

For information
on 17 March 2008

LEGCO PANEL ON WELFARE SERVICES

Welfare-related initiatives under the 2008-09 Budget

PURPOSE

The Financial Secretary announced his 2008-09 Budget on 27 February 2008. This note sets out the welfare-related initiatives under the 2008-09 Budget which require funding support from the Finance Committee (FC) of the Legislative Council.

2008-09 BUDGET

Social Security Recipients

Additional Allowance

2. We propose to share the fruits of economic prosperity with social security recipients by providing them with one additional month of Comprehensive Social Security Assistance (CSSA) standard rate payments for CSSA recipients and one additional month of allowance for recipients of Disability Allowance (DA). This is estimated to cost \$1.2 billion, benefiting 500 000 CSSA recipients and 120 000 DA recipients.

Adjustment to CSSA Payment Rates

3. To ease the impact of rising prices on CSSA households, we propose to adjust the CSSA standard payment rates in accordance with the existing mechanism ahead of the normal schedule this year. The adjustment will take into account the movement of the Social Security Assistance Index of Prices up to April 2008. This measure, coupled with the proposed electricity charge subsidy of \$1,800 for each residential electricity account, would ease the pressure of inflation on CSSA households.

The Elderly

Old Age Allowance(OAA)

4. To share the fruits of our economic prosperity with over 470 000 OAA recipients, we propose to provide each with a one-off grant of \$3,000. This special measure will cost around \$1.5 billion.

5. Separately, in view of the ageing population, the Labour and Welfare Bureau will conduct an in-depth study on how best to improve the OAA scheme. As the Financial Secretary stated in his 2008-09 Budget Speech, we need to resolve the issue of how additional assistance could be provided to the elderly in need but without further increasing the burden of the OAA scheme on public finances in the long run. We hope that a sustainable and affordable option for the community can be worked out by the end of the year.

Home Environment

6. The 2008/09 Budget has earmarked a one-off funding of \$200 million to help needy elderly people improve their homes in the next five years. The scheme targets at elders without family support, who live in dilapidated homes with poor fittings and lack financial means to improve their home conditions. The major criteria for elders' (aged 60 or above) eligibility will be as follows –

- (a) living alone / living with other elder(s);
- (b) living in an unfavorable environment which is posing safety risks / lacking in essential fittings which are necessary to facilitate the elders' daily activities; and
- (c) having a household monthly income at \$5,910 or below for an elder living alone, or \$9,740 or below for an elderly couple.

7. Under the scheme, elders will be provided with minor home maintenance and improvement services as well as the necessary fittings after an assessment on their financial situation and living environment. The amount of subsidy for each eligible elder will be subject to a ceiling of \$5,000. We expect that about 40 000 elderly will benefit from this scheme. We hope that this new initiative will also help to encourage our community to care more about the elderly in need and reinforce the culture of caring for the elderly in our community.

8. We will engage the District Elderly Community Centres (DECCs) as the delivery agencies of the scheme. With their established networks in their respective districts and extensive experience in serving the elders, the DECCs are well placed to identify needy elders in the community. DECCs are also well known to elders, thus facilitating easy access for potential elderly applicants. Noting that there are community organisations and social enterprises in the community which are providing home modification, renovation and repair works, we will encourage the DECCs to engage them in delivering the service. We aim to launch the scheme in June 2008.

WAY FORWARD

9. Subject to the views of the Panel, we will seek FC's approval of the financial commitment for the aforementioned items as soon as possible.

10. Members are invited to note the content of this paper.

Labour and Welfare Bureau
March 2008