

立法會
Legislative Council

LC Paper No. CB(2)711/99-00
(These minutes have been
seen by the Administration)

Ref : CB2/PL/WS

LegCo Panel on Welfare Services

Minutes of meeting
held on Monday, 14 June 1999 at 10:45 am
in the Chamber of the Legislative Council Building

Members Present : Hon CHAN Yuen-han (Chairman)
Hon Cyd HO Sau-lan
Hon LEE Cheuk-yan
Hon Eric LI Ka-cheung, JP
Hon Fred LI Wah-ming
Dr Hon YEUNG Sum
Hon YEUNG Yiu-chung
Hon CHOY So-yuk
Hon LAW Chi-kwong, JP

Members Absent : Hon HO Sai-chu, JP (Deputy Chairman)
Hon David CHU Yu-lin
Hon LEE Kai-ming, JP
Hon Ronald ARCULLI, JP

Member Attending : Hon CHEUNG Man-kwong

Public Officers Attending : Item III - Community Rehabilitation Network

Mr Robin GILL
Deputy Secretary for Health and Welfare 3

Mr CHOI Chi-wa, Augustine
Commissioner for Rehabilitation, Health and Welfare Bureau

Miss Ophelia CHAN
Assistant Director of Social Welfare
(Rehabilitation & Medical Social Services)

Item IV - Review of School Social Work Service

Mr Robin GILL
Deputy Secretary for Health and Welfare 3

Miss Victoria TANG
Principal Assistant Secretary for Health and Welfare
(Welfare)2

Mr Carlos LEUNG
Assistant Director of Social Welfare (Youth & Human
Resources Management)

Item V - CSSA - annual inflation adjustment

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 and Welfare
(Welfare)1

Mrs Rachel CARTLAND
Assistant Director of Social Welfare (Social Security)

Item VI - CSSA - review of requirements of disregarded earnings

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 and Welfare
(Welfare)¹

Mrs Rachel CARTLAND
Assistant Director of Social Welfare (Social Security)

Item VII

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

By Invitation : Item V - CSSA - annual inflation adjustment

關注綜援檢討聯席

Miss CHAN Fung-man

Miss Pauline CHAN

綜援政策關注組

Ms CHIU Chui-wah

Ms LEE Siu-chun

Ms WONG Wai-ling

老人權益中心

吳英行先生

張華有先生

劉仙光先生

李植楷先生

李翠琮女士

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Item VI - CSSA - review of requirements of disregarded earnings

關注綜援家庭政策聯席會

Ms HO Shin-yee

Ms LEE Kwai-chun

香港單親婦女綜援權益會

Ms Grace LEUNG

Ms Ann FUNG

Mr Bill LAY

群福婦女權益會

伍桂芬女士

廖銀鳳女士

鄭清文女士

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

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

I. Confirmation of minutes of meeting held on 11 January 1999
LC Paper No. CB(2) 2257/98-99

The minutes of the meeting held on 11 January 1999 were confirmed.

II. Date of next meeting and items for discussion
LC Papers Nos. CB(2) 2250/98-99(01) and (02)

2. Members agreed to hold a special meeting on 28 June 1999 at 4:30 pm to discuss the following items -

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- (a) Neighbourhood Level Community Development Projects (NLCDP) - Policy and NLCDP Team in Tai O;
 - (b) Hong Kong Red Cross Report on the Operation of the PCSSA Scheme; and
 - (c) CSSA issues
 - (i) Effect of the tightening of CSSA on the elderly and the disabled
 - (ii) Extension of grace period for sale of owner-occupied residential property and after school care service allowance for single parent families.
3. Members agreed to discuss the following items at the next regular meeting to be held on 12 July 1999 -
- (a) Report of the Working Group on elderly suicide and depression; and
 - (b) Report of the Working Group on dementia care.

(Post-meeting note: At the request of the Administration and with the concurrence of the Chairman, the special meeting was rescheduled to 12 July 1999 at 10:45 am. The two items agreed for discussion on 12 July 1999 would be deferred to later date.)

III. Community Rehabilitation Network

LC Papers Nos. CB(2) 1879/98-99(04) and CB(2) 2250/98-99(03)

4. Deputy Secretary for Health and Welfare 3 (DS(HW)3) said that the Administration recognized the effectiveness of the Community Rehabilitation Network (CRN) service and agreed with the general direction of future developments as recommended by the Consultants. Within the approved provision for the three existing centres, the Administration was ready to implement the Consultants' recommendation to establish a total of six centres and stations as proposed in Phase I. The implementation of Phase II of the Consultant's recommendations would be subject to the outcome of the evaluation of Phase I. The Administration undertook to finance the necessary capital costs for the establishment of additional centres.

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5. Commissioner for Rehabilitation (C for R) added that it was expected that a CRN centre could be set up in Tuen Mun within this financial year. Two other centres would be set up in the New Territories next financial year.

6. Dr YEUNG Sum said that he supported CRN service in principle as it provided much needed of support to chronically ill patients and their families. He enquired about the timetable for carrying out the evaluation of Phase I given that the implementation of Phase II was subject to the outcome of the evaluation. C for R responded that the evaluation of Phase I would be conducted in one year's time after the three new centres came into operation in order to assessing the need for setting up a total of two more stations on Hong Kong island and in Kowloon. Before the implementation of Phase II, the Administration would encourage existing centres to provide out-reaching service to areas where CRN centres or stations were yet to be set up.

7. Mr LAW Chi-kwong pointed out that additional resources were required for implementing Phases I and II of the Consultants' recommendations. However, he noted from the Administration's response to the follow-up questions raised by Dr YEUNG Sum (LC Paper No. CB(2)2250/98-99(03)) that the implementation of Phase I recommendations had to be covered by existing resources. He therefore questioned whether it implied that the Administration did not accept the Consultants' recommendations in relation to resources requirements.

8. In reply, C for R said that the differences in the resources required for implementing Phase I recommendations and the existing provisions amounted to some \$100,000 for each CRN centre, which was the staff cost of an Assistant Social Work Officer (ASWO) post. He explained that under the Consultants' recommendations for Phase I, the staffing provisions for each CRN centre was four ASWO posts. The Administration would however allocate resources for an establishment of three officers at ASWO rank having regard to the Consultant's recommendation that the establishment of ASWO posts in CRN centres would eventually be reduced from four to three after the opening of new stations. CRN operator agreed with the arrangements.

IV. Review of School Social Work Service

LC Paper No. CB(2) 2250/98-99(04)

9. Noting that the Administration had finally agreed to provide one full-time school social worker post in each secondary school, Dr YEUNG Sum asked whether new resources would be provided to implement the proposal. He was concerned that the proposed redeployment of resources from existing youth services would adversely affect the quality of such service. DS(HW)3 said that no additional resources would be provided for implementing the proposal in

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existing schools and new schools coming on stream in the 1999/2000 school year. It was therefore necessary to redeploy resources from other youth services.

10. Dr YEUNG Sum further asked whether the Administration had assessed the effect of the proposal on the quality of youth services and whether it would consult the relevant welfare organizations on the redeployment of resources. DS(HW)3 said that there would be consultation with the Hong Kong Council of Social Service (HKCSS) and non-government organizations (NGOs) affected before implementing the proposal. He assured members that the Administration would ensure that the quality of the existing youth services provided would not be affected as a result of the resources redeployment. He pointed out that the Administration might consider closing down some under-utilized children and youth centres, which would only have a minimal effect.

11. Dr YEUNG Sum enquired whether the Administration had sought the views of NGOs concerned on the Administration's proposal to close down some of the under-utilized children and youth centres. DS(HW)3 explained that some of the service centres might be amalgamated and there would be detailed discussions with the NGOs concerned.

12. Mr YEUNG Yiu-chung enquired whether the proposal to provide one full-time school social worker post in each new secondary school was applicable to non-Academically-Low Achiever (ALA) schools. DS(HW)3 clarified that the proposal was applicable to all secondary schools. Apart from providing social welfare service to students in schools, the school social workers would perform the role of facilitator and coordinator between school social work service and other community-based services for young people and facilities.

13. Responding to Mr YEUNG Yiu-chung's question on the timetable for implementation of the proposal, DS(HW)3 said that it was aimed to provide each secondary school with one full-time school social worker from September 2000. The timetable would be met as far as practicable.

14. In response to Mr LAW Chi-kwong's question on the provision of resources required for implementing the proposal in new secondary schools, DS(HW)3 confirmed that the required provisions would be included as part of a school's standard operating budget in the commissioning of new secondary schools from September 2000 onwards.

15. Mr LAW Chi-kwong asked whether the proposed implementation arrangement deviated from the understanding in previous discussions between parties concerned. DS(HW)3 said that the integration of social welfare services in the community and making best use of resources were major policy intents of

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the Administration. As there was a strong demand for the provision of one full-time school social worker in each secondary school from both the welfare and education sectors, the proposal had been accorded top priority. The resources required would be provided through redeploying from existing youth services.

16. Mr LAW Chi-kwong said that he was given to understand that the closing down of under-utilized children and youth centres was part of the Enhanced Productivity Programme (EPP). In the circumstances, he asked whether mandate was given to utilize the savings achieved to fund the proposal of one full-time social worker in each secondary school. DS(HW)3 clarified that the closing down of under-utilized children and youth centres was not necessarily for the purpose of EPP. Savings achieved could be redeployed for the provision of other social welfare services.

17. Mr LAW Chi-kwong expressed concern that if the savings achieved by the closing down of some under-utilized children and youth centres might be not considered as a means to achieve EPP, it was almost impossible for these centres to identify other savings so as to meet the EPP target. DS(HW)3 said that the proposal to close down some under-utilized youth and children centres would not preclude the sector and individual welfare agencies from identifying other areas where resources currently not used to their potential might be redeployed or used for the purpose of EPP. The Administration was engaged in regular dialogue with the Youth Welfare Sector to identify resources which were suitable for redeployment or to identify savings in connection with EPP. As far as he was aware, no agreement had yet been reached in this respect.

18. Mr LAW Chi-kwong commented that since the implementation of the proposed school social work policy was at the expense of the provision of other social welfare services, it would affect adversely the quality of these welfare services. DS(HW)3 said that the Administration would be working closely with the Sector on the detailed implementation plan.

19. Mr LEE Cheuk-yan expressed disappointment that the proposal to provide one full-time school social worker in each secondary school would be met by redeploying resources from existing youth services. As approximately \$97m was required to implement the proposal, he asked about the specific percentage of resources for youth services required for redeployment in order to meet the need of \$97m. He also wished to know what course of action the Administration would take if some NGOs were unable to release the required resources for implementing the proposal. He further asked whether it implied that the Social Welfare Department would not have any additional resources for implementing new services and that any new service could only be met by redeploying existing resources.

20. DS(HW)3 believed that the Administration and the NGOs concerned

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would be able to reach a compromise. He confirmed that there would be no Resource Allocation Exercise this year but pointed out that recurrent resources would be provided for capital items coming on stream in the next few years. Existing resources would be re-deployed to areas where priority had been accorded.

21. The Chairman also expressed concern about the possible adverse effect on the quality of existing youth service. She asked whether the affected youth and children centres could refuse to release resources for implementing the proposal. In response, DS(HW)3 said that the exact amount of resources to be redeployed from youth services for the provision of school social work service had yet to be decided. The Administration would hold discussions with the concerned parties with a view to achieving a satisfactory agreement on the exact amount of resources to be redeployed to implement the proposal. He stressed that it did not necessarily mean that the closing down of youth and children centres was the only means to finance the proposal. He reiterated that the Administration had no intention to reduce the overall provisions for youth welfare services. Having regard to the strong demands of the education and welfare sectors to provide a school social worker in every secondary school, a higher priority had been accorded to enhancing the school social work service.

22. Assistant Director of Social Welfare (Youth & Human Resources Management) (ADSW(Y/HRM)) clarified that the estimated cost of \$97m was for the entire school social worker unit, i.e. to meet the needs of existing schools and new schools coming on stream in the 1999/2000 school year.

23. Mr Fred LI Wah-ming asked whether ancillary facilities and fundings for organizing activities would be provided for school social workers. DS(HW)3 said that school social workers would be provided with the necessary clerical support as well as office accommodations. As regards funds for organizing activities and programmes, ADSW(Y/HRM) said that provisions would be allocated to respective responsible organizations which would then decide on the allocation for organizing related activities for students by school social workers. DS(HW)3 supplemented that one of the important features of the proposal was that school social workers would establish very close links and would act as facilitators between school-based and community-based services for young people. The school social workers would refer students to services for young people provided by other organizations in the vicinity.

24. ADSW(Y/HRM) pointed out that improvements to the supporting facilities for school social workers was an area of concern of the Working Group on the Review of School Social Work Service. A Steering Committee on School Social Work Service, comprising representatives from the Social Welfare Department, Education Department, the HKCSS, NGOs operating school social work service, school personnel and parents, would be set up to

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oversee the recommendations of the Review Report, to monitor and review the future direction and development of the service and recommend measures in meeting the changing needs of students.

25. Mr Eric LI Ka-cheung said that the welfare sector accorded top priority to the school social work service on the understanding that additional resources would be allocated for the provision of social work support to students in schools. He considered that should the proposal involve resources redeployment, the Administration ought to conduct a comprehensive consultation and discussion with the parties concerned. He pointed out that the proposal for one full-time school social worker in each secondary school had been urged by the welfare sector for over ten years and he questioned the need for promulgating the implementation of proposal in such a hasty manner now. DS(HW)3 explained that the timing was dictated by the release of the Report on Review of School Social Work Service after extensive consultation. The Administration was responding to the recommendations of the Report in making the proposal. Consultations with NGOs concerned regarding the redeployment of resources for the implementation of the proposal had not yet started.

26. Mr Eric LI Ka-cheung said that the Administration should not propose implementing the proposal by redeploying resources from existing youth services before consulting the parties concerned. He considered that the consultation in this respect was insufficient and lacked sincerity. DS(HW)3 assured members that consultation would be carried out in a sincere and fair manner. He added that the Administration maintained constant dialogue with the welfare sector and NGO representatives on a wide range of issues.

27. Mr LAW Chi-kwong said that it was noted that the Home Affairs Bureau was currently conducting a Fundamental Expenditure Review on youth services. He wondered if the proposal to fund the school social work service by redeploying resources from existing youth services had preempted the findings of the Fundamental Expenditure Review.

28. DS(HW)3 said that the Administration's proposal to redeploy resources from existing youth services to implement the proposal was aimed at maximizing the use of existing resources after taking into account the strong views in the community for better provision of school social work service. The Administration would reconsider the priority for school social work service should members have alternate views on allocating priorities for welfare services in the community. Principal Assistant Secretary for Health and Welfare (Welfare)2 added that the Administration had taken into account the views of the education and welfare sectors in drawing up the proposal. The Steering Committee on School Social Work Service would consult relevant parties on

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the best way for redeploying resources to implement the proposal.

29. Responding to Miss Cyd HO, DS(HW)3 said that the Fundamental Expenditure Review underway was under the chairmanship of the Secretary for Home Affairs. Its scope was on youth activities in general instead of confining to an examination of the existing welfare services for youth. He said that members would be informed of the review findings.

30. Dr YEUNG Sum said that the Democratic Party supported the proposal on the understanding that the provision of school social work service would be met by additional resources. He had reservations about the current proposal.

31. Miss CHOY So-yuk was disappointed that the Administration did not consult the affected organizations before submitting its proposal. Mr Eric LI Ka-cheung considered that it was inappropriate for the Administration to submit any proposal which involved resources redeployment while it was awaiting the findings of a comprehensive review of the resources allocation for youth activities in general. He was of the view that a decision would be better made after studying the findings of the comprehensive review. The Chairman said that members, who had repeatedly urged for one full-time school social worker in each secondary school, were expecting the proposal to be financed by new money and were very disappointed that it was not the case.

32. DS(HW)3 reiterated that the proposal was made in response to the strong call from the community to enhance the school social work service. The proposal to redeploy resources from existing youth services was consistent with the Administration's approach to allocate resources to the service which had been accorded a high priority and to maximize the use of limited resources.

33. In the light of members' concerns over the possibility of adverse effect on the quality of youth service in the community upon the implementation of the proposal, the Chairman suggested and members agreed to follow up the issue in a joint meeting with the Panel on Home Affairs.

V. CSSA - inflation adjustment

LC Papers Nos. CB(2) 2250/98-99(05), (06) and (07)

34. Director of Social Welfare (DSW) briefed members on the salient points of the Administration's information paper. He said that the Comprehensive Social Security Assistance (CSSA) Scheme and the Social Security Allowance (SSA) Scheme were adjusted annually in anticipation of the forecast movement of Social Security Assistance Index of Prices (SSAIP). The Finance Committee (FC) approved in 1998 that the standard payment rates be increased by 4.8% from 1 April 1998 in anticipation of the projected increase in SSAIP for 1998-

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99. The FC was informed that there had been an over-projection of SSAIP inflation rate on 1.5% in 1997-98. However, in order to give CSSA and SSA recipients the benefit of a full 4.8% increase in the standard payment rates, the Administration proposed and FC agreed to defer the subsequent revision date by four months to August 1999. It was then estimated that the inflation between April and July 1999 could make up for the 1.5% overshoot in 1997-98. The actual movement of SSAIP for 1998-99, however, turned out to be -0.2%. As a result, the Administration was now faced with a total overshoot of 6.5% (i.e. 4.8% + 0.2% + 1.5%).

35. DSW pointed out that if the Administration was to follow the established mechanism for annual inflation adjustment, it would have to reduce the current CSSA and SSA standard payments by 6.5% from 1 August 1999, plus the forecast -1.3% SSAIP movement for 1999-2000, i.e. a total of 7.8%. In view of the inevitable discrepancies between the forecast and actual SSAIP movements and the uncertainties that would be caused to recipients, the Administration proposed -

- (a) to freeze the standard payment rates under CSSA and SSA Schemes at their present levels until inflation in subsequent years caught up; and
- (b) to discontinue with the current practice of adjusting standard payment rates under CSSA and SSA Schemes according to the forecast inflation for the following year and to make annual adjustments to the rates based on the actual SSAIP movement.

36. As regards the financial implications, DSW advised that a 6.5% reduction in standard rates from 1 August 1999 would result in reduced Government expenditure of \$707 million in 1999-2000 (\$1,062 million in a full year).

37. Representative from the 關注綜援檢討聯席 said that they accepted the proposal to freeze standard rates under CSSA and SSA Schemes reluctantly. They considered that the standard rates ought to be revised in accordance with the inflation/deflation adjustment. The deputation also took the opportunity to seek clarification from the Administration on the rationale for proposing a downward adjustment of the upper limit of rent subsidy under CSSA Scheme and the abolition of after school care service allowance for single parent families. The deputation opposed the proposal to adjust downward the upper limit of rent subsidy under CSSA Scheme.

38. Representative from the 關注綜援政策關注組 said that since the implementation of the Support for Self-reliance Scheme in June 1999, the standard payment rates for CSSA recipients had been reduced. The proposal to

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adjust standard payment rates under CSSA and SSA Schemes would further affect the livelihood of CSSA recipients adversely. The deputation also commented that the frequent changes in the methodology for adjusting CSSA and SSA standard payment rates would result in uncertainties about the amount of CSSA to be received which would have a direct and significant impact on their household budget.

39. Representatives from the 老人權益中心 considered that the standard payment rates should be adjusted in April annually instead of in August as proposed by the Administration. The representatives were of the view that CSSA for the elderly were comparatively low. Given that the impact of deflation was relatively minimal on the consumption pattern of the elderly, the deputation considered that the proposal to adjust the standard payment rates according to SSAIP should not be applicable for the elderly. They had genuine difficulties in adjusting their expenses. They urged that CSSA for the elderly should be reviewed.

40. The Chairman said that other concerns on CSSA related issues would be dealt with by the Panel in another forum.

41. Mr LAW Chi-kwong remarked that the Administration's proposal to adjust annually the rates under CSSA and SSA Schemes according to the actual year-on-year movement of SSAIP was unacceptable. He was of the view that standard payment rates under CSSA and SSA Schemes should be adjusted according to the forecast inflation for the following year, i.e. to continue with the current practice of adjustment. He added that should the actual inflation exceed the forecast inflation, the payment rates would be adjusted accordingly and vice versa. In the event that a downward adjustment was required, in particular when the extent of downward adjustment required was in fact larger than the actual negative inflation (i.e. a negative adjustment), the standard payment rates should be frozen at those levels until inflation in subsequent years caught up the differences. He believed that the possibility of inflation was greater than deflation in the long run. Mr LAW further said that if his proposal was considered workable, the proposal could be submitted to FC for endorsement which would then be implemented by the Finance Bureau. The adoption of a formally approved mechanism for adjusting standard payment rates under CSSA and SSA Schemes could prevent unnecessary arguments over the methodology for adjusting these rates.

42. Dr YEUNG Sum welcomed the Administration's proposal to freeze the standard rates under CSSA and SSA Schemes at their present levels regardless of a deflationary environment. However, he expressed reservation about the proposal to discontinue with the current practice of adjusting standard payment rates under CSSA and SSA Schemes according to the forecast inflation for the following year. He considered that the forecasting methodology for adjusting

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these rates offered a better protection for CSSA recipients.

43. Miss CHOY So-yuk also welcomed the proposal to freeze the standard payment rates at their present levels for the time being. She, however, questioned the rationale for delinking the adjustment of standard payment rates according to the forecast inflation.

44. Mr LEE Cheuk-yan commented that under the proposal to freeze the standard payment rates, CSSA recipients would not be able to improve their living standards if any over-provision would have to be made up in the subsequent years. He pointed out that the existing amount of CSSA was barely sufficient for the recipients to maintain basic living standards, in particular the elderly. Hence, the Administration should not propose freezing the standard payment rates without proposing the timetable for conducting a comprehensive review of these rates.

45. Mr Fred LI Wah-ming was of the view that under the proposal to make annual adjustments to the standard payment rates based on the actual year-on-year movement of SSAIP, CSSA recipients could not make actual improvement to their living standards. He therefore strongly opposed the proposed methodology. Moreover, he urged the Administration not to reduce the current rates in the subsequent years for making up the previous over-provision.

46. Miss Cyd HO wondered if the Administration was taking the opportunity to test the minimum acceptable level of CSSA. She commented that under the proposal, the CSSA recipients had to suffer a whole year of under-provision before the rates were adjusted upward appropriately.

47. DSW's responded to the views expressed by members and the deputations as follows -

- (a) Since the completion of the comprehensive review of CSSA in 1996, the combined inflation adjustments were 10% higher than what was necessary to maintain the purchasing power of the standard payments. To adhere to the forecasting methodology for adjusting these rates in a deflationary environment would mean a reduction in the rates. The Administration therefore proposed to freeze the standard payment rates at their present levels until inflation in subsequent years caught up. The proposal to freeze the standard payment rates and the actual CSSA required for recipients should be treated as two independent issues;
- (b) The methodology for adjusting these rates was endorsed by the Legislative Council and any subsequent changes were subject to

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the Legislative Council's approval. However, the forecasting methodology had not been followed strictly. In the past few years, when an over-projection was experienced, no downward adjustment in the standard payment rates was made, which was endorsed by the Legislative Council;

- (c) With reference to the methodology proposed by members, the standard payment rates would be required to adjust downward when the extent of downward adjustment required was in fact larger than the actual negative inflation. Should the standard rates be frozen in order not to cause difficulties to the recipients who would otherwise need to adapt to the downward adjustment, it would be unfair to non-CSSA recipients in the community. In view of the inevitable discrepancies between the forecast and the actual inflation/deflation, the Administration proposed the revised methodology so as to reduce the uncertainties that would be caused to recipients; and
- (d) A 6.5% reduction in standard rates from 1 August 1999 would result in reduced Government expenditure of \$707 million in 1999-2000. Not to bring down the rates to reflect the over-projection on compassionate grounds would have a consequential impact on CSSA/SSA expenditure amounting to over \$1,000 million annually.

48. The Chairman said that the question of whether the current levels of CSSA were sufficient and whether a review was in need would be dealt with in another forum. Having regard to members' grave concerns over the proposed basis for annual inflation adjustment to CSSA and SSA standard payment rates in future, the Chairman requested and the Administration agreed to further consider members' views and revert to the Panel before putting forward its proposal to FC for endorsement.

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VI. CSSA - review of requirements of disregarded earnings

LC Papers Nos. CB(2) 2250/98-99(08), (09) and (10)

49. Representative from 關注綜援家庭政策聯席會 said that the provision of disregarded earnings (DE) under CSSA Scheme was so low that it discouraged the unemployed CSSA recipients from job seeking. The deputation urged for a revision of the amount of DE. In addition, the methodology for calculating DE and the application procedures for DE should be simplified. The representative also suggested that CSSA recipients should be allowed to have the first three months' income from a full-time job disregarded for calculation of CSSA.

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50. Representative from 香港單親婦女綜援權益會 said that most of the single parents had no intention to rely on CSSA on a long term basis and they were willing and eager to take up employment. However, most of them faced difficulties in finding full-time jobs and could only take up part-time jobs. Hence, the deputation urged that the provision of DE be extended to part-time work of able-bodied recipients. It also proposed to raise the monthly DE for part-time work from the first \$451 to the first \$1,501 and to set the maximum exemption at \$2,330 instead of \$1,805.

51. Representative from 群福婦女權益會 outlined the difficulties encountered by single parents in striking a balance between taking up employment and looking after their children. She then pointed out that the present monthly DE limits did not provide any incentives to single parents to seek work.

52. Mr LEE Cheuk-yan commented that the current DE arrangements, under which employable able-bodied adults were subject to a minimum working hours and minimum income requirements (i.e. working not less than 120 hours and earning no less than \$3,200), were indeed penalizing those CSSA recipients who took up part-time jobs or were low income earners. It also against the primary objective of the provision of DE to encourage self-help and productivity. He enquired whether the Administration would consider abolishing the requirements.

53. Deputy Director of Social Welfare (Administration) (DDSW(A)) replied that the Administration was examining the current DE arrangements and would expect to submit a report on the review to the Panel in September 1999. The Administration would take note of members' views in compiling the report.

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54. Mr Fred LI Wah-ming urged the Administration to expedite the progress of the review as far as practicable. He also expressed concern about the privacy of CSSA recipients in claiming for DE. DDSW(A) responded that should a CSSA recipient be able to provide sufficient income proof, the Social Welfare Department staff would not approach his employer for further information. Thus his status as a CSSA recipient would not be disclosed. Only when the Department was in doubt about the information supplied that his employer would be approached for further information or clarification. She said that the Department would endeavour to protect the privacy of CSSA recipients.

55. Dr YEUNG Sum opined that the minimum hours and income requirements for the purpose of monthly DE for employable able-bodied adults resulted in unnecessary administrative cost and discouraged the recipients from taking up employment. He urged that the Administration should consider abolishing the minimum hours and income requirements in this respect.

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56. Responding to Miss Cyd HO, Deputy Secretary (Health and Welfare)² said that the Administration had to critically assess the financial implications of the proposal to abolish the minimum hours and income requirements for the purpose of monthly DE for employable able-bodied adults. Nevertheless, the Administration would try its very best to submit its review report to the Panel in September 1999.

57. The Chairman said that the Panel passed a resolution at its meeting on 24 February 1999 that the Administration should re-examine the minimum hours and income requirements for the purpose of monthly DE for employable able-bodied adults. The stance of the Panel remained unchanged. The Panel would follow up the recommendations of the impending review.

VII. Any other business

LC Paper No. CB(2) 2250/98-99(11)

58. In view of the time constraint, the Chairman said that Mr LAW Chi-
kwong's proposal regarding elderly and people with a disability affected by the
tightening up of CSSA, which was scheduled for discussion under any other
business, would be deferred to later meeting.

59. The meeting ended at 1:10 pm.

Legislative Council Secretariat

22 December 1999