

**For information
on 17 February 2005**

LEGCO PANEL ON WELFARE SERVICES

Subcommittee on review of the Comprehensive Social Security Assistance Scheme

Household Expenditure Survey on Comprehensive Social Security Assistance Households

PURPOSE

This paper provides information on the Household Expenditure Survey (HES) on Comprehensive Social Security Assistance (CSSA) Households.

BACKGROUND

Review Mechanism of CSSA rates

2. CSSA rates are adjusted regularly with reference to the movement of the Social Security Assistance Index of Prices (SSAIP)¹, which is specially compiled by the Census and Statistics Department (C&SD) to measure inflation/deflation according to the expenditure pattern of CSSA households. It consists of the same items as other Consumer Price Indices (CPIs) except that items which are covered by special grants under the CSSA Scheme or provided free by the Government are excluded.²

3. On top of the regular monitoring on the changes of the SSAIP, the weighting system of the SSAIP (i.e. the relative expenditure shares of individual items of goods

¹ Please see Annex A for a short note on Social Security Assistance Index of Prices.

² Please see Annex B for major groups of goods/services in the expenditure pattern of CSSA households.

and services covered by the index) are updated every five years on the basis of the findings of the HES on CSSA households.

HES

4. The C&SD conducts an HES once every five years to collect up-to-date information on the expenditure patterns of households in Hong Kong. The major objective is to update the expenditure weights used in the compilation of the CPIs. The survey covers all land domestic households in Hong Kong apart from those with CSSA recipients.

5. In parallel with the above HES, a similar survey is conducted jointly by the Social Welfare Department (SWD) and the C&SD on households receiving CSSA to collect up-to-date information on the expenditure patterns of these households.

HES ON CSSA HOUSEHOLDS

Survey objective

6. The objective of the HES on CSSA Households is to collect data for (i) studying the latest expenditure patterns of CSSA households and (ii) updating the expenditure weights of the SSAIP. The basket of goods and services included in the compilation of the index and their respective weights are updated once every five years based on the results of the survey.

Survey period

7. The data collection period covers a whole year so as to take into account seasonal variations in consumer spending. A new round of the HES, as well as the HES on CSSA Households, has been launched in October 2004 and will last till September 2005. The 12-month survey period is broken down into 26 bi-weekly cycles. Each household participating in the survey is asked to take part in one cycle only so as to reduce their responding burden.

Survey coverage and sample size

8. All CSSA cases with at least one eligible member receiving the standard rate and living in local domestic households are covered in the survey. A random sample

of CSSA households from various geographical areas and categories of households has been drawn by the SWD based on their administrative records. The target sample size for this survey round is 1 600 CSSA households.

Data collection method

9. A diary-keeping approach is adopted for data collection. Households selected for the survey are requested to record, on a daily basis and for a period of two consecutive weeks, every expenditure item that they have purchased and the amount spent on each item. They are also asked to record regular payments such as rent, electricity charges, telephone service charges, etc.

10. During the two-week diary-keeping period, survey interviewers pay several visits to the households concerned to collect the completed daily expenditure records and to assist them in completing the records if required.

11. In order to better capture expenses on items like furniture and electrical appliances, which are spent on a less frequent basis, a longer reference period is used. Households are given a list of infrequently-purchased items and are asked to indicate whether they have purchased any of the items during a specified three-month reference period and the amount incurred.

Timing for availability of survey results

12. Upon the completion of the 2004/05 HES on CSSA Households, a new series of SSAIP will be compiled with October 2004 to September 2005 as the base period. In view of public concern over the adjustment of CSSA rates, it is planned that preliminary results of the survey based on the data collected in the first three quarters will be provided to SWD for reference in late 2005. As there are seasonal variations in expenditure patterns, the actual updating of the SSAIP basket of goods and services and their respective weights will be carried out when all the survey data become available. The major results of the 2004/05 HES on CSSA Households and the 2004/05-based SSAIP series are expected to be available in mid-2006.

Census and Statistics Department
February 2005

The Social Security Assistance Index of Prices (SSAIP)

A. *What is SSAIP*

1. The SSAIP has functions like the commonly known Consumer Price Indices (CPIs) like CPI(A), CPI(B) and CPI(C) and the Composite CPI, which aim at reflecting the price movements that are experienced by the target groups covered by the index. The SSAIP covers households which are living on CSSA while the general CPIs target at Hong Kong population except those which are in the lowest and highest 5% expenditure groups and households which are living on CSSA.
2. More specifically, SSAIP reflects the price movements insofar as the goods and services covered under the CSSA standard rates are concerned. The index is compiled by C&SD for use by SWD as a reference in making adjustments to CSSA standard rates to take account of price changes.

B. *Compilation of SSAIP*

3. The SSAIP comprises the following three basic components:
 - (a) a *basket* of goods and services covered by the index;
 - (b) a *weighting system* i.e. relative importance of individual items of goods and services; and
 - (c) monthly *average retail prices* of individual items of goods and services.
4. For the *basket*, all items of goods and services consumed by CSSA recipients are included *except* items that are:
 - (1) covered by special grants (such as rent, water and sewage charges and education related expenses) for which any changes in the prices will be catered for by regular adjustments made to the levels of these grants; or
 - (2) provided free by the Government.
5. As for the *weighting system*, the weights are based on the proportion of actual expenditure by CSSA recipients on individual items of goods and services as obtained from the HES. The weighting system thus represents the collective expenditure pattern of CSSA households in respect of all consumption items

covered by the CSSA standard rates.

6. As regards the monthly *average retail prices* of individual items of goods and services, the price data which are collected by the C&SD for the CPI(A) are used.

7. The rate of change in the SSAIP is computed by applying the expenditure weights of individual consumption items to their corresponding price changes over the base period.

**Average Monthly Per Capita Expenditure of Single Person and
Family Member Recipients of CSSA by Major Group of Goods and Services**

*Average monthly per capita expenditure
(at Oct 1999 – Sep 2000 prices)*

<i>Major group of goods and services</i>	<i>Single person recipients</i>			<i>Family member recipients</i>			<i>All recipients</i>		
	<i>\$</i>	<i>%⁽¹⁾</i>	<i>%⁽²⁾</i>	<i>\$</i>	<i>%⁽¹⁾</i>	<i>%⁽²⁾</i>	<i>\$</i>	<i>%⁽¹⁾</i>	<i>%⁽²⁾</i>
Food	1,427	100	(43)	964	100	(38)	1,084	100	(39)
<i>Meals bought away from home</i>	650	46	(19)	302	31	(12)	392	36	(14)
Cantonese restaurants / fan-tims	295	21		76	8		133	12	
Fast food shops	92	6		83	9		85	8	
Cafés	103	7		59	6		71	7	
Rice, noodle and rice-stick stalls	71	5		26	3		38	3	
Others	88	6		58	6		66	6	
<i>Food (excluding meals bought away from home)</i>	777	54	(23)	662	69	(26)	692	64	(25)
Salt-water/fresh-water fishes	149	10		92	10		107	10	
Pork, locally slaughtered	101	7		86	9		90	8	
Fresh vegetables	91	6		72	7		77	7	
Fresh fruits	68	5		52	5		56	5	
Others	367	26		360	37		362	33	
Housing	824	100	(25)	525	100	(20)	603	100	(22)
Rental charges, including rates and government rent	790	96		488	93		566	94	
Others	34	4		37	7		37	6	
Electricity, gas and water	127	100	(4)	132	100	(5)	131	100	(5)
Electricity	61	48		62	47		62	47	
Towngas and liquefied petroleum gas	55	43		55	42		55	42	
Water and sewage charges	11	9		15	12		14	11	

*Average monthly per capita expenditure
(at Oct 1999 – Sep 2000 prices)*

<i>Major group of goods and services</i>	<i>Single person recipients</i>			<i>Family member recipients</i>			<i>All recipients</i>		
	\$	% ⁽¹⁾	% ⁽²⁾	\$	% ⁽¹⁾	% ⁽²⁾	\$	% ⁽¹⁾	% ⁽²⁾
Alcoholic drinks and tobacco	97	100	(3)	47	100	(2)	60	100	(2)
Cigarettes	78	81		39	83		49	82	
Chinese wines	12	12		4	8		6	10	
Others	7	7		4	9		5	8	
Clothing and footwear	93	100	(3)	117	100	(5)	110	100	(4)
Men/Women's outerclothing	54	58		40	34		43	39	
Children's outerclothing	-	-		32	28		24	22	
Men/Women's footwear	19	21		16	13		17	15	
Children's footwear	1	1		15	13		12	10	
Others	18	20		14	12		15	14	
Durable goods	90	100	(3)	75	100	(3)	79	100	(3)
Electrical appliances	25	27		21	27		22	27	
Furniture	19	21		9	12		11	15	
Personal computer set	8	9		8	11		8	10	
Watches, cameras and optical goods	8	9		7	10		7	9	
Video and sound equipment	8	9		6	8		7	8	
Others	23	26		24	32		24	30	
Miscellaneous goods	255	100	(8)	235	100	(9)	240	100	(9)
Proprietary medicines and supplies	107	42		42	18		59	24	
Books and periodicals	2	1		70	30		52	22	
Cosmetics and personal care products	38	15		39	17		39	16	
Newspapers	38	15		22	10		27	11	
Household cleansing tools and supplies	16	6		15	6		15	6	
Stationery	1	#		14	6		11	4	
Others	54	21		33	14		38	16	

*Average monthly per capita expenditure
(at Oct 1999 – Sep 2000 prices)*

<i>Major group of goods and services</i>	<i>Single person recipients</i>			<i>Family member recipients</i>			<i>All recipients</i>		
	\$	% ⁽¹⁾	% ⁽²⁾	\$	% ⁽¹⁾	% ⁽²⁾	\$	% ⁽¹⁾	% ⁽²⁾
Transport	99	100	(3)	126	100	(5)	119	100	(4)
Bus fares	45	46		46	37		46	38	
Public light bus fares	15	15		16	13		16	13	
KCR fares	7	7		14	11		12	10	
MTR fares	8	8		13	11		12	10	
School bus fares	-	-		12	10		9	7	
Taxi fares	11	11		7	6		8	7	
Inbound and outbound transport	10	10		8	6		8	7	
Others	5	5		10	8		8	7	
Miscellaneous services	328	100	(10)	348	100	(14)	343	100	(12)
Educational related expenses	2	1		163	47		121	35	
Telephone services	93	29		63	18		71	21	
Medical services	76	23		68	20		70	21	
Household services	66	20		4	1		20	6	
Others	90	28		48	14		59	17	
All Sections	3,339		(100)	2,570		(100)	2,769		(100)

Notes: (1) Figures denote the average monthly per capita expenditure as a proportion to the monthly expenditure on the respective section of goods and services.

(2) Figures in brackets denote the average monthly per capita expenditure expressed as proportion to the total monthly expenditure on all goods and services.

Represents less than 0.5.