

(Translation)

(Joint Submission by the Hong Kong Council of Social Service, the Hong Kong Social Workers Association and the Hong Kong Social Workers' General Union)

Review of Comprehensive Social Security Assistance (CSSA) Scheme

Summary of Recommendations

I. OBJECTIVES OF THE CSSA SCHEME

As an essential part of the current social security system of Hong Kong, CSSA is a key component in the entire social welfare system. Applicants for CSSA require such assistance mainly because of financial hardship which is usually associated with personal or family problems. Such being the case, we take the view that CSSA should not serve the only purpose of offering financial assistance for individuals or families in order to meet their basic and special needs, but should be regarded as an effective point of intervention as well. Those officers who are responsible for handling CSSA cases should, in the interests of enhancing the overall well-being of the applicants, assess their needs from an all-round perspective and make proper referrals so that the applicants can have access to other relevant services.

II. ELIGIBILITY FOR APPLICATION

Under the existing system, all eligible CSSA recipients must meet the requirement for length of residence in Hong Kong, and the requirement relating to total asset limit which takes into account cash in hand, bank deposit, and property. However, self-occupied flats are not taken into account. Able-bodied adults have to meet some additional requirements.

Our recommendations are set out as follows:

1. Total Asset Value

1.1 To establish an objective and rational methodology of calculation -- the asset limit of an individual and a family should be capped each at an amount which is equivalent to the total expenditure for six months for families of corresponding categories.

Table 1 -- A Comparison Of the Existing Asset Limits to the Proposed Asset Limits

Number of members in a household	Existing asset limit	Proposed asset limit*
1	\$37,000	\$37,500
2	\$56,000	\$75,000
3	\$74,000	\$84,000
4	\$93,000	\$93,000
5	\$111,000	\$102,000
6	\$129,500	\$111,000

* Reference is made against the 1994/95 Household Expenditure Survey (HES).

1.2 To raise the level of asset limit for elderly CSSA applicants -- the assets of

elderly persons will not increase significantly as a result of income from work. It is therefore proposed that each elderly CSSA applicant should be entitled to an additional sum of \$37,500 when determining their asset limit, so that they would not have to worry about making ends meet in their twilight years.

2. Additional Requirements for Able-Bodied Adults

2.1 To put in place a comprehensive employment assistance scheme -- it is proposed that a comprehensive employment assistance scheme be drawn up to assist the unemployed. The services provided under the scheme should include the assessment of job skills, the provision of training as well as assistance for employment. For CSSA recipients who succeed in securing jobs, the relevant staff should follow up these cases and continue to offer assistance for another three to six months.

2.2 To encourage carers to join the above scheme or take up voluntary work, so that they may get used to a working environment as well as building up links with society.

III. STANDARD RATES

In 1993, the Government proposed that the basic allowances and the allowances offered under the Public Assistance Scheme be replaced by the standard rates applicable to individuals and household members, with a view to streamlining the social security system. However, such a system has also become increasingly complicated as a result of repeated revisions over the past few years. Under the current CSSA scheme, there are at present a total of 14 categories of eligible persons. Given that every individual member in a household is entitled to a fixed amount of payment, larger households will be benefited from the mechanism by receiving a higher level of financial assistance.

Our recommendations are set out as follows:

3.1 To review the system of offering standard rates and reconsider the levels of basic rates and various allowances by streamlining the classification and calculation mechanism, so as to make the system more transparent and understandable.

3.2 Reference should be made against the levels of household expenditure, while the standard rates of assistance should be set at half of the median household expenditure in the same categories.

Table 2 -- Proposed Standard Rates For CSSA Households in accordance with the number of family members ¹

Number of household members	CSSA rates (50% of the balance of median household expenditure after deducting the expenditure on housing and medical services)	The level of assistance receivable by each additional member in a household
1	\$2,600	-
2	\$4,400	\$1,800
3	\$6,200	\$1,800
4	\$7,000	\$800
5	\$7,800	\$800
6	\$8,600	\$800
7	\$9,400	\$800
8	\$10,200	\$800
9	\$11,000	\$800
10	\$11,800	\$800

IV. CSSA AND EMPLOYMENT

The Government can formulate new improvement measures in the following three aspects, so as to encourage CSSA recipients with working ability to rejoin the workforce or to take part in community work. ²

4.1 Improve the system for disregarded income

4.1.1 To raise the current limit of disregarded income by 1.5 times, that is, to raise the standard level of disregarded income for a single, able-bodied adult from the present \$1,805 to \$2,708. The following method can be referred to when calculating the level of disregarded income:

		Total disregarded income
first \$1,354	income disregarded in full	\$1,354
an additional \$2,708	disregarded by half	\$1,354
a total income of \$4,062		\$2,708

4.1.2 In order to encourage CSSA recipients to work, income received from their full-time employment for the first three months should be disregarded in the calculation of CSSA payment. Moreover, to ensure that such measure can be generally applied to all CSSA recipients, the additional condition that only adults with full-time jobs are entitled to disregarded income should be cancelled.

4.2 To set up a comprehensive employment assistance scheme so as to assist CSSA recipients to rejoin the workforce.

4.3 To provide other supporting services so that CSSA recipients who have to take care of their families may choose to rejoin the workforce, thereby enriching their lives. We suggest that the Government should provide sufficient child care services and extend the service hours, so that CSSA recipients who have to take care of their families do not have to worry about the caring of their families.

V. THE CO-ORDINATION BETWEEN THE CSSA SYSTEM AND THE PROVISION OF SOCIAL SERVICES

Financial problems are usually associated with other personal/family problems, such as family disintegration, lack of community support and so on. However, the existing Social Security Field Units (SSFU) are isolated from the entire system in the delivery of social services, while the staff members therein are not required to have professional social work training. Such being the case, it is impossible for them to assess the needs of CSSA applicants from an all-round perspective.

Our recommendations are set out as follows:

5.1 From the perspective of assessing the overall needs of applicants, the case management approach should be adopted for a full assessment on the personal and family needs of CSSA recipients, so that tailor-made services can be provided to the vulnerable group. As the first step, the Government may launch a pilot scheme by deploying professionally-trained social workers in voluntary organizations to participate in the scrutiny of CSSA cases, or by stationing professionally-trained social workers at SSFUs as case managers to scrutinize CSSA cases.

VI. OTHER ALLOWANCES UNDER THE CSSA SCHEME

Allowances and arrangements for the elderly:

6.1 To offer a Traditional Chinese Medicine (TCM) allowance after the registration system for TCM has established.

6.2 To offer, as soon as possible, a medical insurance scheme for those elderly who go back to China for retirement and to consider expanding the PCSSA scheme to areas outside the Guangdong Province.

6.3 To review the level of removal allowance for the elderly.

Travelling allowances for the disabled:

6.4 To reimburse travelling expenses incurred by the disabled for attending job interviews and for other employment-related activities.

Allowances for children in CSSA recipient families:

6.5 To provide allowances for child-minding activities after school or for private tuition fees -- students requiring such services may approach their teachers. The actual amount of expenditure thus incurred may be certified by their guidance teachers or school social workers (the fees charged by non-profit-making organizations may be used as reference).

6.6 Textbook expenses should be separated from the education charges. The payment of textbook expenses should be on a reimbursement basis.

Others:

6.7 The allowance for water charges in respect of CSSA households with one to two members should be reviewed.

6.8 Special grants should include "allowance for electricity charges".

VII. Abuse of the CSSA system

7.1 SWD staff members should conduct home visits regularly, especially in respect of new applications and annual reviews of old cases. 7.2 Adequate manpower and facilities should be provided for SSFDs of SWD.

- END -

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Annex 1

Standard rates : A Comparison Of the Existing System to the Proposed System

The following rates are calculated in accordance with the rates receivable by able-bodied adults. The standard rates for households of different sizes are as follows:

Number of people	Existing system (\$)	Proposed system (\$)	Difference (\$)
1	1805	2600	795
2	3220	4400	1180
3	4830	6200	1370
4	6440	7000	560
5	8050	7800	-250
6	9660	8600	-1060
7	11270	9400	-1870
8	12880	10200	-2680
9	14490	11000	-3490
10	16100	11800	-4300

Annex 2

(Joint Submission by the Hong Kong Council of Social Service (HKCSS) and Oxfam Hong Kong)

A Summary of Findings of "A Survey on Cases involving Cessation of and Re-application for Payment of CSSA "

In the first quarter of 1998, the Hong Kong Council of Social Service (HKCSS) and Oxfam Hong Kong surveyed 265 Comprehensive Social Security Assistance (CSSA) cases involving single parents and the unemployed, who had ceased to receive CSSA. Such a survey was

conducted with a view to identifying the factors that had contributed to their cessation of receiving CSSA. Among the respondents, 127 of them (47.9%) had resumed the receipt of CSSA payment during the survey period. In view of such a situation, researchers also tried to explore the reasons why they had to apply for CSSA again. The following is a summary of findings of this survey.

1. INFORMATION CONCERNING THE RESPONDENTS

1.1 Age and Academic Attainment - the age median for the respondents was 44. Among those cases who received CSSA on the ground of unemployment, 40% of the recipients aged 50 or above. 60% of the respondents had completed primary school education or below. The education level for CSSA recipients in the category of single parents was generally higher than that for unemployment cases. Only 20% of respondents had received vocational training.

1.2 Working Experience - 40% of respondents had been engaging in full-time non-technical work before receiving CSSA. Among those CSSA cases in the category of unemployment, the median number of years of working experience prior to receiving CSSA was 16. Over 30% of cases had been working for more than 25 years. The corresponding figure for CSSA cases in the category of single parents was 11. Almost 20% of them had been working for more than 25 years.

1.3 Channels for Job-hunting - the most popular channels for job-hunting, in descending order of popularity, were "newspaper job advertisements" (65.3%), "referral by friends and work-mates" (56.1%), "Labour Department" (48.0%), "job advertisements posted on streets and on the notice board of factories" (26.6%). Only 4% responded that they look for jobs through retraining institutions.

1.4 Employees Retraining Programme (ERP) and Services Rendered by the Labour Department (LD): less than 10% of respondents had joined ERP when they were receiving CSSA. Almost 40% of respondents remarked that ERP was conducive to helping CSSA recipients stand on their own feet, while 35% of them held that ERP was not helpful in this regard. Almost 60% of respondents had tried to look for jobs through LD. Over 50% of respondents remarked that the job referral services rendered by LD were not conducive to helping CSSA recipients stand on their own feet, while only 25% of them held that such services were helpful in this regard.

1.5 Disregarded Income - 15% of respondents claimed that, during the period when they last received CSSA, some of the CSSA payment had been deducted against the income that they disclosed to SWD. Almost 50% of them held that such deduction from income was excessive in amount.

1.6 Reasons for Successfully Finding Jobs - 55% of respondents had been successful in finding jobs through the referral of their family members, friends, neighbours or work-mates. 30% successfully found jobs through newspaper advertisements, posters or job advertisements posted on the notice boards of factories. Only slightly more than 10% of respondents had successfully found jobs through the referral of LD or retraining institutions.

1.7 Wages and Job Nature During the Period when Respondents Ceased to Receive CSSA - the median monthly wage of the respondents or their spouses during the period when they ceased to receive CSSA was \$7,100. The median wage for male respondents was \$7,500, while that for female respondents was \$6,000. 25% of respondents claimed that the level of their wages during the period when they ceased receiving CSSA was lower than the level of CSSA payment that they had been receiving. Over 50% of respondents were non-technical workers. 20% of them were engaged in service

sector and retail sector. Over 50% had been working as casual workers, long-term casual workers or temporary workers.

2. REASONS FOR RECEIVING CSSA

2.1 Among the respondents, CSSA cases in the category of unemployment had been dominated by middle-aged or elderly men. Most of them achieved comparatively low education level, mainly engaging in the manufacturing, construction, catering or hotel industries. 40% of them were non-technical workers. The job opportunities for this group of manual workers, who were technically under-trained, had been threatened by the re-structuring of the economy, the decline of the industries that they had been working and the upgrading of requirements for the jobs. The newly-created jobs in the service sector, offering low wage and not requiring technical skills, were mostly part-time jobs and casual jobs. In addition, these jobs usually preferred female employees.

2.2 80% of single parent cases claimed that the main reason for receiving CSSA was the need for them to take care of the children. This was one of the main reasons that had kept them from rejoining the labour market.

3. COULD GOVERNMENT MEASURES HELP CSSA RECIPIENTS STAND ON THEIR OWN FEET?

3.1 The Government adopts a three-pronged approach to assist or encourage CSSA recipients to rejoin the labour market: (1) registration with LD; (2) the provision of retraining courses; and (3) the system of disregarded income in the calculation of CSSA payment. However, all such measures are not that effective.

3.2 85% of respondents held that they were capable of standing on their own feet instead of relying on CSSA due to their own efforts. They did not think that the Government had offered much assistance. Among those cases where the CSSA recipients did not need to rely on CSSA after successfully finding jobs, only 10% secured jobs through the assistance provided by LD or retraining institutions.

3.3 Only 15% of respondents had enjoyed the benefits of disregarded income in the calculation of CSSA payment. Of those, almost 50% held that the amount of CSSA deducted was excessive, and 30% of respondents held that such a deduction system might impair their incentives of finding jobs.

3.4 As a matter of fact, 75% of respondents held that the Government should provide training courses for CSSA recipients. 55% of respondents held that the Government should raise the level of disregarded income and extend the exemption period. The majority of respondents who had to take care of children held that, if the Government could provide proper and inexpensive child-minding services, it was more likely for them to stand on their own feet instead of relying on CSSA.

4. SUGGESTIONS

4.1 The survey has found that CSSA recipients in different categories, such as unemployment or single parents, experience different problems and have different needs in their efforts of trying to stand on their own feet. Their problems and needs vary in accordance with the gender of the recipients and their family types. In this regard, the Government should provide category-specific services for cases of different background, with a view to providing assistance for them to rejoin the workforce.

Employment Services and Retraining Courses

4.2 The Government should subsidize non-governmental organizations (NGOs) to provide "integrated employment services" to CSSA recipients, in particular, to those unemployed CSSA recipients who are more advanced in age but with relatively low academic level. Such "integrated employment services" should aim at providing one-stop service, incorporating ability assessment, employment and counselling services, referral for appropriate training courses, provision of assistance in the switching of jobs, and referral for appropriate family support services.

4.3 Among the respondents in the survey, single women are usually younger and have higher education level. They are capable of attaining higher educational level and acquiring occupational skills if appropriate training is provided for them. The Government should provide them with vocational training courses equivalent to the level of technicians or provide subsidies for them, so that they may spare time to acquire recognized qualification, apart from taking care of children. In so doing, these CSSA recipients may be able to stand on their own feet within a shorter period.

4.4 The Vocational Training Council and the Employees Retraining Board (ERB) should consider providing tailor-made courses for CSSA recipients so as to assist them to acquire the recognized qualification. The ERB should review the curriculum of such courses and to enhance the promotion work, so as to attract CSSA recipients, in particular male recipients, to join such courses.

Improvements to the CSSA System

4.5 While the Government should enhance the promotion for disregarded income, so that more people would get to understand that the payment of CSSA would not be ceased immediately upon the recipients getting jobs, it should also review such a system by raising the level of disregarded income in order to provide incentives for CSSA recipients to rejoin the workforce.

4.6 The SWD should consider creating the posts of social work officers in Social Security Field Units so that these officers may assess the service need of recipients, providing not only financial assistance but also practical assistance to CSSA recipients.

Family Support Services

4.7 The Government should provide adequate and flexible child care services and child-minding services for CSSA families so as to tie in with the comparatively longer working hours in the service sector, and the need for workers in the sector to work on a rotation basis.

1. Please refer to Annex 1 for the existing and proposed standard rates.

2. HKCSS has conducted a survey on the issue of encouraging CSSA recipients to rejoin the workforce. A summary of survey findings is in Annex 2.

