

立法會

Legislative Council

LC Paper No. CB(2)612/12-13(07)

Ref : CB2/PL/HA

Panel on Home Affairs

Background brief prepared by the Legislative Council Secretariat for the meeting on 18 February 2013

Youth Hostel Scheme

Purpose

This paper provides background information and highlights the views and concerns of members of the Panel on Home Affairs ("the Panel") on the Youth Hostel Scheme.

Background

2. In his 2011-2012 Policy Address, the Chief Executive ("CE") stated that the Government was aware of the concern of some non-governmental organizations ("NGOs") about the aspiration of working youths to have their own living space, and would actively support NGOs' plan to use part of the land granted to them by the Government for "Government, Institution or Community" ("GIC") use to build hostels for youths. In the Administration's view, the proposed initiative would not only optimize land use but also allow the Government to draw on NGOs' resources and experience to provide another housing alternative with relatively reasonable rental for young people, thereby encouraging them to accumulate resources to prepare for their future development.

3. At its meeting on 15 November 2011, the Panel was briefed by the Administration on the initial framework of the proposed initiative as set out in **Appendix I**. According to the Administration, the initial framework had consolidated the views and ideas collected from NGOs and had yet to be finalized pending further in-depth discussions between the Administration and interested

NGOs. Given the differences in the environment of and the terms for GIC sites granted to NGOs as well as in their service concepts, participating NGOs would have the discretion to determine the other operational details and rules of the hostels. The Home Affairs Bureau ("HAB") and other relevant government bureaux and departments would provide assistance to interested NGOs in three major aspects, viz. application for change of land use, seeking of financial support for building and operating the hostels, and technical support for construction of the hostels.

Members' views and concerns

4. The Administration's initiative to support NGOs' plan to build hostels for youths was discussed at the Panel meetings on 14 October and 15 November 2011. Members' major views and concerns are summarized in the ensuing paragraphs.

Policy objectives

5. While some members considered the initiative lacking clear positioning as some NGOs had already been operating hostels for youths, some other members expressed support for the initiative and considered that it had been clearly positioned to meet the aspiration of the working youths to have their own living space as stated in the 2011-2012 Policy Address. The Administration was called on to make clear whether the initiative was to promote youth development or address the housing problems of young people. According to the Administration, while youth matters straddled the policy areas of various government bureaux, HAB had focused on youth development and formulated the initiative from that perspective.

Housing needs of youths

6. Concern was expressed that the proposed hostels might not meet the needs of youths for their own living space, if the occupants of such hostels would need to move out when married or after a certain period of time. Some members considered that the initiative should be an interim measure to facilitate working youths to accumulate resources to look for long-term accommodation. The Administration should consider introducing a points system under which lodgers living in the proposed hostels for a longer period would be given more points and higher priority in the queue for public rental housing ("PRH"). Members generally considered that the issues relating to the provision of accommodation to youths could not be handled by a single government bureau or relegated to NGOs, and urged the Administration to formulate a long-term policy to address the housing needs of youths.

7. The Administration admitted that the youth housing demand was an important matter that needed to be addressed by the Government and the Housing Authority. However, while there were several housing schemes that accorded priority to elderly PRH applicants, there was still no consensus in the society on whether single youths should be given priority in the allocation of PRH flats.

Target number and geographical distribution of hostel places

8. Members had enquired about the target number and the geographical distribution of the proposed hostel places to be provided, and the timing to make the first batch of the proposed hostel places available and the number of places involved. The Administration advised that it had not set a target number for the provision of hostel places but hoped that the interested NGOs would fully utilize the GIC sites granted to them. The GIC sites to be used by interested NGOs for building the proposed hostels were located in various districts on the Hong Kong Island as well as in Kowloon and the New Territories. The Administration hoped that the first batch of hostel places, which was estimated to be a few hundreds, would be made available as early as possible.

Income limit and hostel rents

9. Members noted that the maximum income limit for hostel tenants was proposed to be the 75th percentile of the monthly employment earnings of employed persons aged between 18 and 30, which was \$14,000. There was a view that the maximum income limit should be lowered to the range of \$9,000 to \$11,000, as working youths with this income range should have the highest demand for the proposed hostel places and greatest difficulty in affording the current high living costs and surging rents of private flats. Concerns were also raised about the affordability of hostel rents and whether a minimum income limit for hostel tenants should be set. There was a suggestion that the rental level should be set with reference to that of hostels for local university students.

10. According to the Administration, the proposed maximum income limit was an outcome of the preliminary discussion between the Administration and interested NGOs. It was comparable to the median starting salary of a university graduate, which was about \$13,000 to \$14,000, and should allow flexibility for NGOs to set reasonable hostel rents to cater for working youths with different levels of affordability. The Administration was inclined to set a maximum income limit rather than a minimum one for hostel tenants, so as to ensure that the limited hostel places would be available to youths in genuine need.

Turnover of hostel places

11. Noting the Administration's proposal to offer tenants the most favourable concessionary rent for the initial two to three years of tenancy after which a less favourable rate would be applied to the renewal of one-to-two-year tenancy, some members queried the effectiveness of the proposal in facilitating the turnover of hostel places in the absence of a specified limit on the length of tenancy. While some members considered that the total tenancy period might be limited to around five years in order to facilitate the turnover of hostel places, some other members suggested that it should be extended to eight years to allow more time for the tenants to accumulate savings for marriage or the down payment in the purchase of a flat. The Administration reassured members that it attached importance to the turnover issue and would refine the proposal.

Monitoring of participating NGOs

12. Concern about the monitoring of the performance of the participating NGOs was raised. There was a suggestion that the Administration should put in place an appraisal mechanism to monitor and assess the performance of the participating NGOs in the provision and operation of the proposed hostels. Appropriate actions should be taken if the hostels were found to be poorly operated or not in compliance with the Government requirements. The Administration assured members that in taking forward the initiative, NGOs would be subject to a framework under which their roles and responsibilities would be clearly set out. Should they fail to implement the initiative, it was expected that they would have to return the land to the Government.

Recent development

13. When addressing the Legislative Council ("LegCo") at its meeting of 16 July 2012, CE announced that with a view to assisting interested NGOs to implement the Youth Hostel Scheme as soon as possible, the Government proposed to fully subsidize the construction costs of the hostels. The target was to provide a first batch of 3 000 hostel units for youths. The Hong Kong Federation of Youth Groups ("HKFYG"), the Tung Wah Group of Hospitals ("TWGHs") and the Hong Kong Girl Guides Association were among the organizations that had expressed interest in participating in the Scheme. At a press conference subsequently held by the Administration on the same day, the Secretary for Home Affairs introduced further details of the Scheme, including target beneficiaries, income and asset limits for hostel tenants, as well as rental level and tenancy period of the hostel units. The relevant press release issued by the Administration is in **Appendix II**.

14. At its meeting on 18 January 2013, the Panel received a briefing from the Administration on the policy initiatives of HAB covered in CE's 2013 Policy Address. According to the Administration, while the youth hostels were not meant to provide a permanent accommodation for youths, the Youth Hostel Scheme would unleash the potential of under-utilized sites in the hands of NGOs and provide some relief to the current shortage of housing accommodation for young people who wished to live away from home. To implement the Scheme, the Government would start with the two more mature projects in Sheung Wan and Tai Po, which were proposed by TWGHs and HKFYG respectively, on a pilot basis and review the results. HAB was in discussion with several NGOs regarding construction of the hostels and would study the details.

15. The Administration will brief the Panel on the latest features of the Youth Hostel Scheme at its meeting on 18 February 2013.

Relevant papers

16. A list of the relevant papers with their hyperlinks at LegCo's website is in **Appendix III**.

Council Business Division 2
Legislative Council Secretariat
7 February 2013

Initial framework of the Government's initiative to support interested non-governmental organizations ("NGOs") to use part of the land granted to them by the Government for "Government, Institution or Community" use to build hostels for youths

- (a) Hostels for youths shall be built and operated solely by NGOs with their own resources;
- (b) young people currently residing in Hong Kong who have right of abode and have been living here for at least seven years shall be given priority in the allocation of hostel places;
- (c) as the project is targeted at young people, an age limit, such as 18 to 30 years old (at the time of application) should be set;
- (d) target beneficiaries of the project should be working youths;
- (e) for effective use of resources, the project should set certain income and asset limits for applicants. A flexible indicator that can benefit more young people is probably the 75th percentile of the monthly employment earnings of employed persons aged 18-30¹. As for assets, the limit can fall between the total net asset limit for single applicants for public rental housing (HK\$193,000) and the asset limit for single applicants under the former Home Ownership Scheme (HK\$265,000). In addition, an applicant shall not own solely or jointly any residential property in Hong Kong, or hold any residential property in Hong Kong through a company;
- (f) from the perspective of youth development, this project aims at encouraging young people to better equip themselves when they just join the workforce rather than addressing their long-term housing needs. The tenancy should therefore last only for a specific period of time. To facilitate turnover of hostel places, tenancy may be modelled in such a way that tenants will be offered the most favourable concessionary rent for the initial 2-3 years of tenancy after which a less favourable rate will be applied for the renewal of 1-2 year tenancy;
- (g) given that sites available for this purpose are found in different districts and the operating costs of NGOs vary, there should be flexibility in the fixing of rent; and
- (h) it would be desirable to provide some shared area and facilities for youth activities to meet youth development needs when providing the hostel places.

Source: LC Paper No. CB(2)262/11-12(02)

¹ According to the information provided by the Census and Statistics Department, the 75th percentile of the monthly employment earnings of employed persons aged 18-30 in 2010 is HKD\$14,000.

Appendix II

Press Releases

Opening remarks by SHA at joint press conference (with video)

Following is the transcript of opening remarks by the Secretary for Home Affairs, Mr Tsang Tak-sing, at a joint press conference held at Central Government Offices, Tamar today (July 16):

The Home Affairs Bureau has all along been working closely with NGOs in promoting youth development, including discussions on the provision of youth hostels. We are of the view that housing is a crucial factor in supporting young people to achieve independence. To implement the Chief Executive's Manifesto, in response to the NGOs' plan to build youth hostels at their GIC (Government, Institution or Community) sites, the Government will earmark funds for fully subsidising the construction cost of these hostels. The aim is to supply 3,000 units for youths.

As an initial thinking, the target beneficiaries are mainly working singletons and a small number of married couples aged from 18 to below 35. The income level of a singleton applicant should not exceed the 75th percentile of monthly employment earnings, that is around HK\$17,000, and the limit for a two person household would be twice this level. The total net asset limit of a singleton applicant should not exceed HK\$265,000.

The rental level of these hostel units should not exceed 50 to 60 per cent of the market rent of flats with similar conditions in the nearby areas. The first tenancy agreement should be at least two years, to be renewed for one or two years. But the total tenancy period should not exceed five years so that more youths could be able to benefit under the scheme.

Over the past few years, the Social Enterprise (SE) sector in Hong Kong has achieved considerable development. In his Manifesto, the Chief Executive suggested setting up the Social Enterprise Development Fund. We plan to seek a funding of HK\$500 million from the Lotteries Fund to set up this SE Development Fund. This is designated to release loans to Social Enterprises, or serve as a loan guarantee. We will study the experiences of Microfinance Schemes and liaise with all relevant parties, with a view to enabling SEs to operate successfully and develop healthily according to market principles.

Ends/Monday, July 16, 2012
Issued at HKT 19:44

NNNN

**Relevant papers on
Youth Hostel Scheme**

Committee	Date of meeting	Paper
Legislative Council	12.10.2011 (Item II)	Agenda 2011-12 Policy Address
Panel on Home Affairs	14.10.2011 (Item III)	Agenda Minutes
Panel on Home Affairs	15.11.2011 (Item IV)	Agenda CB(2)262/11-12(02) Minutes
Legislative Council	16.7.2012	Official Record of Proceeding Page 20280
Panel on Home Affairs	18.1.2013 (Item IV)	Agenda Administration's paper on "2013 Policy Address - Policy Initiatives of Home Affairs Bureau"

Council Business Division 2
Legislative Council Secretariat
 7 February 2013