

Panel on Economic Development
Follow-up to meeting on 29 March 2010

Concession Schemes offered by The Hong Kong & China Gas Co Ltd

Purpose

This paper briefs Members on the outcome of the study of The Hong Kong and China Gas Company Ltd (Towngas) to extend its concession scheme to cover low-income families receiving Comprehensive Social Security Assistance (CSSA).

Background on Towngas Concession Schemes

As a Total Caring Company, Towngas makes a contribution to our society through various social investment programmes, strategic sponsorships and sharing and caring activities. Seeking to provide improvements in the livings for some disadvantaged groups in the community, Towngas currently provides the following three concession schemes:

- Towngas Concession Scheme for the Elderly introduced in 1995
- Towngas Concession Scheme for People with Disabilities launched in 2004
- Towngas Concession Scheme for Single-parent Families established in 2008

Benefits currently offered by Three Concession Schemes

- 50% discount on the first 500 megajoule (MJ) of gas consumed
- Waiver on monthly maintenance charge
- Waiver on security deposit and monthly initial charge
- Free appliances maintenance service

Qualifying Beneficiary Criteria

- Registered Towngas account holders
- For the three categories :

i. Towngas Concession Scheme for the Elderly

Aged over 60 years and living alone or with other qualifying senior citizens, and eligible for CSSA or living in self-care quarters within public housing estates

ii. Towngas Concession Scheme for People with Disabilities

In receipt of, or living with a direct family member receiving, CSSA, and classified as "100% Disabled" or "Requiring Constant Attendance" under CSSA

iii. Towngas Concession Scheme for Single-parent Families

Single-parent family households receiving CSSA under single-parent category

Concession Periods

Once an application for concession scheme has been approved, the beneficiary will be able to enjoy the benefits throughout the concession period. Taking into account the qualifying criteria for each scheme, there are different concession periods for different categories of concession scheme -

Towngas Concession Scheme	Concession Period
1) Elderly	No limit
2) People with disabilities	5 years
3) Single-parent families	2 years

Beneficiaries may apply for renewal of the concession before the expiry of the existing concession period if they still meet the qualifying criteria.

Proposed Extension of Concession Scheme to cover Low Income Families

Towngas proposes to extend its corporate social responsibility programme to help a further needy group by providing a Towngas Concession Scheme for Low Income Families.

Reasons for Towngas Targeting Low Income Group for New Concession Scheme

Following the financial tsunami in 2008, Hong Kong's economy has gradually been improved but has been accompanied by inflation that has affected different segments

of the workforce differently, e.g.

- There is higher pay rises for professionals, educated or skilled workers but lower rises for low-income groups (blue-collar or unskilled)
- There is a growing momentum from general public to help low income earners who are continuously contributing to the community by working and striving not to be unemployed
- Low-income earners have been paying efforts in being self-reliant, looking for jobs and working hard for their living which is hampered by lack of skills and education
- There has been consistent threat of unemployment, underemployment and pay cuts to low-income groups, especially during economic downturns
- Low-income earners often experience difficulty in covering family expenses, and compromise their living standards and time with family

Suggested Eligibility Criteria

Towngas suggests adopting CSSA assessment criteria for low earning families for its proposed new concession scheme since the eligibility criteria for “Low Earning Families” as defined by CSSA is considered comprehensive and well categorized.

Suggested Application Procedures

As the application process works well for the 3 existing concession schemes, it is suggested the proposed new scheme should use the same procedures in collaboration with the Hong Kong Council of Social Service (HKCSS) and social welfare agencies:

- For ease of access, application forms to be available at designated assessment centres and for download at Towngas website
- For ease of submission, completed application forms and required documents to be collected by designated assessment centres
- For answering queries, potential applicants to be directed to Towngas Concession Scheme Hotline during office hours
- For processing and approval, all submissions to be forwarded to Towngas and successful applicants to be notified by letter
- For accountability, Towngas to conduct periodic checks on concessionary accounts to ensure continued eligibility with right to terminate concessionary tariff based on latest available beneficiary information

Concession Period and Proposed Launch Date

Initially, the period of concession will be 2 years and re-application is required on a bi-annual basis, which is the same as that for single-parent families. As it is expected to take approximately three months to prepare and set up the new scheme, we suggest launching the “Towngas Concession Scheme for the Low Income Families” in January 2011.

Way Forward

Towngas plans to introduce a new “Towngas Concession Scheme for the Low Income Families” to customers receiving CSSA under the low earnings category with effect from 1 January 2011.

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The Hong Kong and China Gas Company Limited
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