

**Legislative Council Panel on Housing
meeting on 2 February 2015**

**Refining the Quota and Points System and checking the eligibility of
applicants under the Quota and Points System**

Supplementary Information

PURPOSE

At the Legislative Council Panel on Housing meeting on 2 February 2015, Members asked about the impact of the refinement made to the Quota and Points System (QPS) on the public rental housing (PRH) applicants whose applications were originally due for detailed vetting but were subsequently deferred due to the refinement and non-elderly one-person applicants with disabilities but were ineligible for Compassionate Rehousing (CR), and the relevant relief measures available to the above applicants. This paper provides the relevant information.

THE REFINED QPS

2. It is the policy of the Government and the Hong Kong Housing Authority (HA) to accord priority to general applicants (i.e. family and elderly one-person applicants) over non-elderly one-person applicants in the allocation of PRH flats. Towards this end, HA introduced QPS for non-elderly one-person applicants in September 2005. Unlike general applicants, under QPS –

- (a) the allocation of flats is subject to an annual quota;
- (b) the priority of applicants is determined by a points system; and
- (c) the target of providing the first flat offer at around three years on average is not applicable to QPS applicants.

3. In 2012, the Government established the Long Term Housing Strategy (LTHS) Steering Committee. On QPS, the LTHS Steering Committee was concerned that older applicants might have relatively limited upward mobility and therefore should be given higher priority. During the public consultation on the LTHS, a considerable number of respondents agreed that more points should be given to non-elderly one-person applicants who are above the age of 45. In its report submitted to the Government, the LTHS Steering Committee called on HA to carefully review PRH-related policies, including QPS, to ensure the proper use of valuable PRH resources.

4. At the same time, in his Report No. 61 on the allocation and utilisation of PRH flats, the Director of Audit observed that there was a built-in incentive for applicants to apply for PRH early under QPS (i.e. to apply at the minimum eligible age of 18 in order to accumulate more waiting time points), and recommended HA to conduct a comprehensive review of QPS. Subsequently, the Legislative Council (LegCo) Public Accounts Committee (PAC) also considered that HA should review the points system of QPS with a view to introducing improvement measures. The Subcommittee on LTHS under the LegCo Panel on Housing also mentioned Members' different views on this subject in its report published in July 2014.

5. Taking into account views from all parties, HA's Subsidised Housing Committee (SHC) decided to refine QPS on 14 October 2014. Refinements include awarding a one-off bonus of 60 points to applicants when they have reached the age of 45 to accord them with a higher priority over other younger applicants; and increasing the scale of age points from three to nine points per year of age increase at the time of application to reduce the incentive for early registration. The refined points system was implemented with effect from 1 February 2015. HA's SHC also decided to increase the annual allocation quota under QPS from 8% to 10% of the total number of flats to be allocated to general and QPS applicants, subject to a cap to be increased from 2 000 to 2 200 units, starting from HA's PRH Allocation Plan for 2015-16.

6. After the refinements to QPS were approved, HA immediately issued a press release on 14 October 2014 to announce the relevant details. HA also issued letters to inform individual QPS applicants of the refinement and the latest calculation of their points in early February 2015.

IMPACTS ON QPS APPLICANTS

7. Under QPS, the relative priority of PRH flat allocation to applicants is determined by the points which applicants obtained under the points system. The points of applicants are determined by a number of factors, including the age of the applicants, whether the applicants are living in PRH, and the waiting time. Due to different circumstances of individual applicants such as waiting time, whether they are living in PRH and their district choice of PRH allocation, plus the fact that there could be new applicants from time to time whose circumstances are also different, we cannot predict the time of flat allocation for individual applicants. Besides, the progress of PRH allocation is also affected by factors such as the number of flats available for allocation, the supply of newly built and refurbished PRH flats in different districts, and whether applicants accept flat offers. Therefore, we are unable to estimate the actual impact of implementing the new points system on the applicants.

8. Under the refined QPS, generally speaking, older applicants will be allocated flats earlier. However, the actual priority of individual applicants is determined by their points under the refined system, and is ultimately subject to the supply of PRH and circumstances of other applicants.

9. To facilitate the implementation of the refined system, HA's SHC has decided to adopt the following one-off arrangements –

- (a) the points of those applicants who have submitted applications or have been registered before the implementation date (i.e. 1 February 2015) would be re-calculated under the refined system. If the re-calculated total points for these applicants are higher than the total points already awarded to them under the old system, HA would award the difference in points to them on the implementation date;
- (b) for those applicants who have passed the detailed eligibility vetting on or before the date of SHC's decision to refine QPS (i.e. 14 October 2014) and are undergoing the allocation process, their priority for PRH allocation would be based on their points awarded under either the refined system or the old system, whichever enables earlier allocation; and
- (c) as Long Bin Interim Housing will be cleared in January 2016, non-elderly one-person households living in the Long Bin Interim Housing can retain their priority for rehousing to PRH under the old system.

NON-ELDERLY ONE-PERSON APPLICANTS WITH DISABILITIES

10. There are views suggesting HA to award additional points to non-elderly one-person applicants with disabilities. Given the fact that the degree and condition of disabilities varies from person to person, it is difficult to set an objective criteria to determine the points to be awarded according to different conditions of disabilities in order to rationalise and prioritise the allocation of PRH to individual applicants with disabilities. Moreover, HA does not have the professional knowledge to assess an applicant's disabling conditions. Some suggested that HA could award additional points to applicants receiving the Disability Allowance (DA). However, the Disability Allowance is a monthly allowance provided by the Social Welfare Department (SWD) to the severely disabled Hong Kong residents to meet their special needs arising from disability. DA recipients include many categories of severely disabled persons. Many of them are not suitable to live on their own and PRH may not be an appropriate means to address their needs. Therefore, the DA cannot reflect the actual housing needs of persons with disability and is not an appropriate yardstick to determine points to be awarded to applicants with disability. For other DA recipients who can live on their own, if SWD considers that they have pressing housing needs on social or medical grounds, the existing CR mechanism can already address their needs.

11. There are also views suggesting HA to set a quota for non-elderly one-person applicants with disabilities. It should be noted that flats available for allocation to one-person applicants are used to meet demands from different categories of households, including elderly one-person applicants; QPS applicants; and under-occupied households (so that larger PRH flats can be released for re-allocation to applicants of suitable household sizes), etc. Given limited housing resources, if we set a specific quota for applicants with disabilities, this will in turn reduce the number of flats available for other categories (including CR) of PRH applicants who have equally pressing needs for PRH.

OTHER ARRANGEMENTS

12. HA has put in place CR to provide PRH to individual or family applicants who have pressing housing needs on social or medical grounds. Under CR, the SWD recommends cases to Housing Department (HD). HD will immediately arrange for flat allocation after completion of the normal procedures. Unless the applicant has special allocation arrangement recommended by SWD, such as the need to reside in a particular district or

estate, in general HD can offer a PRH unit to the applicant within a short period of time. HA draws up the PRH Allocation Plan annually and 2 000 PRH units were reserved for CR in the past few fiscal years in drawing up the PRH Allocation Plan. We have to stress that this is only a guiding figure for the allocation work and is not a quota. Our policy is that for any CR cases recommended by SWD which meet other eligibility criteria for PRH, we will arrange for flat allocation and this is not subject to any quota. As a matter of fact, so far HD has not refused CR cases recommended by SWD.

13. If QPS applicants, including non-elderly single applicants with disabilities, wishes to be allocated with a PRH unit earlier, he/she may consider applying through the Express Flat Allocation Scheme (EFAS). The EFAS is launched in accordance with the housing resources available and is conducted in a self-selection mode. Flats included for selection under EFAS are less popular and there is no locality restriction for EFAS applicants. Eligible applicants can select a flat from the list of flats available for selection in accordance with the number of authorised members in their PRH applications and the allocation standard of individual flats. Some flats are also offered with rent reduction periods.

**Transport and Housing Bureau
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