

立法會
Legislative Council

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Panel on Housing

Meeting on 14 February 2003

Research on rent subsidy

Purpose

This paper seeks members' view on the need to conduct a research on rent subsidy.

Background

2. It has been the Administration's target to reduce the average waiting time of elderly singletons for public rental housing (PRH). In this connection, the Housing Authority (HA) has introduced a pilot scheme on rent allowance for the elderly in August 2001. The objective of the scheme is to give eligible elderly persons, who have registered on the Waiting List (WL) for at least two years and are due for flat allocation or who are due to be rehoused under the development clearance, redevelopment and compassionate categories, an additional choice so that they can live in districts of their choice or where no PRH flat is available. Eligible elderly applicants will be given a monthly allowance (subject to maximum limits) that help them pay the monthly rents for the private flats. Sharing of rent between the recipients and HA is 40% and 60% respectively. Recipients who have joined the scheme for at least two years can switch to PRH flats. So far, 1 700 applications have been received, of which 442 have been approved. The Administration has undertaken to update the Panel on the progress of the pilot scheme in due course.

Research on rent subsidy

3. To assist members in examining the effect of rent allowance, the Research and Library Services Division (RLSD) proposes to conduct a research on overseas practices in the provision of rent subsidy. The scope of study is as follows -

- Rent subsidy as part of public housing programme
- Target groups
- Eligibility criteria
- Quota, if any
- Rate of allowance
 - ◆ basis for determination etc.
- Conditions of granting rent allowance
 - ◆ Premises
 - ◆ Leasing arrangement
 - ◆ Administrative arrangement etc.
- Conditions of renewing rent allowance
- Transfer arrangement, if any
- Monitoring and checking mechanism to prevent abuse
- Impact assessment
 - ◆ Private rental market
 - ◆ Financial implications on the government
- Review mechanism

4. It is suggested that the United Kingdom, the United States of America and New South Wales of Australia be selected as the places of studies given their established experience in the provision of rent subsidy. In this connection, RLSD has prepared a brief outline of the places to be studied at the **Appendix**.

5. Subject to members' agreement to proceed with the research, the study would be completed by April 2003.

Advice sought

6. Members are invited to consider the proposed scope and places of study at paragraphs 3 and 4.

Council Business Division 1
Legislative Council Secretariat
12 February 2003

Research on Rent Subsidy **Brief outline on places to be studied** (provided by Research and Library Services Division)

United Kingdom

There are 4.5 million households in receipt of housing benefits, and among them 970 000 are receiving subsidy to pay for rental dwellings in the private market. As a result of a reform on housing benefits in 2002, the UK government has revamped the rental subsidy programme so as to make it fairer and simpler for subsidy recipients. Measures for combating unscrupulous landlords who used to abuse the rental subsidy programme have also been introduced.

United States of America

Rental subsidy is offered in the form of housing choice vouchers, which enable low-income families, the elderly, and the disabled to rent decent and safe dwellings in the private market. The tenant-based voucher programme, in particular, has been in operation for 30 years, and currently benefits 1.4 million households. Although voucher recipients are required to pay at least 30% of their income for rent, they enjoy a wider choice of residence because they are free to rent any dwelling in any neighbourhood provided that the dwelling meets the health and safety requirements.

New South Wales of Australia

Rental subsidy is a short-term financial assistance offered to low-income households to establish and maintain a private rental market tenancy, and to people with disability or HIV/AIDS to ensure that they are not financially disadvantaged when they are waiting for appropriate public housing. There are 190 000 households receiving housing benefits in NSW, and among them 44 000 are receiving rental subsidy.