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**Paper for the LegCo Panel on Welfare Services  
Meeting on 12 June 2000**

**Report of the Subcommittee on  
issues arising from the review of CSSA**

**Purpose**

This paper reports on the work of the Subcommittee on issues arising from the review of CSSA.

**Background**

2. At the meeting of the Panel on Welfare Services on 13 December 1999, members agreed to form a subcommittee to discuss with the Administration various issues arising from the review of the Comprehensive Social Security Assistance (CSSA) Scheme.

**The Subcommittee**

3. The Subcommittee first met on 30 December 1999 and Hon Chan Yuen-han and Hon HO Sai-chu were elected Chairman and Deputy Chairman respectively. The Subcommittee held a total of five meetings, four of which were with the Administration. The membership list of the Subcommittee is in the Appendix.

**Deliberations of the Subcommittee**

Persons living with family members had to apply for CSSA on a household basis

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4. The Administration pointed out that it had always been the policy of the Social Welfare Department (SWD) that people should apply for CSSA on a household basis. However, in the early 1990's, there was a general feeling in

the society that the Government should be more generous with CSSA and as a result, the requirement had not been strictly applied. As there was in recent years a growing perception that some people were abusing the system, staff of the Social Security Field Unit (SSFU) had been asked to apply the policy more carefully.

5. Members were worried that the policy would lead to a situation that more and more elderly CSSA recipients had to move out in order to retain their eligibility and avoid being a burden to their children. They urged the Administration to allow some flexibility in respect of elderly CSSA recipients taking into account the fact that there was no old age pension scheme in Hong Kong. A member suggested that when an elderly person applied for CSSA on a household basis, he/she should be the applicant instead of the income earner of the family. The income earner should also be spared from having to obtain income certificates from their employers.

6. The Administration explained that the existing system already provided that the elderly family member could be the applicant and income certificates from employers were not rigidly required as documents like salary statements were also acceptable as proof of income. Clear guidelines for processing such applications had been provided to the SSFU staff. If they detected a relationship problem between the elderly applicant and his/her family members, they should refer the case to a family service centre for assistance.

7. The Subcommittee noted that in January 2000, 73 new applications were made by elderly persons to whom the above requirement applied. Of these applications, 16 were successful while 57 were unsuccessful. Of the 57 unsuccessful cases, 45 had withdrawn after learning about the requirement, and 12 had been found ineligible because the total family resources were above CSSA standard.

8. Members were worried that some of the applicants might be too shy and inarticulate to explain their difficulties in meeting the requirement. The Administration pointed out that as a standard procedure, the SSFU staff was required to ask the elderly applicant in each case whether he/she had any difficulties in applying for CSSA on a household basis. Members suggested that for the withdrawal cases, the SSFU staff should ask for the reasons of withdrawal and put them on record. In addition, the filing system could be improved to facilitate easy retrieval of particular cases for review.

9. The Chairman suggested to follow up this issue at a future Panel meeting.

#### Relaxation of the eligibility criteria for disregarded earnings

10. In response to requests made by the Panel and the welfare sector, the

Administration had agreed to relax the minimum income and hours of work requirements under the CSSA disregarded earnings arrangements. The relaxation would be reviewed after two years to assess its effectiveness in encouraging CSSA recipients to find work.

11. Members urged the Administration to review the amount of disregarded earnings which was currently up to \$1,805 per month. Some members considered that the amount should be increased to encourage CSSA recipients to seek work with better pay. They also considered that the first \$451 of monthly earning to be disregarded for all recipients who had taken up employment was a too small amount. They suggested that the amount should be set based on objective criteria taking into account the work related expenses.

#### Special grants for rental deposits

12. The Administration pointed out that CSSA recipients who were old, disabled or medically certified to be in ill-health were not affected under the present system. However, able-bodied adults were no longer eligible for the above special grant unless they had a genuine need and lacked the financial means. The tightening measures had been introduced with a view to safeguarding public expenditures against abuse and ensuring the assistance was really provided to those most in need of assistance.

13. Members noted that when an able-bodied recipient claiming that he was a street-sleeper applied for such special grant, the SSFU staff would check whether the applicant was genuinely homeless and had no savings to pay for the rental deposit. If there was a genuine need, the special grant would be given. They also noted that from June to November 1999, 48 applications for special grants for rental deposit and purchase of essential furniture items had been approved. The figure included 14 cases of street-sleepers and some cases of battered women.

#### Special grant to meet after-school-care (ASC) service fees

14. The Administration pointed out that since single parents on CSSA were given the choice not to work until their youngest child reached the age of 15 in order that they could look after their children, the above special grant was normally not given to such families. The exercise of discretionary power was required for approving applications for the special grant and cases involving children who were seriously at risk and in clear need of such services would be approved. Examples might include single parents who were medically certified to be in ill-health or suffering from mental problem, or single parents who showed signs of tendency to abuse their children.

15. Members noted that from June to November 1999, 16 such applications had been approved. These were mainly cases referred to SSFU by medical

social workers or family caseworkers. SSFU staff had also identified some problem cases and referred them to family service units for making the necessary recommendations for the special grant and/or providing other assistance such as psychiatric service or counselling. The Administration had also pointed out that free tuition classes were provided by non-governmental organizations in some districts.

16. As about 200 families were in receipt of the special grant before 1 June 1999 mainly for the reason of poor academic results of their children, members had asked for further information regarding these cases and the number of cases which were unsuccessful despite recommendations of social workers. The Administration explained that due to limitations of the computerized system of SSFU, no database had been kept for the unsuccessful cases and thus it would be impossible to compile the required data without knowing the file number of these cases.

#### Special grants for purchase of glasses, dentures, telephone fees and furniture

17. The Administration pointed out that the present level of CSSA benefits was comparable to the average income level of the lowest 25% income groups which were not on CSSA. As CSSA was only meant to provide a safety net, CSSA households should economize their expenditures and plan for their household budgets. However, if there were cases meriting special consideration, special grant could still be approved by exercise of discretionary power.

18. Members considered that the system of discretionary power exerted undue pressure on SSFU staff and some of them might take the easy way out by rejecting all applications. Some members queried using the income of the lowest 25% income groups as the benchmark for defining the level of basic subsistence. The Chairman suggested that the need for drawing a poverty line should be discussed again by the Panel.

#### Asset test - ownership of properties in the Mainland

19. Members considered that special consideration should be given to cases involving ownership of Mainland properties for the following reasons -

- (a) difficulty in assessing the value of such properties, especially those in rural areas; and
- (b) difficulty in regaining possession of a property, in particular if the property was occupied by the applicant's relatives.

20. Members suggested that SWD should designate a number of officers who were conversant with the subject to advise SSFU staff on the nature/type

of the property owned by the applicant. The Administration agreed to consider putting in place a declaration system which would require CSSA applicants to provide details of such properties owned by them and SWD would verify the details declared.

#### One-year residence requirement

21. The Administration explained that the rationale of this requirement was that new arrivals were expected to have considered whether they could make a living here before they decided to move to Hong Kong. They should not expect to be given immediate financial assistance once they arrived in Hong Kong.

22. Members pointed out that there were some cases which should be given special consideration, such as those which encountered death or loss of employment of the income-earners of the families shortly after arriving in Hong Kong. Members also considered that in any case, the children of such families should be exempted from the one-year residence requirement so that they would not be deprived of the right to receive education. Members invited the Administration to note that the United Nations Convention on the Rights of the Child stipulated that it was the child's right to receive education and that Article 36 of the Basic Law provided that Hong Kong residents were all entitled to the provision of social welfare.

23. The Administration informed members that clear guidelines had been given to SSFU staff that for cases involving children, if it was confirmed that the families concerned had no savings and could not seek assistance from their relatives, they should refer the cases to their seniors for special consideration.

#### Effect of the tightening measures on chronically ill recipients

24. The Administration explained that the existing mechanism was that once a recipient was certified by a doctor to be chronically ill and classified under the "ill-health" category, special grants for meeting telephone fees/medical costs etc. could be granted to him at discretion. Appeal could be lodged to the Social Security Appeal Board for review. Special medical needs would be looked after if they were recommended by public doctors.

25. Members noted that there were 61 chronically ill CSSA recipients who were considered by doctors to be able to work full-time. 26 of them had been exempted from joining the AEA Scheme because they were carers of elderly family members or single parents. The other 35 recipients were required to join the AEA Scheme and two of them had found work. Flexibility would be allowed with regard to the requirement to perform community work and special effort would be made to find work that was more suitable to their particular conditions.

### Exercise of discretionary power

26. A member considered that since the new measures arising from the CSSA Review had been implemented for over nine months, the Administration should be able to provide guidelines to be followed by SSFU staff in screening applications for CSSA and the various special grants. With clear guidelines to follow, the need for the exercise of discretionary power might be dispensed with. He suggested that to streamline the procedures, SWD could authorize Chief Social Security Officers to exercise discretionary power to approve exceptional cases instead of having to refer such cases to the Regional Office for approval.

27. The Administration explained that the eligibility criteria for CSSA and the various grants were already included in the guidelines for SSFU staff. In addition, to help the staff concerned understand more clearly the proper approach, training sessions, including experience sharing sessions, had been held. However, as there were some 200 000 CSSA cases, the guidelines would not be able to cover all circumstances and the exercise of discretionary power was necessary in some exceptional cases. The Administration also clarified that District Social Welfare Officers were responsible for exercise of discretionary power for special grants and only cases relating to the one-year residence requirement had to be referred to Regional Social Welfare Officers for approval.

### **Conclusion of discussions**

28. At the conclusion of discussions at the fifth meeting, members asked the Administration to provide a report on the outcome of its consideration of the various suggestions made by members for discussion by the Panel in May/June 2000.

Legislative Council Secretariat

31 May 2000

**Subcommittee on the issues arising from the review of CSSA**

**Membership List**

Hon CHAN Yuen-han (Chairman)

Hon HO Sai-chu, SBS, JP (Deputy Chairman)

Hon David CHU Yu-lin

Hon Cyd HO Sau-lan

Hon LEE Cheuk-yan

Hon LEE Kai-ming, SBS, JP

Hon Fred LI Wah-ming, JP

Dr Hon YEUNG Sum

Hon LAW Chi-kwong, JP

Total : 9 Members