

**Legislative Council
Panel on Welfare Services**

**Public Consultation on 1998 Review of the
Comprehensive Social Security Assistance (CSSA) Scheme**

Purpose

This paper reports on the result of the public consultation on the 1998 CSSA review.

Public Consultation

2. The Administration reviewed the CSSA scheme under a steering group chaired by the Director of Social Welfare. The steering group has proposed a package of measures to ensure that the CSSA scheme could continue to provide a safety net to those in need and to encourage and help recipients who are able and expected to work to rejoin the workforce.
3. The report on the CSSA review was publicised on 9 December 1998. The public was invited to express their views on the package of proposals in the report within a six-week public consultation period which ended on 20 January 1999.
4. During the consultation period, the Administration -
 - (a) distributed 22 000 copies of review report and 210 000 copies of the executive summary of the report;
 - (b) set up two special telephone hotlines to facilitate collection public views;
 - (c) organised briefings and attended meetings with various public and private organisations including the LegCo Welfare Panel, Social Welfare Advisory Committee (SWAC), Provisional District Boards (PDBs), Heung Yee Kuk, political parties, welfare organisations, business associations, kaifong associations, academics and concern groups (a list of key activities is attached at Annex A);

- (d) attended radio and television programmes to explain the proposals and respond to public enquiries and comments;
- (e) conducted an opinion survey on the package of proposals (a summary of key findings is attached as Annex B);
- (f) responded to a motion debate on the CSSA review in the Legislative Council (LegCo) on 13 January 1999.

Views of Members of the Legislative Council

5. Members of the Panel on Welfare Services were briefed on the objectives and the package of proposals on 9 December 1998. The Panel on Welfare Services then discussed the review report in detail in its regular meeting held on 14 December 1998. While members generally agreed with the objective of promoting self-reliance and providing more assistance to encourage and help the unemployed CSSA recipients to rejoin the work force, they had reservations about the effectiveness of the proposed Active Employment Assistance Scheme and the community work arrangements.

6. Although members recognised that a larger household would enjoy economies of scale in its expenditure, they raised questions on the basis and numerical justification for the proposed adjustment to the standard rate payments to households with three able-bodied members or more. There were also concerns about the proposed tightening of special grants. Furthermore, members had reservations about the proposal to require single parent recipients to seek work when their youngest child reached the age of 12. They were concerned that the single parents concerned might not have adequate time to take care of their children at a critical stage of their development.

7. Members of the Legislative Council debated on a motion moved by Dr. Hon. YEUNG Sum of Democratic Party (DP) on the CSSA review on 13 January 1999. Members showed keen interest in the review and many members took part in the debate. DP urged the Administration to withdraw the proposed reduction to the standard rates for households with three able-bodied members and continue to provide special grants, in particular for glasses and burial expenses. They suggested redeploying the resources required for arranging community work to provide comprehensive employment services to the unemployed recipients. They also considered the requirement for single parent CSSA recipients to seek

full-time jobs too rigid. Hon. CHAN Kam-lam of the Democratic Alliance for the Betterment of Hong Kong (DAB) moved an amendment to the motion by suggesting a re-employment support scheme to deal with unemployment assistance and social security separately. DAB also supported the proposals in DP's original motion.

8. During the debate, members of the Liberal Party and the Hong Kong Progressive Alliance (HKPA) expressed concerns about the rapid increase in CSSA expenditure. They agreed that able-bodied CSSA recipients should be encouraged to rejoin the workforce and welcomed the additional assistance to be provided to this group of recipients. They recognised that larger CSSA households would enjoy economies of scale in their expenditure and that there would be disincentives to work if CSSA payment levels were comparable to or higher than the market wages. They generally supported the proposed adjustments to standard rates for larger households. They had however reservations on the proposal to require single parents to seek work when their youngest child reached 12.

9. The Citizen Party supported the objective of the review to promote self-reliance, it however had reservation about the timing for implementation of proposed community work programme. It also had reservation about the requirement for single parents to seek work when their children reached 12.

10. The Frontier was concerned that the proposed measures which aimed at helping the unemployed to rejoin the workforce early would drag down the general wage level. They opposed the proposed adjustments to CSSA standard rates because they considered that the reduced payments could not meet the basic needs of the recipients. They urged the Government to consider whether there were adequate support facilities in the community before requiring single parents to seek work.

11. While the independent members generally supported the objective of the review to encourage and help the unemployed to rejoin the workforce, they had divided views on the specific proposals in the review report. Some members supported the proposed reduction in standard rates for larger households, but some other members opposed. Nevertheless, they generally agreed that single parents should not be required to seek work as soon as their youngest child reached the age of 12.

Views of SWAC Members

12. SWAC held two special meetings to discuss the review report. Members showed keen interests in the proposals and raised many questions and concerns on issues such as the effectiveness of the Active Employment Assistance Scheme, the administration of the community programme and the basis for the proposed adjustments to standard rates.

13. After thorough discussion with and having listened to detailed explanation given by the Administration, most members spoke out in support of the objectives of the review at the second special meeting. They agreed that more assistance should be provided to encourage and assist the unemployed CSSA recipients to return to the labour market. They suggested that the Government should address the unemployment problem to prevent more people from falling into the CSSA net. In view of the economies of scale enjoyed by larger households and the fact that the adjusted payments would still be enough to cover the basic needs of recipients, members supported the proposed adjustments to the standard rate payment for larger CSSA households.

14. Members also supported the requirement for unemployed adult recipients to perform community work in order to preserve their work habit and enlarge their social circle. Nevertheless, members cautioned that the arrangements should be carefully made to avoid any possible stigmatisation of the participants. They suggested that the CSSA recipients should perform community work together with other volunteers to minimise any possible stigmatisation of the participants. When applying this requirement on CSSA recipients, SWD should exercise discretion in a reasonable manner to take into account that CSSA recipients might have a genuine need to attend to some urgent appointments.

15. The SWAC members, however, cast serious doubts on the proposal of requiring single parents to actively seek work when their youngest child reached the age of 12. They were concerned that children around that age and from single-parent families were particularly vulnerable. It was considered that single parents should be allowed to stay at home to take care of their children until they reached 15, otherwise, their children might become a potential source of social problems.

Views of Provisional District Board (PDB) members

16. Three briefings were held for PDB members from the Hong Kong region, Kowloon region and the New Territories region respectively. Participants were generally in support of the objectives of the review. Representatives from Health and Welfare Bureau and Social Welfare Department were subsequently invited to attend ten meetings of PDBs or their sub-committees including Kowloon City, Tai Po, Tuen Mun, Sham Shui Po, Yuen Long, Southern, Wong Tai Sin, Central & Western, Kwun Tong and Wan Chai.

17. At some PDB meetings, e.g. Kowloon City, Tai Po, Yuen Long and Southern, most members who were present spoke out in support of the objectives and the proposals in the review report. At some other PDBs, e.g. Wong Tai Sin, Tuen Mun, Sham Shui Po, members had diverse views on the proposals. At the other PDBs, namely Central & Western, Kwun Tong and Wan Chai, most of the members who spoke out at the meetings had strong reservations on the proposals in the review report.

18. Majority of the PDB members supported additional effort to assist the unemployed CSSA recipients to seek work. However, there were concerns that there might not be sufficient job vacancies available in the market. Some members supported the community work programme because they thought it would enable the CSSA recipients to contribute to the community. But some other members commented that the community work programme might stigmatise the participants.

19. There were diverse views on the proposed tightening of CSSA payments. Some members considered the proposed adjustments in CSSA payments too mild to be effective. They suggested either capping the payment of standard rate to certain number of members in a family or setting a time limit of six months for payment of benefits. But some other members commented that the current market wage level was too low, so it was not fair to compare the CSSA payment with the prevailing wages. Many members had reservations about the proposal of requiring single parents to seek work when their youngest child reached the age of 12.

Views of Heung Yee Kuk

20. The Heung Yee Kuk passed a motion and unanimously supported the package of proposals put forward in the CSSA review report. Members agreed that Government should strive to slow down the

growth in CSSA expenditure. They strongly supported the objective of self-reliance which had been a key to the economic success of Hong Kong. They also supported the proposed adjustment to CSSA payment levels as the adjusted levels of payment would still be sufficient to meet basic needs. Members, however, raised concern about the increasing number of single fathers who had to rely on the CSSA because they had to stay home to take care of their children as their wives had not been granted permissions to move to Hong Kong.

Views of Kaifong Associations

21. At a gathering attended by over one hundred office bearers of various kaifong associations, representatives of the associations were in strong support of the objective to promote self-reliance among CSSA recipients who were able to work. They agreed with the package of proposals including adjustment to the standard rate payments and the requirement for unemployed adult recipients to perform community work. In addition, they raised concerns about the increased number of CSSA cases involving new immigrants.

Public Opinion Surveys

Opinion Survey Conducted by the Administration

22. An independent market research company was commissioned by the Administration to conduct an opinion survey on the package of proposals contained in the CSSA review report. A random sample of 1 519 persons aged between 15 to 69, representative of the general population, were drawn and interviewed over the phone. In view of the sufficiently large sample size and a satisfactory response rate of 70%, the results are statistically reliable.

23. The survey findings indicated that the objectives as well as most of the proposed measures were widely supported by the public. Almost all respondents (98%) agreed that the tightening measures should not affect recipients who were old, disabled or ill-health. 93% of the respondents agreed that CSSA assistance should be terminated for those unemployed CSSA recipients with working ability who refuse job offers or interviews without acceptable reasons.

24. 86% of respondents supported the proposal of requiring unemployed CSSA recipients with working ability to do community work.

And around 68% of respondents agreed to proposed reductions in CSSA payments for households with three or more able-bodied members.

25. In regard to the proposal of requiring single parents to seek work, the public opinion was more evenly split, with 55% of the respondents agreed to the proposal and 40% disagreed.

Opinion Surveys Reported in the Media

26. The local media reported the results of seven opinion surveys conducted by various organisations during the consultation period. The number of respondents in these surveys varied from 100 to more than 1 000.

27. The results of the two surveys conducted by two major local newspapers indicated that 77% of respondents agreed that CSSA recipients should perform community work. 48% of respondents supported the proposed reduction of CSSA payments to larger households, while 30% disagreed. The proposal to require single parents to seek work when their youngest child reached 12 was supported by more than half of the respondents. In addition, 59% of respondents believed that abuses were a problem.

28. The other two surveys conducted by a radio station indicated that 60% of respondents thought that the CSSA scheme would make recipients lazy, while 63% of respondents supported the community work proposal.

29. According to a survey conducted by a tertiary education institute, 35% of the respondents thought that an average CSSA payment of \$2,500 per month was insufficient to meet the basic needs of a CSSA recipient, but 52% thought that the amount was enough or too much. About half of the respondents did not support terminating CSSA payment to single parents when their youngest child reached 12. However, this was not a proposal of the CSSA review. More than half of the respondents thought that \$30 a day was inadequate for a CSSA recipient to buy food. But the question was based on an assumed spending pattern of CSSA recipients.

30. The other survey conducted by a political party indicated that there were divided views on whether the existing CSSA payment levels were sufficient in covering the basic needs of a three-member household. 60% of respondents agreed that single parents should seek part-time jobs

or receive retraining when their youngest child reached 12. Majority of the respondents also considered that the Government should provide more vocational training to the unemployed recipients.

31. A survey was conducted by a community centre on 100 CSSA recipients. It was found that majority of the recipients had attempted to find jobs in the previous three months and most of them would prefer to work if child care service was available. Also, those CSSA recipients living in self-owned properties were prepared to sell their properties if they were given public housing.

Views Expressed in the Media

32. Thirteen local newspapers commented on the various proposals in their editorials during the consultation period. Twelve of them were in support of the objective and the direction of the review. They welcomed the Government's action to avoid development of a dependency culture. The majority agreed that the old, the sick and the disabled should not be affected by the proposals.

33. There were extensive support for the objective of encouraging CSSA recipients to re-enter the labour market. There were different views on the community work proposal. While some paper supported the proposal as it would contribute to a sense of self-responsibility and self-worthiness among the CSSA recipients, one paper criticised the proposal as a punishment for being unemployed.

34. There were supports for the downward adjustments to the standard rates and one paper considered the reduction too mild. But those which opposed to the proposed reduction said that the existing rates were already too low to meet the basic needs.

35. The views of the academics and current affairs commentators were mixed. Nevertheless, irrespective of their standpoint, they provided useful comments on the review. They looked at the welfare system in Hong Kong from different perspectives and provided some valuable suggestions. While most of the published comments agreed with the Government's objective of promoting self-reliance, they pointed out that more detailed planning were required to achieve this goal. They commented that children of single-parent families should not be deprived of parental care because this might lead to increased juvenile delinquency and family problems. Some cautioned the Government about a widening

gap between the rich and the poor. But it was argued by some that inequality of income per se would present a lesser problem if there was equal opportunity to education and a high social mobility in that society.

Views Expressed by the General Public

36. The public was active in expressing their views through various phone-in programmes of the electronic media. Most callers expressed support for the objective of the review in promoting self-reliance. There were vivid stories of how people overcome periods of economic difficulties in their lives without giving up on self-reliance. They supported that the CSSA payment should not be higher than low-end wages to forestall disincentives to work. Many callers expressed concerns about abuses of the CSSA scheme. Nevertheless, the term "abuse" was being used rather loosely to include cases involving able-bodied adults who somehow were perceived to prefer receiving CSSA to seeking work. They complained that this was not fair for the people who worked earnestly to support their families.

37. The public responded actively to the invitation of public views on the CSSA review. The SWD received a steady flow of comments submitted through the telephone hotlines, mail, fax and e-mail during the first few weeks of the consultation period. More than 600 submissions were received in the first five weeks and majority of them were in support of the review proposals.

38. In the last three days of the consultation period, however, 1 900 submissions were received by SWD. These submissions included pre-printed forms and letters collected during petitions. The large influx of submissions during the last few days demonstrated that people who had special concerns about the review would wish to ensure that their views were heard.

39. Up to 20 January 1999, SWD received a total of 2 602 submissions. More than 1 900 submissions offered comments on one or two or a few selected issues in the review report. Their views and comments were diverse. 269 submissions supported the package of recommendations and 406 were opposed.

40. The major views and comments contained in the public submissions are summarised below.

Active Employment Assistance

41. There were wide support for inter-departmental efforts to provide counselling, employment and retraining services for the unemployed CSSA recipients. It was suggested that appropriate retraining courses should be provided by the Employees Retraining Board to assist the unemployed to equip themselves. It was also suggested that the Government should hire unemployed CSSA recipients as contract workers or provide tax concessions for employers in the private sector to hire them. Some people suggested that a separate scheme should be set up to provide short term assistance for the unemployed.

Community Work

42. Those in support of this programme considered that it would enable CSSA recipients to contribute to the community. It was suggested that the types of community work provided should be able to assist the unemployed CSSA recipients to preserve or rebuild their working habit. Some people were concerned about the high administration cost of the programme. There were also comments that the requirement for unemployed CSSA recipients to perform community work might stigmatise the participants.

Disregarded Earnings

43. The public welcomed the recommendation of totally disregarding the first month's income from a newly secured full-time job, but there were suggestions that this period should be lengthened. There were suggestions that the amount of monthly disregarded earnings should be increased and that income from part time jobs should be included.

Adjustment to CSSA Payment Levels

44. While some people supported that CSSA payments should not be higher than the market wage level to maintain incentive to work, there were concerns that the reduced CSSA payment was insufficient to meet the basic needs of recipients. There were requests for more information about the basis for the proposed reduction in standard rates for larger households. Also, there were suggestions that the Government should continue to provide special grants to meet the essential needs of CSSA recipients.

Single Parents

45. There was a significant body of opinion which was sympathetic to the plight of single parents with young children. They were concerned that children at the age of 12 were at a critical time of their

development, and would be particularly vulnerable if their parents could only take care of them after work. Also, it was commented that there were insufficient after-school facilities available for students.

Asset Limit

46. The public was supportive of the proposals to reduce the asset limit for cases involving able-bodied adults and to include the value of a owner-occupied property into calculation of asset when an application involve able-bodied adults under the age of 50.

Prevention of fraud and abuses

47. The public strongly supported that the Government should step up its effort in preventing fraud and abuse and strengthen the Special Investigation Team.

Way Forward

48. The Administration will consider all the views expressed during the public consultation period before finalising the package of proposals.

Health and Welfare Bureau

30 January 1999

LIST OF CONSULTATION ACTIVITIES

<u>Date</u>	<u>Activities</u>
1998	
9 December	Briefing for Social Welfare Advisory Committee Briefing for Legislative Council Panel on Welfare Services
10 December	Briefing for Provisional District Board Chairmen
14 December	Briefing at Hong Kong Council of Social Services Quarterly Meeting
15 December	Briefing for Kowloon Region Provisional District Boards
16 December	Briefing for New Territories Region Provisional District Boards
17 December	Briefing for Hong Kong Region and Islands Provisional District Boards
18 December	Social Welfare Advisory Committee Special Meeting
22 December	Meeting with Hon. Christine LOH
28 December	Meeting with Democratic Party
31 December	Attended Social Welfare and Medical Service Committee Meeting of Kowloon City Provisional District Board
1999	
5 January	Attended Tai Po Provisional District Board Meeting Attended Tuen Mun Provisional District Board Meeting Luncheon Speech at Lion's Club Meeting with Hong Kong Progressive Alliance

- 7 January Attended Sham Shui Po Provisional District Board Meeting
- Attended Kaifong Associations Tea Reception
- 8 January Meeting with Hon. CHAN Yuen-han
- Meeting with Liberal Party
- 10 January Attended Open Forum organised by Yan Oi Tong, Tuen Mun
- 11 January Attended Social Services & Publicity Committee Meeting of the Yuen Long Provisional District Board
- Attended Community Buildings and Affairs Committee Meeting of the Southern Provisional District Board
- Meeting with Hon. Emily LAU Wai-hing
- 12 January Attended Wong Tai Sin Provisional District Board Meeting
- 14 January Attended District Social Services Committee Meeting of Kwun Tong Provisional District Board
- Attended Central & Western Provisional District Board Meeting
- 15 January Social Welfare Advisory Committee Special Meeting
- 16 January Meeting with Hon. LEE Cheuk-yan
- Meeting with Single Parent Groups organised by Association for the Rights of Industrial Accident Victims
- 17 January Attended Open Forum organised by Democratic Party
- 19 January Attended Wan Chai Provisional District Board Meeting
- Luncheon Speech at Rotary Club
- Attended Meeting at Heung Yee Kuk, New Territories
- Meeting with HK Federation of Trade Unions

SUMMARY OF KEY FINDINGS

Public Views on CSSA Proposed Policy Options - 1

		<u>Agree</u>	<u>Disagree</u>	<u>No comment</u>
		%	%	%
(a)	The sharp growth in CSSA expenditure was a worry to the public	76	16	8
(b)	Terminating assistance for unemployed CSSA recipients with working ability who refuse job offers or interviews without acceptable reasons	93	5	2
<u>Among those who disagreed</u>				
	(i) Reducing assistance for these recipients	65	31	4
(c)	Requiring unemployed CSSA recipients with working ability to do community work regularly	86	11	3
(d)	Terminating assistance for unemployed CSSA recipients with working ability who refuse to do community work without acceptable reasons	81	14	5
<u>Among those who disagreed</u>				
	(i) Reducing assistance for these recipients	49	48	3
(e)	Requiring single parents to seek jobs if their children are aged 12 or over	55	40	5
(f1)	Reducing the CSSA payment for a four-person family from about \$11,000 to \$9,500	68	26	6
<u>Among those who disagreed</u>				
	(i) Views on the proposed payment of \$9,500	14	81	5
Sample size (1 519)				
Base: All respondents				

Public Views on CSSA Proposed Policy Options - 2

		<u>Agree</u> %	<u>Disagree</u> %	<u>No_</u> <u>comment</u> %
		<u>Too much</u> %	<u>Too little</u> %	<u>No_</u> <u>comment</u> %
(f2) Reducing the CSSA payment for a three-person family from about \$9,000 to \$8,000		69	24	7
<u>Among those who disagreed</u>				
(i) Views on the proposed payment of \$8,000		11	84	5
		<u>Agree</u> %	<u>Disagree</u> %	<u>No_</u> <u>comment</u> %
		<u>Too much</u> %	<u>Too little</u> %	<u>No_</u> <u>comment</u> %
(g) Using a lower asset limit for families having able-bodied adult(s)		73	20	7
<u>Among those who agreed</u>				
(i) Reducing the asset limit for a five-person family having able-bodied adult(s) from \$110,000 to \$64,000		71	25	4
(h) Including owner-occupied residential properties in asset test for families having adult(s) with working ability under 50 years old		69	25	6
<u>Among those who disagreed</u>				
(i) Including owner-occupied residential properties in asset test after a family had received CSSA for 12 months or more		45	51	4
(i) The tightening measures should not affect recipients who are old, disabled or ill-health		98	1	1
(j) Requiring CSSA applicants to take an oath to declare that all information provided are true		86	9	5
Sample size (1 519)				
Base: All respondents				