
(LC Paper No. CB(2) 2764/98-99(03))

27. At the invitation of the Chairman, DSW briefed members on the progress of work by the two Special Investigation Teams (SITs) of SWD. He said that in the light of the public concern about possible social security fraud and the enormous amount involved in social security expenditure, the SIT was resurrected in September 1996. There were currently two SITs, with 28 investigating officers. The SITs conducted random checks on social security cases by paying home visits to investigate cases and take follow-up action if any fraud or malpractice was detected. In-depth investigation on suspected fraud cases would be conducted. An Internal Committee on Fraud Cases had been set up in SWD to decide whether any fraud cases should be referred to the Police for prosecution. In addition, a special hotline was established for the public to report suspected fraud and abuse of social security benefits.

28. While appreciating the need to check against fraud and abuse of social security benefits, Mr LAW Chi-kwong said that the Administration should seriously consider the cost-effectiveness of the present arrangement. Referring to paragraphs 7 and 9 of the information paper, Mr LAW said that the staff cost of the investigation teams outweighed the amount of overpayment. The Administration should consider introducing a more scientific method to conduct random checks, bearing in mind that the CSSA recipients who were under investigation also bore costs in terms of a loss of time and unnecessary disturbance caused.

29. DSW said that the Administration agreed that a more scientific approach should be adopted for conducting random checks. He pointed out that SWD had adopted a

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strategic approach to select samples for random checks in a bid to achieve greater cost effectiveness. Firstly, the respective district offices of SWD were required to make periodic reports on the types of common fraud cases detected so as to alert the responsible officers when selecting samples for conducting random checks. Secondly, the Administration had commissioned a consultancy to examine the current mechanism on risk management in respect of fraud cases. As the number of random checks conducted by SITs was not particularly large compared with the total number of CSSA cases, the Administration considered the current level of random checks appropriate. DSW pointed out that such checks also had useful deterrent effect.

Adm 30. In concluding the discussion, the Chairman requested and the Administration agreed to provide members with the consultancy report on risk management when it was ready.

V. Follow-up discussion on effect of tightening of CSSA on the elderly, the disabled and single parent families

31. Mr LAW Chi-kwong raised his concerns as follows -

- (a) Under the new policy, the eligibility for CSSA of the elderly who were living with their family members would be determined on a household basis. The policy had the undesirable consequence of forcing the income-earning family members living with the elderly to apply for CSSA against their will. At the same time, some elderly were forced to move out in order to meet the eligibility criteria as they could not apply for CSSA on an individual basis if they were living with other family members.
- (b) The question on the treatment of an owner-occupied residential property for single parent families was a complex and technical issue. The new policy to include the net value of an owner-occupied residential property for the asset test for the purpose of CSSA was against the spirit of providing an equal opportunity for healthy upbringing of children of single parent families. Children of single parent families residing in an owner-occupied residential property might have to terminate their study after the age of 15 because their parents would no longer be eligible for CSSA under the new policy. The problem faced by single parent CSSA recipients was particular acute if they were below 50 but had children above 15 who were receiving full-time education. As this category of single parents would not be eligible for CSSA under the new policy, their children's right to receive education might be jeopardized.
- (c) The new measure to cut the allowance for after school care programme (ASCP) fees was unreasonable. It had exceeded the proper limits for correcting the problem. SWD staff would advise the single parent

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CSSA recipients to appeal in aggrieved cases instead of exercising their discretionary power to approve supplements and special grants for special cases because of unclear guidelines on the subject.

32. The Administration's response was summarized as follows -

- (a) Members of the same family should have a social relationship and social dependence on each other. The income-earners in a family should take up the responsibility of supporting their family members who had no financial means, in particular the elderly. Hence, the monthly income and the needs of all household members were aggregated in determining the family's eligibility and the amount of CSSA payable. The Administration had come across actual cases where children declared that they could not support their parents financially when in fact they did have the capacity. To strengthen control and safeguard public expenditure against fraud and abuse, CSSA applicants were strictly required to apply on a household basis if they were living with other family members under the same roof and enjoying the benefit of shared household facilities. A set of clear guidelines in respect of the application on a household basis in determining the eligibility of CSSA had been issued to the front-line staff concerned. In the event that an elderly had problems in living with his family members, SWD social workers would provide ready assistance to individual cases.
- (b) As regards the treatment of an owner-occupied residential property, the Administration had made special arrangements for single parent CSSA recipients. For single parent cases with young children below 15, if the total value of the assets held by the family including the net value of the owner-occupied residential property was insufficient to maintain family's living expenses for ten years according to CSSA standards, they could continue to receive assistance without disposing of their residential property. For instance, for a single parent family comprising three members, the CSSA recipient would be required to dispose of his/her owner-occupied residential property only if the net value of property had exceeded 1.26 million. The limit for a four-member single parent family was about 1.5 million. Besides the net value requirement, the other requirement for disposing of an owner-occupied residential property would apply only when the youngest child in the single parent family reached the age of 15. The Administration had met with the representatives of the single parents and noted their concern. As most of the owner-occupied residential property in question were not luxurious flats, the requirements would have no significant impact on the CSSA recipients.
- (c) As regards the ASCP fees, CSSA families with real difficulties in looking after their children could seek assistance from NGOs and

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welfare groups which provided after school tutorial classes as an alternative to ASCP. In special cases there was a mechanism for exercise of discretionary powers to grant the ASCP fees.

33. In response to further questions from Mr LAW Chi-kwong, DSW said that to determine the eligibility of a CSSA application by assessing the needs of all household members was an established policy. SWD would exercise discretionary power to exempt the requirement for applying on a household basis if justified. The current arrangements would make clear the policy. ADSW(SS)(Ag) added that the proposal to reinforce this requirement was set out in paragraph 75(b) of the Report on Review of the CSSA Scheme (December 1998) (the Review Report) as one of the measures to strengthen control and safeguard public expenditure against fraud and abuse.

34. Miss Cyd HO opined that the new measures would not work to the benefit of the elderly and disabled and would in the end defeat the purpose of CSSA to provide assistance to the needy individuals and families to meet their basic needs. Miss HO shared Mr LAW Chi-kwong's concern over the possible adverse effect of the new measures on the development of children of single parent CSSA families.

35. In response, DSW reiterated that the spirit of the recommendations of the Review Report was to emphasize self-reliance and to encourage and assist able-bodied unemployed CSSA recipients back to work.

36. Referring to the former Secretary for Health and Welfare's repeated assurance that the review of CSSA would have no impact on the elderly and disabled, Mr LEE Cheuk-yan commented that the Administration had broken its promise as some elderly persons and persons with a disability were also affected by the new measures.

37. Deputy Secretary for Health and Welfare responded that the amount of CSSA payable to the elderly and disabled would not be affected as a result of the CSSA Review. According to the survey findings in 1997, over 70% of the elderly persons in Hong Kong relied on their children's financial support. It would be unfair for individual families to shift the burden of supporting their non-income-earning family members to the taxpayers, if these families were financially capable of providing support to their family members. The Administration, therefore, intended to convey a clear message that the income-earners in a family should take up the responsibility of supporting their family members who had no financial means and that the eligibility for CSSA would be determined on a household basis.

38. Mr Fred LI commented that the cutting down of certain types of special grants for able-bodied adults/children following the 1998 CSSA Review was unreasonable. For instance, an allowance for able-bodied children to cover spectacles expenses was indeed a necessity for the children. He urged the Administration to seriously review the decision.

39. In view of the time constraint, the Chairman considered that the above CSSA

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related issues should be followed up in the next session when deputations might be invited to present their views.

VI. Any Other Business

40. There being no other business, the meeting ended at 1:10 pm.

Legislative Council Secretariat

5 April 2000