

Oxfam Hong Kong

Position paper on the CSSA Scheme

Discrepancies between the SSAIP and the actual price index movement

Under the current system, the Hong Kong government's annual mechanism for adjusting the standard payment rates of Comprehensive Social Security Assistance is based on the movements of the Social Security Assistance Index of Prices ("SSAIP")¹ for a 12-month period ending in October. The government will then send the proposed adjustments to standard payment rates under the CSSA Scheme to the Financial Committee for approval in December, and the new rate will take effect from 1 February of the following year at the earliest. With regard to this annual adjustment cycle, Oxfam Hong Kong is concerned about the discrepancies between the SSAIP movement in the previous year and the actual inflation/deflation rate in the current year. The livelihoods of the poor would be adversely affected, especially during inflationary periods, if their CSSA payment was based on prices from up to 16 months earlier.

CSSA payments do not cover basic needs

Oxfam is also concerned that standard CSSA payments are inadequate to meet the basic needs of the poor. The current rates were determined on the basis of a comprehensive review of the CSSA scheme conducted more than 10 years ago; even the review's definition of "basic needs" is outdated. For example, mobile phones, computers and internet access are currently considered basic needs, but are not included in calculating basic living costs for CSSA recipients.

Complicated application procedures block access to the CSSA safety net

According to Oxfam's survey, "The living and health conditions of poor elderly people not on Comprehensive Social Security Assistance (CSSA) and their attitudes towards social security", conducted in December 2010, 92.8% of the elderly respondents, though qualified, had never applied for CSSA. Moreover, although the majority of respondents (91.5%) had heard of CSSA previously, 70.6% of them perceived that the application procedure for CSSA was complicated. For example, the current system only accepts an application for CSSA on a household basis when the total income and assets of ALL FAMILY MEMBERS in the same household are taken into account in determining the family's eligibility for assistance. Poor elderly people, though living on an income below the CSSA payment level, cannot apply for CSSA alone; they must apply on a household basis. This implies that poor elderly people can receive CSSA only if their sons or daughters declare they are not financially able to support their parents. This kind of procedure poses a barrier for poor elderly people in applying for CSSA.

¹ The SSAIP is compiled by the Census and Statistics Department on a monthly basis to measure inflation according to the expenditure pattern of CSSA households.

Oxfam Hong Kong urges the government to take the following measures with regard to the CSSA scheme:

1. In order to make CSSA payments consistent with inflation, the government should review CSSA standard payment rates every six months, based on the actual price movements of the SSAIP. In times of high inflation, the government should adjust CSSA payment rates ahead of the annual adjustment, shortening the review cycle to a quarterly basis, for example. These arrangements would allow people who rely on CSSA to maintain their purchasing power.
2. The government should conduct a comprehensive review of the goods and services included in the SSAIP, to ensure that CSSA payments cover the living expenses of recipient households.
3. The government should simplify the CSSA application procedure and modify the requirements, for example by allowing poor elderly individuals to apply for assistance. In addition, the government should also take initiative to promote the CSSA scheme to the people in need through public announcements