

# 立法會

## *Legislative Council*

LC Paper No. CB(2)543/16-17(08)

Ref : CB2/PL/WS

### **Panel on Welfare Services**

#### **Background brief prepared by the Legislative Council Secretariat for the meeting on 9 January 2017**

#### **Support measures for low-income households not living in public housing and not receiving Comprehensive Social Security Assistance**

#### **Purpose**

This paper gives an account of past discussions at meetings of the Council and relevant committees on support measures provided by the Administration for low-income households who are neither public housing tenants nor Comprehensive Social Security Assistance ("CSSA") recipients, who are colloquially known as the "N have-nots" households.

#### **Background**

2. According to the Administration, the Community Care Fund ("CCF") was established in 2011 to serve the functions of plugging gaps in the existing system and implementing pilot schemes.<sup>1</sup> In addition to the first injection of \$5 billion into CCF in 2011,<sup>2</sup> the Administration proposed an additional injection of \$15 billion into CCF in 2013 with the major purposes to, inter alia, provide assistance for the "N have-nots", who could not benefit from the Budget's relief measures. The aforesaid funding proposal was approved by the Finance Committee in June 2013.

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<sup>1</sup> In November 2010, the Chief Executive ("CE") appointed the Steering Committee on the Community Care Fund ("CCF"), which was chaired by the Chief Secretary for Administration, to oversee and co-ordinate the work of CCF. Following the re-establishment of the Commission on Poverty ("CoP") by the Administration in December 2012, CCF has been integrated into the work of CoP since 2013. The CCF Task Force, set up under CoP, is responsible for advising CoP on the CCF's various arrangements and the formulation of assistance programmes. It also co-ordinates and oversees the implementation of assistance programmes as well as reviews their effectiveness.

<sup>2</sup> An additional injection of \$1.5 billion was approved by the Finance Committee in July 2011 to implement a programme to provide a one-off allowance of \$6,000 for new arrivals ("New Arrival Programme").

3. To date, CCF has launched a total of 36 assistance programmes.<sup>3</sup> To help relieve the financial pressure of low-income persons including the "N have-nots", CCF has rolled out the following assistance programmes since 2012, i.e. the "Subsidy for low-income elderly tenants in private housing",<sup>4</sup> "Subsidy for low-income persons who are inadequately housed"<sup>5</sup> and "One-off living subsidy for low-income households not living in public housing and not receiving CSSA" ("the One-off Living Subsidy") programmes.<sup>6</sup> The first two programmes have been completed in 2013 while the One-off Living Subsidy Programme has been launched for the third time in January 2016, with its application period ended on 31 August 2016.

4. In addition to CCF, the Administration provides non-CSSA low-income earners, including eligible "N have-nots", with plenty of free or highly subsidized services in various policy areas to address their basic needs, such as heavily subsidized public healthcare services and 12-year free education starting from the 2008-2009 school year.<sup>7</sup> Besides, the Administration will continue to increase the supply of public rental housing ("PRH") in order to address the housing needs of grassroots households, including the "N have-nots" households.

## **Deliberations by Members**

### One-off living subsidy for low-income households not living in public housing and not receiving Comprehensive Social Security Assistance

5. Members noted that CCF had launched, from the 2013-2014 to the 2015-2016 financial years, the One-off Living Subsidy Programme as a complement to the relief measures put forward by the relevant Budgets. Some Members held the view that the CCF Task Force under the Commission on Poverty should provide the "N have-nots" with subsidies to help relieve their financial burden irrespective of whether any relief measures had been put forward in the Budget. Some other Members urged the CCF Task Force to at

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<sup>3</sup> According to the Administration, 11 out of 36 assistance programmes under CCF have been incorporated into the Administration's regular assistance programmes. Details of assistance programmes under CCF are available at [www.communitycarefund.hk](http://www.communitycarefund.hk).

<sup>4</sup> The "Subsidy for low-income elderly tenants in private housing" programme, which was implemented from July 2012 to January 2013, had benefited 2 089 households.

<sup>5</sup> The "Subsidy for low-income persons who are inadequately housed" programme, which was implemented from October 2012 to April 2013, had benefited 25 752 households.

<sup>6</sup> The "One-off living subsidy for low-income households not living in public housing and not receiving CSSA" programme, which was launched thrice in December 2013, January 2015 and January 2016, had benefited 52 102, 61 624 and 62 264 households respectively.

<sup>7</sup> CE announced in the 2016 Policy Address that a free quality kindergarten education policy will be implemented from the 2017-2018 school year.

least double the amount of the One-off Living Subsidy given the stable financial position of CCF.<sup>8</sup> There was another view that consideration should be given to regularizing the Programme.

6. The CCF Task Force advised that the level of the One-off Living Subsidy for a single household was set at \$4,000, approximately equal to two-month CSSA payments at standard rate. To further relieve the financial burden of larger households, an additional tier of subsidy of \$14,000 for five-or-more-person households would be put in place under the third-launched Programme. The One-off Living Subsidy Programme was launched for the third time in January 2016, and whether the Programme would be launched again would hinge on relief measures, if any, put forward in the 2016-2017 Budget.

7. Some Members said that the Chairperson of the CCF Task Force disclosed to the media in September 2016 that CCF would not re-launch the One-off Living Subsidy Programme for the fourth time in 2017. These Members expressed concern that quite a number of beneficiaries of the One-off Living Subsidy who were living in sub-divided units were strongly dissatisfied with the aforesaid decision. Given that the rents of sub-divided units were still rising incessantly, and the Hong Kong Housing Authority's target of maintaining the average waiting time for general applicants (i.e. family and elderly one-person applicants) for public housing at around three years could not be met in the coming few years, these Members asked whether the Administration would consider continuing to disburse the One-off Living Subsidy or launching alternative assistance measures to address the discontent of the "N have-nots".

8. According to the Administration, CCF launched the One-off Living Subsidy Programme in the light of the short-term relief measures introduced by the Budget released in the financial year of the launch. The Programme provided one-off cash subsidy for the "N have-nots" who could not benefit from such measures. As fewer short-term relief measures were announced in the 2016-2017 Budget, e.g. no longer paying rent for PRH tenants, there was insufficient justification for CCF to re-launch the One-off Living Subsidy Programme in 2017. On the other hand, comparing with the annual one-off cash subsidy provided by CCF for the "N have-nots", regular cash programmes, such as the Low-income Working Family Allowance ("LIFA") launched in May 2016 and the Work Incentive Transport Subsidy, could provide a more sustainable and effective way to relieve the financial pressure of the

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<sup>8</sup> As at 30 November 2016, the balance of CCF stood at \$19.432 billion. The balance consisted mainly of the placement of \$17.42 billion at the Hong Kong Monetary Authority (including the investment returns of about \$2.42 billion) and around \$2.01 billion of bank deposits, but excluded the balance under the New Arrival Programme which would be returned to the Administration after the completion of the Programme.

"N have-nots" and their families. The Administration would pay close attention to the application situation of LIFA to ensure that families in need, including eligible "N have-nots" households, could receive timely assistance.<sup>9</sup> In addition, CCF would continue to launch other programmes to assist the underprivileged and low-income households taking into account the views of the public and stakeholders.

9. At the meeting of the Panel on Home Affairs ("the HA Panel") on 21 December 2016, the Administration gave an update on the work progress of CCF. Some Members expressed grave concern that in the face of high rental and hiking commodity prices, the "N have-nots" households were encountering hardships in their livelihood. Some other Members were concerned that some "N have-nots" households who had not been allocated public housing were living in unfit dwellings and facing high rental and overcharge of utility bills by property owners. At the meeting, the HA Panel passed two motions, one to urge CCF to re-launch the One-off Living Subsidy Programme, and the other to urge the Administration to put forth measures to relieve the financial pressure of the aforesaid households before they were allocated public housing units, and to grant allowances and subsidies for utility bills to households living in unfit dwellings who had applied public housing units for more than three years but not yet been allocated such units.

### Housing assistance

10. At its meeting of 7 November 2012, the Council passed a motion urging the Administration to expeditiously put forward effective measures focusing on planning and actions for immediate, medium-term and long-term land supply and demands, so as to address people's housing needs; the relevant measures should include, among other things, the following:

- (a) to increase annual PRH production to 30 000 units or more for accelerating the time for allocating units to the existing applicants on the waiting list for PRH to two years, so as to meet grassroot people's demand for PRH;
- (b) to introduce sandwich-class PRH units to enable those households and persons with incomes slightly above the PRH eligibility criteria but without the ability to enter the private market to apply for renting such units subject to certain conditions and time limits, so as to alleviate their rental pressure; and

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<sup>9</sup> According to the Administration, as at 9 December 2016, 46 506 applications for the Low-income Working Family Allowance ("LIFA") had been received, with 29 897 applications approved and allowance payments amounting to about \$350 million granted. Having considered comments from applicants and concern groups, the Labour and Welfare Bureau announced on 6 December 2016 the immediate abolition of the absence rule under the LIFA Scheme, with a view to benefiting more low-income working families.

- (c) to conduct studies on offering rent allowance to low-income persons, such as providing rent allowance for eligible households waiting for PRH.

11. Some Members were of the view that CCF should consider providing rent allowance under a new programme to assist the "N have-nots", who were on the waiting list for PRH. The CCF Task Force, however, advised that CCF programmes should not be in conflict with the Administration's policies. According to the Administration, providing rent allowance for those on the waiting list for PRH might trigger an increase in the rental level in private housing. In the end, recipients of this rent allowance might not benefit from the assistance. Furthermore, the eligibility of those on the waiting list for PRH would only be subject to assessment later. The Administration took the view that the housing needs of the "N have-nots" who were inadequately housed should ultimately be addressed through the provision of PRH.

12. Some Members were concerned about the adverse impact of soaring rental on the "N have-nots" who were living in sub-divided units. These Members asked if the Administration had compiled relevant statistics to better understand the situation.

13. The Administration advised that the Thematic Household Survey on Housing Conditions conducted by the Census and Statistics Department in 2014 and 2015 consecutively covered sub-divided units in private domestic/composite buildings (excluding village houses) aged 25 and above in Hong Kong. According to the survey findings, the median monthly rental payments of sub-divided units households in Hong Kong were \$3,800 in 2014 and \$4,200 in 2015, while the corresponding median rent to income ratios were 30.8% and 32.3%. However, the two surveys did not collect information on expenditure of households living in sub-divided units.

14. The Administration stressed that it was concerned about the impact of rising rental on private housing tenants. To solve the problem, it was necessary to increase housing supply. According to the Long Term Housing Strategy Annual Progress Report 2016 released by the Transport and Housing Bureau in December 2016, the Administration's total housing supply target in the 10-year period from 2017-2018 to 2026-2027 was 460 000 units, of which 280 000 units were public housing units (comprising 200 000 PRH units and 80 000 subsidized sale flats). For those who had pressing housing needs, they might apply for Compassionate Rehousing through the recommendation of the Social Welfare Department, or apply for earlier PRH allocation under the Express Flat Allocation Scheme.

**Relevant papers**

15. A list of the relevant papers on the Legislative Council website is in the **Appendix**.

Council Business Division 2  
Legislative Council Secretariat  
5 January 2017

## Appendix

### Relevant papers on support measures for low-income households not living in public housing and not receiving Comprehensive Social Security Assistance

Committee	Meeting date / Issue date	Paper
Legislative Council	7 November 2012	<a href="#">Official Record of Proceedings</a> <a href="#">Pages 254-412</a>  <a href="#">Progress Report</a>
Finance Committee	21 June 2013 (Item No. FCR(2013-14)20)	<a href="#">Agenda</a> <a href="#">Minutes</a>
Finance Committee	2 April 2014	<a href="#">Administration's replies to members' written questions in examining the Estimates of Expenditure 2014-2015 Page 904</a>
Legislative Council	23 November 2016	<a href="#">Question 9 Reply</a>
Legislative Council	7 December 2016	<a href="#">Question 17 Reply</a>
Panel on Home Affairs	21 December 2016 (Item III)	<a href="#">Agenda</a> <a href="#">LC Paper No. CB(2)401/16-17(03)</a>
Panel on Housing	1 January 2017 (Item IV)	<a href="#">Agenda</a> <a href="#">LC Paper No. CB(1)350/16-17(01)</a>

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