

For information
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LEGCO PANEL ON WELFARE SERVICES

Maximum Levels of Rent Allowance under the Comprehensive Social Security Assistance Scheme

PURPOSE

This paper briefs Members on the maximum levels of rent allowance (MRA) under the Comprehensive Social Security Assistance (CSSA) Scheme.

REVISION OF THE MAXIMUM LEVELS OF RENT ALLOWANCE

2. Rent allowance is payable as a standard special grant to all CSSA recipients to meet the cost of accommodation. The amount of the allowance is the actual rent paid or the prescribed maximum level by household size, whichever is the less.

3. If the recipient lives in private housing and has been waitlisted for compassionate rehousing or admission to a subvented home for the elderly, the Director of Social Welfare has the discretion to approve a rent allowance higher than the maximum levels to cover the actual rent paid. In 2007, a total of 114 cases were granted discretion to receive rent higher than the maximum levels.

4. In 2006/07, the expenditure on rent allowance was about \$3.7 billion, accounting for 21% of total CSSA payment, benefiting 253 030 CSSA cases. At present, the MRA of respective household size are as follows :

No. of eligible members in the household	Maximum levels per month (\$)
1	1,265
2	2,550
3	3,330
4	3,545
5	3,550
6 or above	4,435

The MRA is adjusted in accordance with the movement of the Consumer Price Index (A) (CPI(A)) rent index for private housing¹. The aforementioned MRA levels have been frozen since 2003 despite the continuation of deflationary period until 2005. (There is still room for downward adjustment of MRA by around 9%.)

¹ This rent index is compiled by the Census and Statistics Department on a monthly basis to measure the rental movements of private housing of the relatively low expenditure non-CSSA households (about 50% of total households in Hong Kong). The average monthly expenditure of these households ranges from \$4,100 to \$16,100 at the 2007 price level.

Public Housing

5. As at end-February 2008, the number of CSSA households receiving rent allowance who were living in public housing and paying rent higher than MRA was 3 429, whereas the number of those paying rent lower than or equal to MRA was 149 000. The situation was more or less the same as that at end-March 2006 where 5 883 CSSA households were receiving rent allowance and paying rent higher than MRA and 152 714 cases were paying rent lower than or equal to MRA. Details are as follows :

	March 2006	March 2007	February 2008
Actual rent lower than MRA	152 488	149 775	148 899
Actual rent equal to MRA	226	262	101
Actual rent higher than MRA	5 883	6 412	3 429
Total	158 597	156 449	152 429

Private Housing

6. It can be seen that the distribution remains stable when comparing the statistics as at end-March 2006 and end-February 2008. As at end-February 2008, the number of cases receiving rent allowance and paying rent higher than MRA was 22 345 whereas the number of cases paying rent lower than or equal to MRA was 21 685. As at end-March 2006, the number of cases receiving rent allowance and paying rents higher than MRA was 23 543 whereas the number of those paying rent lower than or equal to MRA was 24 632. Relevant

statistics are as follows :

	March 2006	March 2007	February 2008
Actual rent lower than MRA	23 725	22 682	20 767
Actual rent equal to MRA	907	887	918
Actual rent higher than MRA	23 543	22 679	22 345
Total	48 175	46 248	44 030

7. During the three-year period from 2006 till 2008, the number of cases receiving rent lower than or equal to MRA was largely the same as those paying rent higher than MRA in private housing.

WAY FORWARD

8. It is worth pointing out that the rent allowance received by the majority of CSSA recipients is sufficient to cover the actual rent. The MRA covered the actual rent paid by about 87% of CSSA cases receiving rent allowance living in private and public housing as at end-February 2008.

9. We will continue to monitor and adjust MRA in accordance with the established mechanism making reference to the movement of the CPI(A) rent index for private housing.

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

Labour and Welfare Bureau

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