

Legislative Council Panel on Housing

Stepped-up Checks on Household Income and Assets of Public Rental Housing Tenants

Purpose

This paper briefs Members on the stepped-up checks of the income and assets declarations made by public rental housing (PRH) tenants as set out by the Chief Executive in his 2010-11 Policy Address.

Background

2. To ensure the rational use of limited public housing resources, the Housing Authority (HA) implemented the Housing Subsidy Policy (HSP) in 1987. Under the HSP, tenants who have been living in PRH flats for ten years are thereafter required to declare their incomes every two years. Those with household income exceeding the prescribed income limits are required to pay 1.5 times or double net rent plus rates. For double rent paying households, they are further required to declare their assets biennially under the Policy on Safeguarding Rational Allocation of Public Housing Resources (SRA) to determine their eligibility to continue to stay in PRH.

3. Currently, around 360 000 households are required to declare their income and/or assets biennially under the HSP/SRA Policy. In 2009/10, some 23 800 households paid extra rent (3.5% of the total PRH households).

Checking of Income and Asset Declarations

4. The Housing Department (HD)'s frontline management staff will conduct basic checks on the income and assets declarations made by PRH tenants. The HD's central team will carry out additional checks on randomly selected cases, doubtful cases and all double rent paying cases. This involves interviewing the concerned tenants/family members and obtaining documentary proof of income/assets (deposits, registered vehicles and domestic properties). The HD will also check with employers, banks, and concerned Government departments (such as Transport Department in cases of registered vehicle), and conduct property and company searches with Land and Company Registries respectively. In addition, the HD has recently set up a Caution Statement Team (CST) with 12 staff members. The CST will take caution statements centrally so as to timely and effectively strengthen prosecution action against suspected false declaration cases and strengthen the deterrent effect of these

actions.

5. Of the 5 300 rigorous checks conducted in 2009/10, we have detected some 600 false declaration cases. About 100 out of the 600 cases were prosecuted and convicted. For the remaining cases, they were either shown to have had no real/potential gain from the false declaration or there had been inadequate evidence to put up a case for prosecution. However, in such cases we would take management actions such as recouping any undercharged rent or recovering the premises according to individual circumstances, irrespective of whether the tenant is charged or convicted.

Stepped-up Checking of Income and Assets Declarations

6. The HD has put in place an effective mechanism to deter and detect false declarations on income and assets under the HSP/SRA Policy. Nonetheless, to further safeguard the rational allocation of public housing resources, we will step up checks on income and asset declarations by conducting rigorous vetting on a further 5 000 declarations made by PRH tenants from November 2010 to April 2011. This is in addition to the average 5 000 rigorous checks per annum. The additional cases will be randomly selected from tenants who are paying normal rent or 1.5 times of net rent plus rates, and those who are approved to pay lower rent upon application for rent reversion.

7. We will set up a Special Team (ST) with 30 experienced officers deployed from frontline management offices to carry out this one-off initiative. The ST will commence operation in November 2010.

Way Forward

8. The HD will conduct periodic reviews on the overall strategy and measures to deter false declarations of income and/or assets by PRH tenants in order to safeguard the rational allocation of the limited public housing resources. Members are invited to note the stepped-up checks on income and assets declarations conducted by the HD.

**Transport and Housing Bureau
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