

**立法會**  
**Legislative Council**

LC Paper No. CB(2)521/07-08  
(These minutes have been  
seen by the Administration)

Ref : CB2/PL/WS

**Panel on Welfare Services**

**Minutes of meeting**  
**held on Monday, 12 November 2007, at 10:45 am**  
**in Conference Room A of the Legislative Council Building**

**Members present** : Dr Hon Fernando CHEUNG Chiu-hung (Chairman)  
Hon CHAN Yuen-han, SBS, JP (Deputy Chairman)  
Hon Albert HO Chun-yan  
Hon LEE Cheuk-yan  
Hon Mrs Sophie LEUNG LAU Yau-fun, GBS, JP  
Dr Hon YEUNG Sum, JP  
Hon TAM Yiu-chung, GBS, JP  
Hon LI Fung-ying, BBS, JP  
Hon Frederick FUNG Kin-kee, SBS, JP  
Hon Alan LEONG Kah-kit, SC  
Dr Hon KWOK Ka-ki

**Member absent** : Hon LEUNG Kwok-hung

**Member attending** : Hon WONG Kwok-hing, MH

**Public Officers attending** : Item V  
Mrs Mary MA  
Commissioner for Rehabilitation  
Labour and Welfare Bureau

Mr Stephen FISHER, JP  
Director of Social Welfare

Mr SIT Tung  
Assistant Director of Social Welfare  
(Rehabilitation & Medical Social Services)

Items VI to VIII

Mr Matthew CHEUNG Kin-chung, GBS, JP  
Secretary for Labour and Welfare

Mr Paul TANG, JP  
Permanent Secretary for Labour and Welfare

Ms Carol YIP  
Deputy Secretary for Labour and Welfare (Welfare) 2

Item VI

Miss Helen TANG  
Principal Assistant Secretary for Labour and Welfare  
(Poverty)

Items VII to VIII

Miss Nancy LAW, JP  
Deputy Director of Social Welfare (Administration)

Ms LEUNG Kwai-ling  
Principal Social Work Officer (Social Security)  
Social Welfare Department

Mr NG Wai-kuen  
Chief Social Security Officer (Social Security) 1 /  
Chief Social Security Officer (Social Security) 2  
Social Welfare Department

Mr Kenneth NG Wing-cheung  
Senior Statistician (Social Welfare)  
Social Welfare Department

**Clerk in attendance** : Miss Betty MA  
Chief Council Secretary (2) 4

**Staff in attendance** : Mr Chris LAI  
Senior Council Secretary (2) 7  
  
Miss Maggie CHIU  
Legislative Assistant (2) 4

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**I. Confirmation of minutes**

[LC Paper No. CB(2)238/07-08]

The minutes of the meeting held on 11 October 2007 were confirmed.

**II. Information paper(s) issued since the last meeting**

2. Members noted that no information paper had been issued since the last meeting.

**III. Items for discussion at the next meeting**

[LC Paper Nos. CB(2)254/07-08(01) and (02)]

3. Members agreed to discuss the progress of the Community Investment and Inclusion Fund at the next meeting on 10 December 2007 at 10:45 am. The Chairman said that the Administration would propose another item for discussion at the meeting, and members would be informed in due course.

**IV. Proposal for formation of a Subcommittee on Elderly Services**

[LC Paper Nos. CB(2)254/07-08(03)]

4. The Chairman said that at the meeting on 11 October 2007, members agreed that a Subcommittee on Elderly Services should be appointed by the Panel to study issues relating to elderly services. He invited members' views on the proposed terms of reference and work plan of the Subcommittee as set out in the paper prepared by the Legislative Council (LegCo) Secretariat (LC Paper No. CB(2)254/07-08(03)).

5. In the light of the ageing population and the problem of elderly in poverty, Miss CHAN Yuen-han expressed support for the appointment of a Subcommittee on Elderly Services to monitor the implementation of services for the elderly and other related initiatives.

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6. Dr KWOK Ka-ki supported the proposal to appoint a Subcommittee on Elderly Services. Considering that welfare services and health services were two major areas of concern to the elderly, Dr KWOK said that joint meetings of the Subcommittee and the Panel on Health Services should be held to discuss matters of common interest if necessary.

7. While supporting the formation of a Subcommittee on Elderly Services, Mr TAM Yiu-chung was concerned that the new subcommittee would aggravate the workload of the Panel, given that two subcommittees were already in operation under the Panel. He said that the new subcommittee should work within a specified time frame.

8. The Chairman, who was also the Chairman of the Subcommittee on Review of the Comprehensive Social Security Assistance (CSSA) Scheme, said that the Subcommittee was concluding its work, and was expected to be dissolved upon presentation of its report to the Panel by December 2007. In the circumstances, he envisaged that when the new subcommittee commenced operation, there would only be two subcommittees in operation under the Panel.

9. Mr Frederick FUNG said that members agreed at the meeting on 11 October 2007 that the Subcommittee on Elderly Services, if formed, would take up issues relating to elderly in poverty which had been followed up by the Subcommittee to Study the Subject of Combating Poverty in the last session. As the Subcommittee to Study the Subject of Combating Poverty had made a number of recommendations in its Report on Elderly in Poverty for the Administration's consideration, Mr FUNG suggested that the Subcommittee on Elderly Services would follow up on the implementation of these recommendations. Members agreed.

10. The Chairman added that while the Subcommittee on Elderly Services would follow up issues relating to elderly services, the Administration should consult the Panel on legislative and funding proposals regarding such issues in accordance with the established practice.

11. Members agreed with the proposed terms of reference and work plan of the Subcommittee on Elderly Services. Members further agreed that the Panel would seek the advice of the House Committee (HC) on 16 November 2007 to activate the Subcommittee. The following members had indicated their intention to join the Subcommittee: Miss CHAN Yuen-han, Mr TAM Yiu-chung, Mr Frederick FUNG and the Chairman.

*(Post-meeting note : HC agreed at its meeting on 16 November 2007 to activate the Subcommittee on Elderly Services.)*

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**V. Two New Integrated Rehabilitation Services Centres for Persons with Disabilities**

[LC Paper Nos. CB(2)254/07-08(04) and (05)]

12. At the invitation of the Chairman, Director of Social Welfare (DSW) briefed members on the Administration's plan to set up two new Integrated Rehabilitation Services Centres (IRSCs) in Shatin and Kwun Tong. The two IRSCs would provide 245 new subvented residential care places for persons with disabilities (PWDs), which constituted half of the 490 new places that the Administration had secured additional funding in the 2005 and 2006 Resource Allocation Exercises (RAE). Following consultation with the Panel, the Administration would seek the approval of the Finance Committee (FC) in December 2007 for the setting up of the two new IRSCs.

13. While welcoming the proposed projects, the Chairman expressed concern about the long waiting time for residential care services for PWDs. He enquired about the plan for resolving the problem.

14. DSW responded that apart from securing additional funding in the 2005 and 2006 RAE for taking forward the proposed projects, the Administration had bid for additional resources in the 2007 RAE and would continue to bid for additional resources in the ensuing years for the provision of new subvented residential care places for PWDs. He expected that the waiting time for residential care services would be shortened gradually with a few years.

15. Ms LI Fung-ying expressed support for the proposal to set up two new centres to provide more subvented residential care places for PWDs. Noting that the average waiting time for some subvented residential care services for PWDs was as long as 83 months, she considered the waiting time unacceptable. Ms LI strongly urged the Administration to provide more subvented residential care places for PWDs and set specific targets to shorten the waiting time for such services.

16. DSW responded that the Administration was aware of the problem of inadequate residential care services for PWDs and had accorded priority for the provision of new subvented residential care places for PWDs. Additional places would come on stream after the announcement of the result of the 2007 RAE. DSW added that the provision of additional residential care homes for the disabilities (RCHDs) would also depend on the availability of suitable premises. On some occasions, the proposed projects could not be proceeded with right away on account of objection by the local communities.

17. Ms LI Fung-ying said that it was the Government's responsibility to resolve the shortage problem of RCHDs, and hence the Administration should bid for more resources and identify suitable venues for new RCHDs.

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18. While expressing understanding of the difficulties in identifying suitable venues for new RCHDs, Miss CHAN Yuen-han considered that the Administration should draw up a specific plan for providing additional residential places for PWDs in each year to shorten the waiting time. For instance, the Administration should include the provision of residential care services for PWDs in its town planning.

19. DSW responded that the availability of financial resources and suitable sites were equally important in the provision of additional residential care places for PWDs, but premises for RCHDs could be secured only after additional funding had been confirmed. DSW assured members that the Social Welfare Department (SWD) would continue to bid for more resources and to identify suitable venues for providing more RCHDs in the coming years.

20. Dr YEUNG Sum welcomed the Administration's proposal to set up two new IRSCs. He said that in line with the Government's rehabilitation policy and taking into account the improved fiscal position of the Government, the Administration should expedite the provision of subvented RCHDs. Having regard to the Government's success in shortening the waiting list for public housing units, Dr YEUNG urged the Administration to bid for more resources and, to draw up a long-term plan for providing additional residential care places for PWDs as well as a timetable for shortening the waiting time. Expressing similar views, Mr Albert HO said that the Administration should provide the Panel with a long-term plan for residential care services for PWDs.

21. Miss CHAN Yuen-han and Dr YEUNG Sum remained dissatisfied at the Administration's response and emphasized the need for formulating a work plan for shortening the waiting time for subvented residential places for PWDs. Miss CHAN said that she would raise the concern about an inadequate provision of subvented RCHDs during the Financial Secretary (FS)'s consultation session with Members on the 2008-2009 Budget. Mr Albert HO agreed that individual Members should raise with FS the allocation of additional resources for subvented residential care places for PWDs when Members were consulted on the forthcoming Budget.

22. DSW said that the Administration had paid special attention to the needs of PWDs. He said that one of the reasons that there was no marked improvement in shortening the waiting time for subvented RCHDs was that the turnover rates of subvented residential care places were low as a result of the longer life expectancy and improved healthcare services. Given the increasing demand for the residential care services, the Administration would continue to bid for more resources for RCHDs and improve their quality.

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23. Mr Frederick FUNG considered that the waiting time for RCHDs was unreasonably long. He expressed dissatisfaction at the Administration's explanation that the inadequacy of subvented residential care places for PWDs was due to the longer life expectancy of PWDs residing in RCHDs. Mr FUNG requested the Administration to set out specific targets and the time for shortening the waiting time for subvented residential care places for PWDs. In view of the difficulties encountered in finding suitable venues, Mr FUNG suggested that the Administration should consider constructing large-scale subvented RCHDs on its own accord to cope with the need.

24. DSW responded that while it was feasible to seek approval for developing a large-scale subvented RCHD, the Administration had reservation about the proposal as smaller residential care homes could facilitate better interaction among residents and effective management.

25. To address the difficulties in identifying suitable sites for RCHDs, Mr TAM Yiu-chung said that consideration should be given to converting vacant Government premises and deserted schools into subvented RCHDs.

26. DSW explained that apart from purpose-built RCHDs, some residential care places for PWDs were being provided in premises converted from vacant Government buildings. For example, the proposed Shatin IRSC would be converted from the former Sha Tin Boys' Home which was in good condition and accessible by public transport. He said that more lead time for public consultation would be required in respect of proposals for setting up RCHDs in housing estates. Commissioner for Rehabilitation (C for R) added that when identifying sites for residential homes, locations within easy reach by public transports were preferred to facilitate frequent visits by family members of the residents.

27. Pointing out that there were 37 private RCHDs known to SWD, Mr TAM Yiu-chung enquired about the progress of introducing the licensing scheme for these homes, and whether consideration would be given to buying places from private RCHDs after the implementation of the licensing scheme. Mr TAM also asked if residential respite services would be provided for PWDs.

28. DSW responded that the Administration was working on the introduction of a licensing scheme for RCHDs, and had completed inspection visits to all RCHDs, including those privately run. He said that as the quality of the private residential care home varied greatly, the Administration would consider buying places from private RCHDs after the introduction of a licensing scheme. C for R added that the Panel was briefed in June 2007 on the progress of the licensing scheme for RCHDs and the Administration's plan to introduce the legislative proposal for the licensing scheme to LegCo in the 2008-2009 session. As for the provision of residential respite services for PWDs, Assistant Director

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of Social Welfare (Rehabilitation & Medical Social Services) (ADSW(R&MSS)) answered in the affirmative. To provide temporary relief for their family members and carers, the duration of stay for PWDs was about two weeks and it could be extended if necessary. The Administration considered that there were sufficient residential respite services to meet the demand.

29. Mr Albert HO said that it was unreasonable for PWDs to wait for more than two years for a subvented residential care place. In his view, those PWDs who were on the waiting list for more than two years should be provided with subsidy for residing in private RCHDs.

30. ADSW(R&MSS) added that the average monthly fees of private RCHDs was in the region of \$3,000, which could be met by the CSSA payments.

31. The Chairman added that the fees of private RCHDs were usually set at a level equivalent to the level of allowance under the CSSA Scheme. This explained why the quality of most private RCHDs was poorer than subvented RCHDs. Mr Frederick FUNG considered that prior to the introduction of a licensing system, subsidy should be provided to PWDs on CSSA residing in private RCHDs to top up the difference between the actual fees and the allowance under the CSSA Scheme.

32. DSW said that as explained earlier, the Administration considered it inappropriate to buy places from private RCHDs prior to the introduction of the licensing scheme. As regards the suggestion of providing subsidy for PWDs to live in private RCHDs on top of the allowance under the CSSA Scheme, he considered that it would give rise to complex policy issues which would require more in-depth study.

33. Mrs Sophie LEUNG considered that residential care homes for PWDs should be built at a convenient location to facilitate visits by family members of residents. She said that the introduction of the licensing scheme should act as an incentive, rather than a disincentive, for private RCHDs to improve their quality of services. Mrs LEUNG hoped that following the introduction of the licensing scheme, private RCHDs could provide better services, albeit at higher fees, and families of PWDs could contribute part of the fees at their own choice.

34. DSW reiterated that consideration would be given to buying places from private RCHDs to shorten the waiting time for subvented RCHDs after the introduction of the licensing scheme, i.e. when residential homes for PWDs were under regulation. As regards the location of RCHDs, the Administration would endeavour to identify convenient sites as far as practicable. However, such proposals would usually require more time for consultation with and obtaining support from the local communities.

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Admin 35. Mrs Sophie LEUNG said that Members returned from geographical constituencies might wish to solicit the support of their constituents in cases when the proposed projects met with opposition from the local communities. To facilitate members' understanding of the problem, Mrs LEUNG requested the Administration to provide information on the proposals for setting up RCHDs which had met with local opposition in the past 10 years. Mr Frederick FUNG requested the Administration to provide information on new subvented RCHDs which were converted from vacant Government buildings and the aborted plans in the past five years.

Admin 36. In the light of members' grave concern about the long waiting time for subvented residential care places for PWDs, the Chairman said that the Panel should write to the Chief Secretary for the Administration (CS) and FS requesting the Administration to formulate a long-term plan and set specific targets for the provision of residential care services for PWDs, and to allocate additional resources for the purpose. Members agreed that the Administration should be requested to revert to the Panel by January 2008.

**VI. Creation of posts to provide support to the work of poverty alleviation in the Labour and Welfare Bureau**

[LC Paper No. CB(2)254/07-08(06)]

37. Secretary for Labour and Welfare (SLW) briefed members on the Administration's proposal to create one supernumerary post of Administrative Officer Staff Grade C (AOSGC) in the Labour and Welfare Bureau (LWB) for a period of three years with effect from 10 March 2008. The proposed post, designated as Principal Assistant Secretary (Poverty) (PAS(P)), would serve as the secretary to the Task Force on Poverty (the Task Force) and provide support to the work on poverty alleviation.

38. Miss CHAN Yuen-han expressed support for the proposed post to provide support to poverty alleviation work. However, she was concerned whether the proposed post pitched at D2 level would be able to coordinate various poverty alleviation issues. Pointing out that there was only one Permanent Secretary in LWB who had to oversee different policy areas and was unable to concentrate on poverty alleviation work, Miss CHAN considered that a post of a higher rank should be created to facilitate the implementation of poverty alleviation strategies and measures.

39. Expressing similar views, Dr KWOK Ka-ki said that the poverty alleviation measures put forth by the Commission on Poverty (CoP), including the development of social enterprise, would require inter-bureau/departmental collaboration. He said that a more senior officer was needed to coordinate the Government's efforts on combating poverty.

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40. SLW responded that poverty alleviation was a priority for the Administration in the next five years. He said that CoP had put forth over 50 proposals on tackling poverty. The Task Force, which was headed by himself and comprised senior officials from the relevant bureaux and departments, would follow up on the implementation of the CoP's recommendations. The Task Force would report regularly to CS. This apart, an established mechanism was available for co-ordinating inter-departmental efforts on policy issues which straddled several bureaux, such as regular meetings between the Chief Executive and Bureau Secretaries. SLW said that in addition to providing support to the work of the Task Force, the proposed PAS(P) would play a key role in overseeing the establishment and implementation of the Child Development Fund (CDF) and the "one-stop" employment service. SLW stressed that he himself and the Permanent Secretary for Labour and Welfare (PSLW) would oversee the overall progress of the work on poverty alleviation.

41. Dr YEUNG Sum considered the Administration's staffing proposal far from adequate to make any practical achievements on poverty alleviation. In view of the heavy commitment of SLW and PSLW in their existing duties and the improved financial position of the Government, Dr YEUNG said that a dedicated deputy secretary post underpinned by one Principal Assistant Secretary were required to take forward the CoP's recommendations and other poverty alleviation initiatives.

42. SLW responded that in recognition of the need to ensure the prudent use of public funds, the Administration had taken cautious steps in putting forward directorate staffing proposals. He said that the proposed creation of the supernumerary post of AOSGC would be the first pragmatic step in taking forward poverty alleviation work. The Administration would review regularly the manpower provision for poverty alleviation work, and submit fresh staffing proposals if necessary.

43. The Chairman and Dr YEUNG Sum remained unconvinced of the Administration's explanation. They considered that the proposal to create a supernumerary post at D2 level reflected a lack of commitment on the part of the Administration in poverty alleviation.

44. While welcoming the proposal to create a dedicated post in LWB to support the poverty alleviation work, Ms LI Fung-ying noted with concern the absence of a concrete work plan for combating poverty. Ms LI requested the Administration to set out the priority for implementing the CoP's recommendations and other related initiatives in the coming years when submitting the proposal to the Establishment Subcommittee (ESC) for consideration. SLW agreed to provide the relevant information.

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45. The Chairman added that the Administration should also set out the specific targets for poverty alleviation in its paper to ESC. SLW responded that while the Administration would make regular reports to the Panel on the implementation progress of poverty alleviation initiatives, including the CDF and the "one-stop" employment service, it would be difficult to set specific targets for poverty alleviation work, as the problem was caused by a plethora of factors.

46. Responding to Ms LI Fung-ying, SLW explained that the posts created in the FS's Office to provide support to the work of CoP were supernumerary posts, and had lapsed upon the dissolution of CoP.

47. Mr Frederick FUNG expressed reservations about the proposal to create only one supernumerary post at D2 level to provide support to the work of the Task Force. He was concerned that the proposed PAS(P) would only be dedicated for overseeing the development of CDF and the "one-stop" employment service. Mr FUNG suggested that reference should be made to the arrangement in some overseas countries by designating a higher level officer to oversee the work on poverty alleviation. He also expressed disappointment at the Administration's reluctance to set up a new commission on poverty led by CS, despite LegCo having passed two motions urging the Government to do so.

48. SLW reiterated that the Administration attached great importance to poverty alleviation. LWB would work closely with the Task Force to promote inter-departmental efforts on combating poverty. SLW said that while the proposed PAS(P) post would provide support to poverty alleviation work, he himself and PSLW would be responsible for overseeing and coordinating poverty alleviation matters and monitoring their overall progress. The Administration would keep the matter in view and revert to the Panel early should additional resources be required to take forward the work on poverty alleviation.

49. The Chairman concluded that while members were in general supportive of the proposal to create one supernumerary post of AOSGC in LWB to support the poverty alleviation work, they urged the Administration to review regularly the manpower requirements for poverty alleviation work and put forward staffing proposals for the creation of more senior posts to take forward the work on poverty alleviation.

**VII. Annual adjustment of standard payment rates under the Comprehensive Social Security Assistance Scheme and the Social Security Allowance Scheme and supplementary provision for the Social Security Schemes**

[LC Paper Nos. CB(2)254/07-08(07) and (08)]

50. SLW briefed members on the latest position of the Social Security

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Assistance Index of Prices (SSAIP) and the estimated corresponding adjustment to the standard payment rates under the CSSA Scheme and the Disability Allowance (DA) of the Social Security Allowance (SSA) Scheme from February 2008. He said that up to September 2007, the 12-month moving average of SSAIP registered a cumulative increase of 2.3% when compared with the period of November 2005 to October 2006. As the figure for October 2007 would only be available by end-November 2007, the Administration would present the latest SSAIP figure for the past 12 months ending 31 October 2007 and the exact financial implications and effect on the standard payments under CSSA and the DA under SSA in its submission to FC in December 2007. The new rates so approved by FC would be implemented with effect from 1 February 2008.

51. SLW added that in view of the provision of one additional month of the standard rate of the CSSA payment for CSSA recipients and one additional month of the SSA payment for SSA recipients in 2007-2008, the Administration estimated that the approved provisions for CSSA and SSA would likely be inadequate to meet the anticipated expenditure in 2007-2008. The Administration would seek FC's approval in December 2007 for a supplementary provision of \$384 million for the CSSA and SSA Schemes.

52. Mr WONG Kwok-hing expressed grave concern about the adequacy of the CSSA payments in meeting the basic needs of the recipients given that prices of many basic necessity items, in particular imported foodstuffs, had soared in the past few months. Mr WONG held the view that under the existing adjustment mechanism which took in account the SSAIP movements in the past 12 months, CSSA and SSA recipients had to catch up with past inflation. He urged the Administration to revert to the inflation forecast methodology for adjusting social security payments. In the meantime, the Administration should advance the effective date of the new CSSA standard payment rates, in order to help the recipients tide over their financial difficulties.

53. SLW responded that the Administration had already made its best efforts to expedite the adjustment process to ensure that the CSSA and SSA recipients could receive the new rates in a timely manner. Taking into account the time required by the Administration to seek FC's approval and SWD to make the necessary adjustment to its computer system to ensure correct payment to about 620 000 recipients, the new CSSA standard payment rates and SSA rates could not be implemented any earlier than February 2008 under the current adjustment cycle.

54. As regards the adjustment mechanism, SLW said that having regard to the observations and recommendations made by the Director of Auditor in 1999, the Administration did not consider it appropriate to revert to the inflation forecast methodology for adjusting the standard payment rates of CSSA and SSA rates. He said that if the forecast method was used, and when there was a significant

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over-estimation, it would be difficult for CSSA and SSA recipients to adapt to a significant downward adjustment of the CSSA standard payment rates and SSA rates to make up for the over-adjustments. As the existing adjustment mechanism had worked effectively, the Administration did not see the need for a review of the mechanism. However, if recent movements in SSAIP and other economic indicators pointed to likely high inflation, consideration could be given to seeking approval for any inflationary adjustments to the standard payment rates ahead of the new annual adjustment cycle.

55. SLW and Deputy Director of Social Welfare (Administration) (DDSW(A)) added that urgent assistance in kind, such as food, could be provided to CSSA recipients in dire financial situation on the merits of individual cases.

56. Mr LEE Cheuk-yan considered that an upward adjustment of 2.3% to the standard payment rates under CSSA and SSA rates was too meagre, given the strong economic upturn and improving Government fiscal position. He said that the adjustment to CSSA standard payment rates and SSA rates based on the 12-month moving average of SSAIP failed to reflect the latest price movements when the prices of consumer goods had increased significantly in the recent months. Mr LEE suggested that the Administration should adjust the CSSA standard payment rates and SSA rates according to the year-on-year movement of SSAIP of the latest month, and make such adjustments in the same manner once every six months in the future, so that the CSSA standard payment rates could reflect the prevailing price level more accurately.

57. Miss CHAN Yuen-han said that the sharp increase in the prices of food items imported from the Mainland had aggravated the financial difficulties faced by CSSA recipients. She expressed concern that under the current adjustment mechanism, the CSSA standard payment rates had failed to catch up with the inflated prices, and there was a three-month gap in effecting the revised payments. Miss CHAN strongly urged the Administration to take immediate actions to assist the CSSA recipients to tide over their financial difficulties before the new rates took effect in February 2008.

58. Mr Frederick FUNG also expressed concern about the three-month gap in effecting the revised payments under the current annual adjustment cycle, in particular at the times of inflation, given that the standard payment rates of the CSSA and SSA rates would be adjusted on the basis of the 12-month moving average of SSAIP, i.e. from November 2006 to October 2007, and the adjustment would only be implemented with effect from February 2008.

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59. DDSW(A) explained that although the adjustment to the standard payment rates of CSSA and SSA rates would be implemented with effect from February 2008, any changes in the SSAIP from November 2007 to January 2008 would be made up eventually in the next annual adjustment cycle which would take effect in February 2009.

60. SLW envisaged that the latest SSAIP figure to be presented to FC would likely be higher than 2.3%. Since food represented 37% of the items of goods and services included in the weighting system of SSAIP, the latest SSAIP figure would reflect the price changes in food items in the past few months. SLW said that the Administration would continue to monitor closely the SSAIP movement, and consideration would be given to seeking approval for making adjustments to the standard payment rates of CSSA ahead of the next annual adjustment cycle if movements in SSAIP and other economic indicators pointed to persistent high inflation. SLW added that the financial situation of CSSA and SSA recipients had been better off as a result of the provision of one additional month of CSSA and SSA payments in 2007-2008.

61. Mr Frederick FUNG said that as a result of the appreciation of Renminbi exchange rate, the prices of foodstuffs imported from the Mainland had risen sharply. He queried whether the 12-month moving average of SSAIP could reflect the impact of latest price changes on CSSA households. Mr Albert HO and the Chairman expressed a similar concern. They held the view that the 12-month moving average of SSAIP had failed to make timely adjustments to the CSSA standard payment rates and SSA rates, and should be reviewed expeditiously.

62. The Chairman and Miss CHAN Yuen-han said that the current adjustment mechanism was introduced at a time of unprecedented deflation as a result of the Asian financial crisis. Notwithstanding that members had repeatedly requested the Administration to revert to the forecast method of adjusting the CSSA standard payment rates and SSA rates, they were disappointed at the Administration's failure to accede to members' request.

63. To address the basic needs of the recipients at times of high inflation and ensure the prudent use of public funds, Mr Albert HO said that consideration could be given to adjusting half of the CSSA standard payment rates and SSA rates by adopting the forecast methodology under which the CSSA standard payment rates would follow inflated prices more closely. On the other hand, when there was an over-estimation, it would be easier for the recipients to adapt to a downward adjustment of the rates to make up for the over-adjustment.

64. PSLW said that the existing adjustment mechanism had the benefit of providing certainty and ensuring objectivity in the adjustment, which had worked effectively. Based on the actual SSAIP movement in the past 12 months, the

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adjustment mechanism allowed an upward or downward adjustment for the standard payment rates of CSSA and SSA rates at the time of inflation and deflation respectively.

65. SLW stressed that the existing adjustment mechanism had worked effectively, and there was no need for a change. The Administration was fully aware of the difficulties faced by those in need, and would monitor closely the SSAIP movements and consider seeking approval for any inflationary adjustments to the standard payment rates ahead of the annual cycle if recent movements in the SSAIP and other economic indicators pointed to likely high inflation.

66. Expressing dissatisfaction at the Administration's reluctance to accede to members' request for reviewing the adjustment mechanism for social security payments, Mr LEE Cheuk-yan moved the following motion –

"為確保綜合社會保障援助(下稱"綜援")受助人能應付物價急升的生活環境，本委員會要求政府根據最新月份的社會保障援助物價指數的按年變動調整綜援，並於日後每半年按此調整綜援一次，同時引入追加機制，藉以令綜援金額更貼近物價升幅。"

(Translation)

"That, in order to ensure that recipients of the Comprehensive Social Security Assistance (CSSA) can cope with their living when prices soar significantly, this Panel requests the Government to adjust CSSA rates according to the year-on-year movement of the Social Security Assistance Index of Prices (SSAIP) of the latest month and make such adjustments in the same manner every half year in the future, as well as to introduce a catch-up mechanism, so that CSSA rates can follow inflated prices more closely."

67. The Chairman put the motion to vote. All six members present at the meeting voted for the motion unanimously. The Chairman declared that the motion was carried. He said that the Panel would follow up with the Administration on the review of the adjustment mechanism for CSSA standard payment rates and SSA rates at a future meeting.

### **VIII. Review of the rates of the Old Age Allowance**

[LC Paper No. CB(2)254/07-08(09)]

68. Pointing out that the motion on "Motion of Thanks" which urged the Administration to, inter alia, increase the rates of the Old Age Allowance (OAA)

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was passed unanimously at the Council meeting commencing on 24 October 2007, Mr LEE Cheuk-yan expressed disappointment at the Administration's reluctance to take immediate action to accede to Members' strong request. Mr LEE said that as a matter of fact, many needy elders relied on OAA to make ends meet. The Administration should take immediate action to increase the monthly OAA to \$1,000 and enhance the financial assistance to the elderly in poverty.

69. SLW responded that the Administration was actively soliciting and considering views on how to provide more targeted assistance to the needy elders. He said that OAA payment, which was non-contributory and largely non-means-tested, was not meant to be an income support for the elderly to meet their basic living. The Administration was considering carefully specific measures to provide assistance and support for those elders in financial hardship.

70. Mr LEE Cheuk-yan was dissatisfied that the Administration had turned a deaf ear to the repeated calls for an increase in the OAA payment by Members and the community. Mr LEE suggested that a new form of financial support on top of OAA, which imposed less stringent assets and income limits than those under the CSSA Scheme, should be provided for the poor elders.

71. SLW responded that the Administration maintained an open mind on the proposals put forward by Members and the community and would take into account the views carefully before taking a decision.

72. Referring to paragraph 5 of the Administration's paper (LC Paper No. CB(2)254/07-08(09)), Mr WONG Kwok-hing and Miss CHAN Yuen-han expressed strong dissatisfaction at the Administration's statement, which they felt was heartless, that there still existed room for a downward adjustment of the OAA rates by 7.6%. Mr WONG queried the rationale for adjusting OAA in accordance with the movement of SSAIP if OAA was not an income support.

73. SLW explained that paragraph 5 of the Administration's paper aimed to set out factually the latest assessment of the OAA rates. He stressed that although the assessment indicated that there still existed room for a downward adjustment by 7.6%, the Administration had **not** proposed to revise the OAA rates downwards.

74. Mr WONG Kwok-hing said that many poor elders relied on OAA and menial jobs with meagre income to make ends meet and they regarded OAA as an income support. To provide assistance to these poor elders not on CSSA, Mr WONG strongly urged the Administration to increase the OAA rates, and further relax the permissible annual absence limit from Hong Kong for OAA.

75. SLW responded that the permissible limit of absence from Hong Kong for OAA had already been extended from 180 to 240 days a year since 1 October

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2005. The Administration considered that the present arrangement had struck a reasonable balance between allowing the eligible elders to spend more time to travel or visit their relatives/friends outside Hong Kong, and ensuring that public funds were spent on Hong Kong residents.

76. Miss CHAN Yuen-han said that some needy elders were not eligible for CSSA because of the stringent eligibility criteria, notably the assets limit and the requirement for elders to apply for CSSA on a household basis. She held the view that since the Administration did not have any plan to introduce a universal retirement protection scheme nor increase the OAA rates, it should introduce a new form of income support to needy elders not on CSSA on top of OAA.

77. Mr Albert HO said that the Administration should address the problem of elderly in poverty. In the absence of a universal retirement protection scheme and the stringent eligibility criteria for CSSA, poor elders not on CSSA had in fact relied on OAA for a living. Mr HO said that the United Nations Committee on Economic, Social and Cultural Rights had commented on the poverty situation in Hong Kong. He strongly requested the Administration to give due regard to the comments and formulate strategies to help the elderly in poverty, and increase the OAA rates.

78. Mr Frederick FUNG held the view that contrary to the Administration's policy intention, OAA had effectively become a form of income support for poor elders who could not or refused to apply for CSSA for various reasons. He was disappointed that the Policy Address did not contain concrete proposals for tackling the problem of the elderly in poverty. On the contrary, the Chief Executive had proposed tax relief measures which would benefit the rich rather than the poor. Mr FUNG urged the Administration to increase the OAA rates expeditiously.

79. SLW reiterated that the Administration maintained an open mind on any proposed measures to help the needy elderly, but considered that effective measures should be drawn up to address the specific problems of those with genuine needs. The Administration would continue to provide financial assistance to those elders in financial hardship.

80. Noting that the Administration was soliciting public views on the revision to OAA rates, Mr WONG Kwok-hing said that the Panel should invite deputations to give views on the matter and further discuss with the Administration on the review of the OAA rates. Members agreed. The Chairman said that members would be informed of the meeting date in due course.

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*(Post-meeting note : The Panel would meet with deputations and continue discussion with the Administration on the review of OAA at the next regular meeting on 10 December 2007 at 10:45 am.)*

**IX. Any other business**

81. There being no other business, the meeting ended at 1:20 pm.

Council Business Division 2  
Legislative Council Secretariat  
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