

**Response to the Group of Review of CSSA for Grass Roots' submission
(I) Comprehensive Social Security Assistance (CSSA) Scheme**

Objective

The scheme, which is means-tested, is intended to bring the income of needy individuals and families up to a prescribed level to meet their basic and special needs.

Eligibility

Persons who have lived in Hong Kong for not less than one year may be eligible if their income and other resources are below the prescribed levels. In cases of genuine hardship, the Director of Social Welfare has the discretionary power to waive the above-mentioned residence requirement. An able-bodied unemployed person aged 15-59 who is available for work is required to register with the Labour Department for employment assistance in order to qualify for CSSA.

Types of payment

Payments can be broadly classified into three categories:

- Standard rates - To meet the recipient's basic and general needs.
- Special grants - To meet the special needs of individuals or families such as rent, school-related expenses, extra diet, cost of medical and rehabilitation appliances.
- Supplements - An annual long-term supplement for those who have received assistance continuously for 12 months for the replacement of household goods. A monthly single parent supplement for single parent families to recognize the special difficulties which single parents face in bringing up a family.

For details of the CSSA Scheme, please refer to the "Guide to Comprehensive Social Security Assistance" attached.

(II) CSSA Review

An inter-departmental Steering Group chaired by the Director of Social Welfare started the review on the CSSA Scheme in late 1997, with the focus on how to encourage and help employable CSSA recipients to re-enter the labour market. The Steering Group also looked at ways and means to safeguard public expenditure against fraud and abuse. The review is now near completion. The findings and recommendations of the Review are expected to be published towards the end of this year. We will consult the Social Welfare Advisory Committee and the Panel on Welfare Services of Legislative Council on the recommendations of the Review.

Social Welfare Department

2. Demanding the implementation of flexible child care services

In order to meet the needs of families, including those receiving CSSA, to take care of their young children, the Social Welfare Department provides a variety of child care services supporting the family.

- Day care services **subvented by the Government** include **nurseries** for children aged two to six and **creches** for infants under the age of two. The aim of the services is to support and assist families with full day child care needs and provide care and education for young children. As at 31st October 1998, there are more than 41 000 day nursery places and 1 700 day creche places. In view of the continuing demand for nursery service, the Government will provide an additional 3 600 places in the next two years. If parents of families receiving CSSA desire to re-enter the labour market and are in need of day child care services, priority will be given to their children for admission into nurseries and creches operated or subvented by the Government. Parents having financial difficulties to pay for the child care centre fees can apply for Child Care Centres Fee Assistance Scheme under the Social Welfare Department.
- In order to support single parents and working parents who need longer hours of child care arrangement because of their working hours, some child care centres provide **Extended Hour Service**. Currently, five nurseries in Wan Chai, Kwun Tong, Sham Shui Po, Tai Po and Tuen Mun provide this service. The Government is examining the further provision of such flexible child care service with non-governmental organizations so as to meet the needs of working parents. The

Government also plans to provide an additional **140** places in other districts in need of extended hours service in the coming two years.

- Because of parents' needs for short-term day care service, **Occasional Child Care Service** is provided in full-day, half-day or two hourly sessions in child care centres to assist families in need in a more flexible way. At present, there are **220** child care centres in the territory providing 680 occasional child care places. The Government plans to provide over 60 places in districts with greater needs in the next two years.
- The Government also puts emphasis on the development of diversified child care services to cater for the varying needs of parents. In order to provide more choices on flexible child care services for young children aged under six, the Government encourages and assists non-profit making organizations, such as kaifong groups, women's groups and church bodies, to set up **mutual help child care centres** for the purpose of building a support network on district level and promoting the spirit of mutual help in the neighbourhood to address the problem of child care. In addition, the Government actively promotes **informal child care services**, for example, encouraging single parents receiving CSSA or families of the new arrivals to provide short-term and flexible child care service for children aged under six in a group of less than six children at home, and encouraging volunteers, such as elderly volunteers, to provide temporary or short-term child care service for children under six so as to strengthen the support to families with different child care needs.

Response to ‘聖雅各福群[基層綜援檢討小組]的立場書

Labelling CSSA recipients as lazy people

Exaggeration of abuse of CSSA

The CSSA scheme is intended to provide financial assistance to needy individuals and families. Over the recent past, there has been growing public concern about the rapid growth in the CSSA caseload and expenditure. It is our responsibility to make public the relevant data, including the current levels of CSSA payments. Different people may have different views and interpretations on these data.

We have never labelled CSSA recipients as lazy people nor exaggerated the abuse of CSSA. In fact the great majority of the CSSA recipients are the old, the disabled and the sick. It is unlikely that abuse of CSSA is prevalent. Nevertheless, to ensure prudent and defensible use of public funds, we need to strengthen control measures to prevent fraud and abuse.

CSSA Review

Setting up a mechanism to help CSSA recipients to leave the CSSA net

The objective of the current review of the CSSA Scheme is to encourage and help the employable CSSA recipients to rejoin the workforce, move towards self-reliance and leave the CSSA net. In the course of the review, we have met relevant parties, including representatives from social services, academics and concern groups, and listened to their views and suggestions.

Objection to the three proposals

These proposals fall within the scope of the current Review. The Review is near completion. We will publish the findings of the Review towards the end of this year, and we will consult the Social Welfare Advisory Committee and Panel on Welfare Services of the Legislative Council on the Review's recommendations.

Social Welfare Department

Response to the Group of Review of CSSA for Grass Roots' submission

The government and the Housing Authority have pledged to reducing the average waiting time from the present 6 1/2 years to 5 years before the end of 2001, to 4 years by 2003 and to 3 years by 2005. The number of flats to be allocated to Waiting List applicants in 1998/99 is 17,550 which is 46% more than the previous year. For the year 1999/2000, we anticipate to provide at least 20,000 flats for Waiting List applicants. To further shorten the waiting time, the Housing Department will expedite allocation through giving three offers at one time to eligible applicants as from 1 April 1999 and re-alignment of the geographical boundaries of districts. These arrangements have already been endorsed by the Rental Housing Committee of the Housing Authority in September 1998.

With the increased supply of public housing flats and the enhanced arrangements to efficiently allocate public rental housing flats to applicants, we are confident to meet our pledges in reducing the average waiting time for Waiting List applicants.

Hong Kong Housing Authority

(Translation)

(3) Retraining Courses must meet the needs of the market

The courses offered by the Employees Retraining Board (ERB) have always been market-oriented in that they are offered in accordance with the changes in the labour market. Retraining programmes not geared to the market needs will be slowed down or even phased out. For example, courses on paging operators were suspended because of the shrink of the job type. For full-time courses which are employment-tied, the average placement rate over the years has been maintained over the target of 70%.

The unemployment rate remains high in the past few months. In the light of the demands on retraining by the unemployed, the ERB has administered the above placement target with flexibility. The criteria of the 70% placement rate has been relaxed to allow training bodies to provide retraining services to the unemployed to meet with future need. However, this target is still valid for some of the job specific skills courses or tailor-made courses to make sure that the programmes meet with the instant needs of the market.

All training bodies provide placement services and maintain direct contacts with employers for more information on job vacancies. Course Steering Groups, consisting mainly of employers, are set up for every programme to advise on the course contents and ensure that the courses designs are based on users' actual needs.

To tackle the unemployment problem in Hong Kong, the ERB is extending its services with emphasis on the broadening and strengthening of employers network. Tailor-made programmes are actively developed in response to the market demands.

Any employer who offers bulk vacancies (15 or more) in certain job types can seek help from the ERB to recruit staff through tailor-made programme conducted by training bodies and designed fully according to employers' requirements. Since the courses are tailor-made on the basis of employers' requirements, the placement rates are usually close to 80%. Some of them even reach 100%.

Currently more than 140 types of full-time and part-time courses are being offered by the ERB. Full-time courses are mainly for the unemployed, including domestic helpers, security and property management, bookkeeping, accounting clerk, office assistant, and care worker, etc. To encourage further training of those in employment, the ERB also provides half-day or evening courses on general skills such as computer and languages etc.

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17 November 1998

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Dear Miss Wong,

Comments on the Comprehensive Social Security Assistance Scheme

Thank you for your letter dated 3 November 1998, relaying the views of the Group on Review of Comprehensive Social Security Assistance for Grass Roots ("the Group") of St. James' Settlement. The following is my response to the proposals on employee retraining courses and the importation of labour put forth by the Group:

I. Retraining programmes must cater to the needs

The courses run by the Employees Retraining Board (ERB) have always been market-oriented and placement-based. At present, the courses run by the ERB are based on training proposals submitted by training bodies with the approval of the Course Vetting Sub-Committee of the ERB. In determining the contents of the courses, the ERB and training bodies focus on assisting trainees to find and secure employment. In the past few years, on average 70% of those who have completed ERB's full-time courses were able to secure a job. Despite rising unemployment since the beginning of this year, the placement rate of those who have completed ERB's full-time courses still maintains at about 70%. The ERB will continue to respond to the needs of the market and employers by actively organizing courses to meet market needs, including tailor-made courses to cater for the vacancies of individual employers.

II. Stop importing labour as soon as possible

The Supplementary Labour Scheme and the Special Labour Importation Scheme for the New Airport and Related Projects are the two existing labour importation schemes in Hong Kong. The Government appreciates the concern expressed by the community towards the Supplementary Labour Scheme or any other labour importation schemes at a time when the unemployment rate runs high. However, it must be pointed out that the implementation of such schemes will not take away job opportunities of local workers, including the unemployed, because the Government's policy on labour importation is based on two cardinal principles:

- (a) Local workers must be given priority in filling job vacancies available in the job market;
- (b) Employers who are genuinely unable to recruit local workers to fill their job vacancies should be allowed to import workers.

In other words, the labour importation policy does not seek to replace local workers with imported workers. Its objective is to ease the temporary bottleneck in our labour market by allowing imported workers to fill certain job vacancies in which local workers are in short supply.

The Supplementary Labour Scheme (SLS)

The SLS operates on an extremely stringent and carefully planned vetting mechanism. Under the SLS, all employers applying for imported workers must first put up advertisements in local newspapers for such job vacancies and recruit employees locally through the Labour Department. Only when such attempts fail are they allowed to fill such vacancies by imported workers. The Scheme also requires employers to pay their imported workers no less than the median wage of their local counterparts in comparable positions. Most important of all, the SLS is monitored by the Labour Advisory Board (LAB) which is made up of representatives from the Government, employers and employees.

In fact, ever since the introduction of the Scheme in early 1996, no applications have been approved without LAB's support. To date, only less than 4 000 imported workers are working in Hong Kong, representing about 0.1% of Hong Kong's working population, currently over 3 million.

Special Labour Importation Scheme for the New Airport and Related Projects

Since the commission of the new airport, the number of imported workers employed in Hong Kong under the Special Labour Importation Scheme for the New Airport and Related Projects has been decreasing, with just about 200 workers remaining in Hong Kong now. Most of these workers are engaged in projects relating to the Second Runway.

Should you require further information, please feel free to contact me.

Yours sincerely,

(Ms. Esther LEUNG)
for Secretary for Education and Manpower

LETTERHEAD OF EDUCATION AND MANPOWER BUREAU

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21 November 1998

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Dear Miss Wong,

Comments on the Comprehensive Social Security Assistance Scheme

Further to my letter dated 17 November 1998, I would like to respond to the proposals put forth by the Group on Review of Comprehensive Social Security Assistance for Grass Roots of St. James' Settlement on the introduction of various social security systems.

Retirement Protection

In order to ensure that our elderly people can be well provided for in retirement, we emphasize the introduction of an effective retirement protection system. The Mandatory Provident Fund (MPF) is considered to be the retirement protection system which best suits Hong Kong and was adopted in the light of views expressed during extensive community wide discussions. We carried out public consultation on retirement protection in 1992 and 1993/94. We concluded that the public did not offer clear and unequivocal support for the Old Age Pension Scheme. The Mandatory Provident Fund system relatively

gained more support. The Government's views were also supported by legislators of the former Legislative Council. The principal ordinance and the subsidiary legislation for the MPF Scheme were passed at the former Legislative Council and the Provisional Legislative Council in July 1995 and April 1998 respectively.

The MPF Scheme was adopted as the retirement protection system following comprehensive consultation and wide discussion. At present, the most important task for us is to complete all the preparatory work for the implementation of the MPF with a view to ensuring that effective retirement protection can be provided for the public as soon as possible.

Unemployment Relief

The Comprehensive Social Security Assistance (CSSA) Scheme currently implemented by the Government provides financial assistance to meet the basic needs of individuals who encounter financial difficulties as a result of unemployment, disability or illness, etc. In Hong Kong, the Employment Ordinance also provides retrenched workers through protects such provisions as wages in lieu of notice, severance payment or long service payment. In the event that an employer is unable to discharge his statutory obligations of paying his employees wages, wages in lieu of notice, severance payment or long service payment due to insolvency, the affected employees may apply to the Protection of Wages on Insolvency Fund for ex gratia payment. In the light of the above, the Government deems it unnecessary to set up another financial assistance scheme specifically for the unemployed. Moreover, experience in many western advanced economies shows that an unemployment relief system will tend to reduce people's incentive to work and induce them to rely permanently on state grants. Hence, we must exercise prudence when considering this issue.

The most effective way to help the unemployed is to assist them in seeking a job and achieving self-improvement. Hence, rather than injecting a large sum of public funds to set up a financial assistance scheme specifically for the unemployed in addition to the CSSA Scheme, we consider it more appropriate to provide more resources for delivering an efficient employment service and organizing retraining courses for the unemployed in order to help them re-enter the workforce and sustain employment, and to implement various measures to create more employment opportunities.

Yours sincerely,

(Ms Esther Leung)
for Secretary of Education and Manpower