

**For information
on 15 May 2009**

LEGCO PANEL ON WELFARE SERVICES

Subcommittee on Poverty Alleviation

The Comprehensive Social Security Assistance Scheme

PURPOSE

This paper provides information on the Social Security Assistance Index of Prices (SSAIP) and the mechanism for the Director of Social Welfare (DSW) to exercise discretion on residence requirements under the Comprehensive Social Security Assistance (CSSA) Scheme.

THE SSAIP

2. The SSAIP is an index compiled by the Census and Statistics Department (C&SD) on a monthly basis to reflect the impact of price changes on CSSA recipients. It consists of all items covered in other Consumer Price Indices (CPIs) compiled by C&SD, except items which are covered by special grants under the CSSA Scheme (such as rent) or provided free by the Government to CSSA recipients (such as medical services). The standard rates of CSSA are reviewed annually to take account of price changes with reference to the movement of the SSAIP for the past 12 months ending in October. The Administration will seek approval by the Finance Committee of the Legislative Council in December each year to revise the standard rates in accordance with the SSAIP movement. The revised rates, if applicable, will be effected in February of the following year.

3. The weighting system of the SSAIP (i.e. the relative expenditure shares of individual items of goods and services covered by the index) is updated every five years on the basis of the findings of the Household Expenditure Survey (HES) on CSSA Households. The survey will collect information on the expenditure on all commodities and services consumed by

CSSA households. CSSA cases with at least one eligible member receiving the standard rate and living in local domestic households will be covered in the survey. A random sample of CSSA households from various geographical areas and categories of households will be drawn by the Social Welfare Department (SWD) based on administrative records.

4. The last round of the HES on CSSA Households was conducted between October 2004 and September 2005. The key findings were as follows –

- (a) of the total expenditure on all goods and services consumed by CSSA households in 2004/05, 67% were covered by the SSAIP while the remaining 33% by special grants or provided free by the Administration (Annex A);
- (b) among all SSAIP consumption items, food (55%) was the largest component, followed by miscellaneous services (11%) and miscellaneous goods (9%) (Annex A);
- (c) when compared with the 1999/2000-based SSAIP, the weightings of the 2004/05-based SSAIP remained fairly stable. Apart from a decrease of one percentage point for meals bought away from home and an increase of two percentage points for electricity, gas and water, the differences for other sections of goods and services were within one percentage point (Annex A); and
- (d) the average CSSA monthly payment was higher than the average monthly CSSA household expenditure. Details are set out at Annex B.

5. A breakdown of goods and services reflecting the overall consumption pattern of CSSA households, compiled from the findings of the latest round of HES on CSSA Households in 2004/05, is at Annex C. While showing the expenditure items consumed by CSSA households, the list also reveals that with CSSA as a cash-assistance, CSSA households could choose to spend the money on goods and services based on their personal preference.

6. A new round of HES on CSSA Households will be conducted between October 2009 and September 2010. The target sample size is 1 600 CSSA households.

OPERATION OF THE DISCRETIONARY MECHANISM ON RESIDENCE REQUIREMENTS

Residence requirements under CSSA since 1 January 2004

7. To be eligible for CSSA, a person must –
 - (a) have been a Hong Kong resident for at least seven years (i.e. the seven-year residence requirement); and
 - (b) have resided in Hong Kong continuously for at least one year immediately before the date of application. Absence from Hong Kong up to a maximum of 56 days during the one-year period is considered as residence in Hong Kong (i.e. the one-year-continuous-residence requirement).

8. The above residence requirements provide a rational basis on which our public resources are allocated, help to sustain a non-contributory social security system with an increasing demand and strike a balance between the interests of various sectors of the community. Specifically, the seven-year residence requirement aims to encourage new arrivals who can work to be self-reliant rather than relying on welfare assistance. It underlines the need for potential immigrants to plan carefully and ensure that they have sufficient means to be self-supporting before settling in Hong Kong. The one-year-continuous-residence requirement aims to discourage people who have lived outside Hong Kong for a long time from relying on CSSA as soon as they return to Hong Kong.

Exemption and discretion

9. Hong Kong residents aged below 18 are exempted from the residence requirements under the CSSA Scheme. For adult applicants, in exceptional circumstances, DSW can exercise discretion to grant CSSA to a person who does not meet the residence requirements. Between 1 January 2004 and 31 March 2009, discretion was exercised on 5 315 CSSA applications in which the applicants did not meet the seven-year residence requirement. As for the one-year-continuous-residence requirement, up to 31 March 2009, 2 858 CSSA applications had been exempted from the requirement since 1 June 2007.

10. To determine whether discretion should be exercised to waive the seven-year residence requirement, DSW will take into account all relevant factors of the case to establish whether there is genuine hardship. Each case is

considered on its own merits. The main factors that will be taken into consideration include –

- (a) the applicant's means of livelihood after arrival;
- (b) the cause of present hardship;
- (c) resources available and other possible sources of assistance in Hong Kong;
- (d) whether other forms of assistance are available; and
- (e) the possibility of the applicant returning to his place of origin.

11. When considering whether to exercise discretion to waive the one-year-continuous-residence requirement, DSW will take into account all the resources available to the applicant and his family members, including savings and assistance from friends and relatives.

12. Where an applicant works to support his family members, discretion will normally be exercised to waive the residence requirements in consideration of his efforts to become self-supporting.

13. When a CSSA application involving any person not meeting the residence requirements is received by a Social Security Field Unit of SWD, the caseworker will explain to the applicant, among other things, DSW's discretionary power to waive the residence requirements for genuine hardship cases. To enhance transparency, SWD has also prepared a pamphlet on residence requirements to facilitate the public's understanding of the residence requirements under the CSSA Scheme and the main factors that DSW will take into consideration in exercising discretion. The pamphlet is available at the SWD website.

Appeal mechanism

14. Whether a CSSA application is approved or rejected, the applicant will be informed in writing of the result of his application as well as his right to lodge an appeal with the Social Security Appeal Board (SSAB) if he is not satisfied with the decision of SWD. The SSAB is an independent body whose members are all non-officials appointed by the Chief Executive.

OTHER FORMS OF ASSISTANCE

15. CSSA is not the only source of assistance available for those in need. When there are proven needs, and subject to meeting the respective eligibility criteria, other forms of assistance are available. These include employment support services, emergency relief, temporary cash grants from charitable trust funds, medical waivers, child care services and assistance in kind.

16. If other resources are not available, the social workers of SWD or non-governmental organization service units will, having regard to individual circumstances, provide temporary and one-off cash grants to individuals and families to help them tide over financial difficulties arising from emergencies. Funding for cash grants comes from allocations to SWD from four charitable trust funds, namely Li Po Chun Charitable Trust Fund, Tang Shiu Kin & Ho Tim Charitable Fund, Kwan Fong Trust Fund for the Needy and Brewin Trust Fund.

17. When a CSSA applicant is identified to have other welfare needs, no matter whether his application is successful or not, staff of the Social Security Field Units will refer the case to other appropriate agencies, e.g. Integrated Family Services Centres, for follow-up actions.

**Labour and Welfare Bureau
Social Welfare Department
May 2009**

以一九九九／二零零零年及以二零零四／零五年為基期的社援指數開支權數
Expenditure Weights of the 1999/2000-based and 2004/05-based SSAIP

商品或服務類別 Commodity/Service Section	1999/2000 %		2004/05 %	
食品 Food	56.12	(39.15)	55.26	(36.78)
外出用膳 Meals bought away from home	20.31	(14.17)	19.11	(12.72)
食品(不包括外出用膳) Food (excluding meals bought away from home)	35.81	(24.98)	36.15	(24.06)
住屋 Housing	*	(*)	*	(*)
電力、燃氣及水 Electricity, gas and water	6.05	(4.22)	8.07	(5.37)
煙酒 Alcoholic drinks and tobacco	3.09	(2.16)	2.59	(1.72)
衣履 Clothing and footwear	4.83	(3.37)	4.50	(3.00)
耐用物品 Durable goods	3.54	(2.46)	3.03	(2.02)
雜項物品 Miscellaneous goods	9.05	(6.32)	9.12	(6.07)
交通 Transport	5.69	(3.97)	6.55	(4.36)
雜項服務 Miscellaneous services	11.63	(8.11)	10.88	(7.24)
所有社援指數內的商品或服務項目 All SSAIP commodity/service items	100.00	(69.76)	100.00	(66.57)
所有不包括在社援指數內的商品或服務項目 All commodity/service items not included in SSAIP		(30.24)		(33.43)
所有商品或服務類別 All commodity/service sections		(100.00)		(100.00)

註釋：* 所有住屋及有關開支都不包括在社援指數之內。

由於四捨五入關係，統計表內個別數字加起來可能與總數略有出入。

括號內數字為各項商品或服務在總開支中的比重。

Notes: * All housing and related expenditures are not included in the SSAIP.

Individual figures in the table may not add up to total due to rounding.

Figures in brackets represent the corresponding proportions to the total expenditure on all commodities/services.

Comparison of Average Monthly CSSA Payment* and Average Monthly Household Expenditure during April 2005 to March 2006 by Number of Household Members

Number of household members	Average monthly CSSA payment * (Apr 05 – Mar 06) (\$)	Average monthly CSSA household expenditure ^ (at Apr 05 – Mar 06 prices) (\$)	Difference	
			Amount (\$)	%
			(c)=(a)-(b)	(d)=(c)/(a)
1	3,477	3,095	382	11.0
2	5,798	5,562	236	4.1
3	7,779	7,635	144	1.9
4	9,172	8,777	395	4.3
5	10,896	10,287	609	5.6
6 or over	13,646	12,734	912	6.7

Notes :

- * Refer to the situations when CSSA households do not have income other than CSSA payment. The figures are compiled based on CSSA cases and the number of household members refers to those eligible for CSSA.
- ^ The data are extracted from the 2004/05 CSSA Household Expenditure Survey adjusted by the 2004/05-based Consumer Price Index (A) for the period Apr 2005 – Mar 2006 and the number of household members refers to those receiving CSSA standard rate.

**Expenditure of Comprehensive Social Security Assistance (CSSA) Households ^(A)
Findings from the 2004/05 Household Expenditure Survey on CSSA Households**

<i>Major commodity/service group (at 2004 - 05)</i>
Food
<i>Meals bought away from home</i>
Cafés
Cantonese restaurants/fan-tims
Fast food shops
Rice, noodle and rice-stick stalls
Others
<i>Food (excluding meals bought away from home)</i>
Salt-water / fresh-water fishes
Pork
Fresh vegetables
Fresh fruit
Others
Housing ^(B1)
Rent, including rates and government rent
Others
Electricity, gas and water
Electricity
Towngas
Liquefied petroleum gas and other fuel
Water and sewage charges ^(B2)
Alcoholic drinks and tobacco
Cigarettes
Chinese wines
Others
Clothing and footwear
Men / Women's outerclothing
Children's outerclothing ^(B3)
Men / Women's footwear
Children / infants' footwear ^(B4)
Others

Major commodity/service group
(at 2004 - 05)

Durable goods

Home appliances, electric and gas

Video and sound equipment

Watches, clocks, cameras and optical goods

Spectacles ^(B5)

Others

Furniture

Personal computer set ^(B6)

Mobile phone

Telephone ^(B7)

Others ^(B8)

Miscellaneous goods

Textbooks ^(B9)

Proprietary medicines and supplies

Chinese medicine

Others ^(B10)

Newspapers

Cosmetics and personal care products

Household cleansing tools and supplies

Stationery ^(B9)

Books and periodicals ^(B9)

Others

Transport ^(B11)

Bus fares

Public light bus fares

Taxi fares

Mass Transit Railway fares

Train fares

Light Rail fares

Inbound and outbound transport fares

Others

*Major commodity/service group
(at 2004 - 05)*

Miscellaneous services

School fees / other educational charges ^(B12)

Telephone services ^(B13)

Medical services

Out-patient / in-patient services of physicians ^(B14)

Services of Chinese medicine practitioners

Dental services ^(B15)

Others ^(B14)

Household services ^(B16)

Others ^(B17)

Note A : All items listed are covered by standard rates unless otherwise indicated in Notes B below.

Standard rates are adjusted by making reference to the rate of change in the Social Security Assistance Index of Prices (SSAIP) which is compiled to reflect the price changes of goods and services covered by standard rates in the list.

Note B

Housing

- (B1) All housing and related expenses (including rent, rates, government rent, management fees, maintenance and repair charges) are covered by special grant

Electricity, gas and water

- (B2) Water and sewage charges are covered by special grant

Clothing and footwear

- (B3) In addition to CSSA standard rates, school uniforms and accessories are covered by special grant

- (B4) In addition to CSSA standard rates, children's footwear are covered by special grant

Durable goods

- (B5) In addition to CSSA standard rates, spectacles for elderly, disabled persons, persons medically certified to be in ill-health and students are covered by special grant

- (B6) Personal computer set for students are provided by schools

- (B7) Fixed-line telephone sets for elderly, disabled persons and persons medically certified to be in ill-health are covered by special grant

- (B8) In addition to CSSA standard rates, computer-related items (such as software) are provided by schools. Carrying cases for students and calculators are covered by special grant

Miscellaneous goods

- (B9) In addition to CSSA standard rates, school related expenses including textbooks, reference books, dictionaries and stationery for students are covered by special grant

- (B10) Medical supplies / equipment (such as wheel-chair, hearing-aid, stoma bags and disposable diapers) for elderly, disabled persons and persons medically certified to be in ill-health are covered by special grant

Transport

- (B11) In addition to CSSA standard rates, fares to and from school for CSSA students (including school bus and nanny bus fare) are covered by special grant

Miscellaneous services

- (B12) School fees for kindergarten to secondary including craft and technician level and examination fees are covered by special grants. Tuition fee of project Yi Jin can be reimbursed from SFAA

- (B13) Residential telephone line and telephone installation charges for elderly, disabled persons and persons medically certified to be in ill-health are covered by special grant

- (B14) Medical services are provided free by Hospital Authority and Department of Health

- (B15) Dental services (dentures, crowns, bridges, scaling, fillings and root canal treatment) for elderly, disabled persons and persons medically certified to be in ill-health are covered by special grant

- (B16) Some of the household services, e.g. nursery charges; charges of home help services, are covered by special grant

- (B17) Burial expenses are covered by a burial grant up to \$10,430. Emergency alarm system for the elderly are covered by special grant either on a one-off installation fee up to \$2,500, or a monthly service charges up to \$100 per month