

LCQ19: Cash Allowance Trial Scheme

Following is a question by the Hon Luk Chung-hung and a written reply by the Acting Secretary for Housing, Mr Victor Tai, in the Legislative Council today (June 21):

Question:

The Government launched a three-year Cash Allowance Trial Scheme (CATS) in late June 2021 to provide cash allowance (allowance) to eligible persons, so as to alleviate the difficulties in livelihood faced by grass-roots families who have been waiting for public rental housing (PRH) for a long period of time. On the other hand, a survey has found that it is estimated that nearly 75 percent of CATS applicants may still not be able to move into PRH after two years, and that about 100 000 non-elderly single persons who have waited for PRH for less than three years currently cannot benefit from CATS. In this connection, will the Government inform this Council:

(1) of the number of beneficiaries in each year since the launch of CATS, and the PRH waiting time of CATS applicants; among the beneficiaries, the number of those whose allowance has been terminated but still have not yet been allocated PRH flats;

(2) whether it will consider increasing the amount of allowance in line with inflation, and extending the period of time for which the allowance is provided under CATS (e.g. granting the allowance to the applicants until they move into PRH); if so, of the details; if not, the reasons for that;

(3) whether it will consider expanding the target beneficiaries of CATS to cover non-elderly single persons who are currently waiting for PRH; if so, of the details; if not, the reasons for that; and

(4) as there are views pointing out that CATS is the only financial assistance measure aimed at relieving the housing pressure of tenants of subdivided units, but some tenants are excluded from the scheme due to their not meeting the eligibility criteria and thus become low-income households not living in public housing and not receiving Comprehensive Social Security Assistance (commonly known as "N have-nots households"), whether the Government will, without affecting the implementation of CATS, reintroduce the one-off living subsidy provided to N have-nots households; if so, of the details; if not, the reasons for that?

Reply:

President,

The Government launched the three-year Cash Allowance Trial Scheme (the Scheme) in late June 2021 to provide cash allowance to eligible public rental housing (PRH) General Applicant (GA) households (i.e. applicant households

with two or more persons, and applicants under the Single Elderly Priority Scheme) who are not living in PRH, not receiving Comprehensive Social Security Assistance (CSSA), and have waited for PRH for more than three years but have not been offered the first PRH allocation, with a view to relieving the pressure on livelihood of grassroots families who are waiting for PRH allocation. In consultation with the Home and Youth Affairs Bureau (HYAB) and the Labour and Welfare Bureau (LWB), our consolidated reply to the various parts of the question raised by the Hon Luk Chung-hung is as follows:

(1) As at end April 2023, the Housing Department (HD) had disbursed a total of around \$3.04 billion in cash allowance to about 87 700 eligible PRH GA households. The breakdown of the number of beneficiary households by financial year and by PRH waiting time is at Annex. Meanwhile, around 36 100 PRH GA households have ceased to receive cash allowance because they are no longer eligible (e.g. having received the first PRH flat offer, beginning to receive CSSA). Among these households, about 70 percent have been housed in PRH, about 20 percent have had their PRH applications cancelled or are no longer eligible for PRH allocation (e.g. having purchased a subsidised sale flat), and the remaining households are waiting for the second or third PRH flat offer.

(2) and (3) The cash allowance provided under the Scheme is not a "rental subsidy". However, given rent is a substantial part of the household expenditure of grassroots families, we have drawn reference from the Maximum Rent Allowance (MRA) under CSSA in determining the levels of cash allowance under the Scheme. The Government will also take into account the private housing rent index under the Consumer Price Index (A) when considering the adjustment of MRA. Following the review by the Social Welfare Department, the MRA which took effect from 1 February 2023 was kept at the same level as that in 2021.

Taking into account the Hong Kong Housing Authority's target to provide the first PRH flat offer to GA households at around three years on average, the Scheme is applicable to eligible PRH GA households who have been waiting for PRH for more than three years. Since non-elderly one-person applicants are subject to the Quota and Points System, the average waiting time target of around three years for the first PRH flat offer is not applicable to them. Hence, non-elderly one person applicants are not eligible for the cash allowance.

The Scheme runs on a trial basis for three years until mid-2024 and the Government will conduct a review at an appropriate time.

(4) According to the HYAB and the LWB, the Community Care Fund (CCF) launched a "One-off Living Subsidy for Low-income Households Not Living in Public Housing and Not Receiving CSSA" (hereunder referred to as "one-off living subsidy") Programme in 2020 to support low-income households who were not living in public rental housing and receiving CSSA and had not benefitted from the relief measures announced by the Government in August 2019. The then Chief Executive in 2019 Policy Address invited the CCF to disburse an extra round of "one-off living subsidy" so as to allow time for the Government to

complete the study on devising a scheme to provide a cash allowance on a regular basis by end-2020. In view that the two rounds of "one-off living subsidy" has achieved the target, i.e., to provide assistance to eligible low income households, the CCF will not launch the relevant programme again.