

**For discussion on
13 May 2024**

LEGISLATIVE COUNCIL PANEL ON PUBLIC SERVICE

**SUBCOMMITTEE TO FOLLOW UP ISSUES RELATING TO
BENEFITS FOR CIVIL SERVANTS,
RETIRED CIVIL SERVANTS AND ELIGIBLE PERSONS**

HOUSING BENEFITS FOR CIVIL SERVANTS

PURPOSE

This paper briefs Members on the provision of housing benefits for civil servants by the Government.

POLICY BACKGROUND

2. Civil service housing benefits are provided to eligible civil servants according to their respective terms of appointment, as well as the terms and conditions of relevant housing benefit schemes.

MAJOR HOUSING BENEFITS

3. Under the current arrangement, a non-accountable cash allowance is provided to civil servants offered appointment on or after 1 June 2000 (i.e. appointed on new terms) and on or above Master Pay Scale (MPS) Point 34 (or equivalent) as a condition of service. As for eligible officers below MPS Point 34 (or equivalent), housing benefits will be provided on a discretionary basis subject to the availability of resources. Such housing benefits include departmental quarters (DQs) for the disciplined services, cash allowance provided subject to a quota system and the Civil Service Public Housing Quota (CSPHQ) Scheme targeted at junior civil servants. Officers must meet the eligibility criteria and terms of individual schemes mentioned above. Major housing benefits currently provided to civil servants are detailed in paragraphs 4 to 15 below.

(I) Non-accountable Cash Allowance Scheme

4. The Finance Committee of the Legislative Council approved on 26 May 2000 the introduction of the Non-accountable Cash Allowance (NCA) Scheme for eligible officers appointed on new terms to replace the housing benefit schemes applicable to civil servants offered appointment before 1 June 2000. The provision of cash allowance on a non-accountable basis provides staff with greater flexibility in using the allowance, making the scheme simple to administer and hence enhancing operational efficiency. Such practice and arrangement are broadly in line with those in the private sector.

5. In view of the non-accountable nature of the cash allowance and on practical management consideration, this housing benefit is de-linked from the marital status of eligible officers, and the rules on prevention of double housing benefits¹ and the live-in requirement are generally not applicable. In other words, an eligible officer and his/her spouse may receive housing benefits provided by their employers concurrently, and the officer or his/her spouse may also receive public housing benefits at the same time².

6. The NCA is payable to eligible officers for a maximum aggregate period of 120 months during their service with the Government. Eligible officers appointed on new terms and on or above MPS Point 34 or equivalent will be provided with the allowance as a condition of service. For officers on MPS Points 22 to 33 or equivalent with at least three years of continuous service, or officers below MPS Point 22 or equivalent with at least 20 years of continuous service, the allowance will be provided subject to a quota system providing an annual quota of 1 800.

7. The rates of NCA are determined based on the year in which an applicant commences to draw the allowance and his/her salary point at the time. With effect from 1 April 2024, the NCA rates range from \$2,510 to \$56,630 per month (depending on the salary point of the applicant). The rates are adjusted annually with reference to the movements in property prices and the Composite Consumer Price Index.

¹ Officers offered appointment before 1 June 2000 are subject to the rules on prevention of double housing benefits, including (1) they may not enjoy both civil service housing benefits and public housing benefits at the same time; and (2) no married couple may receive more than one housing benefit at any one time irrespective of whether or not such benefit is provided by the Government. For officers appointed on new terms who meet the terms and conditions of the NCA Scheme, they are not subject to the above requirements for receiving the NCA, i.e. the officer and his/her spouse may receive the allowance at the same time.

² Although the rules on prevention of double housing benefits are not applicable to NCA, based on the principle of fairness, an officer appointed on new terms may only be provided with one form of housing benefit under his/her fringe benefits. For instance, eligible junior civil servants who have acquired any public housing benefits under the CSPHQ Scheme will no longer be eligible for the NCA Scheme.

(II) Civil Service Public Housing Quota Scheme

8. The CSPHQ Scheme is a discretionary housing benefit under which eligible junior civil servants³ and rank and file officers of the disciplined services may apply for public rental housing (PRH) flats or Green Form Certificates (GFCs) applicable to purchase of flats under subsidised sale flat schemes. Such schemes include the Home Ownership Scheme (HOS), HOS Secondary Market Scheme and Green Form Subsidised HOS. Whether an eligible officer can be allocated a quota is mainly affected by the number of quota and the officer's relative priority among other applicants.

9. Since 2006/2007, the normal annual quota under the CSPHQ Scheme has been maintained at 1 000 PRH flats and 500 GFCs. In view of the large number of applicants under the CSPHQ Scheme, the Civil Service Bureau has been maintaining communication with the Housing Department on the number of quota. Taking into account the equally keen demand for public housing from the public, after balancing various factors, the Subsidised Housing Committee of the Hong Kong Housing Authority agreed to increase the GFC quota under the CSPHQ Scheme. From 2020/2021 to 2027/2028, an additional of 250 GFC quota places are provided annually, making a total of 750 quota places each year.

(III) Other Housing Benefit Schemes Applicable to Civil Servants Offered Appointment before 1 June 2000

10. Housing benefits are provided to civil servants offered appointment before 1 June 2000 according to their terms of appointment, salary, length of service, as well as the terms and conditions of individual housing benefit schemes. Apart from departmental quarters and the CSPHQ Scheme mentioned above, major applicable housing benefit schemes also include the Home Financing Scheme, Home Purchase Scheme, non-departmental quarters and Private Tenancy Allowance. Information on these housing benefit schemes is set out at **Annex**.

(IV) Departmental quarters for the disciplined services

11. It is the Government's established policy to provide DQs to married disciplined services staff subject to the availability of resources, in order to attract, retain and motivate staff to work in the disciplined services. As at 1 April 2024, a total of about 31 200 married disciplined services staff in the Correctional Services Department, Customs and Excise Department, Fire Services Department, Government Flying Service, Hong Kong Police Force and Immigration

³ Officers on or below MPS Point 21 and not on a rank scale reaching MPS Point 25 or equivalent; or officers on Model Scale 1 Pay Scale.

Department were eligible for DQs. Currently, there are in total about 25 000 DQ units available for allocation, with 80% of the demand met.

Construction Plan of DQs for the disciplined services

12. The Government is aware of the strong demand for DQs in the disciplined services. The Security Bureau (SB), in conjunction with the departmental managements of the disciplined services as well as the relevant policy bureaux and departments, have always been actively exploring various options to increase the supply of DQs, such as constructing new DQs, reallocating vacant or surplus units, redeveloping existing DQs, raising the plot ratio of sites earmarked for DQs development, and relaxing the building height restrictions of the sites.

13. Over the past three years, a total of three DQs development projects⁴ was completed for intake, providing 2 007 units in total. Currently, the relevant departments are pressing ahead with three DQs development projects⁵ which have already secured project funding. It is expected that a total of 978 units will be progressively completed for intake between the years 2024 and 2028. In addition to the projects under construction, SB and the disciplined services have been actively launching other DQs development projects, including commencing preliminary works (such as planning application, design and consultation), conducting studies and preliminarily reserving land in new development areas for constructing DQs.

Improvement of existing facilities of DQs

14. In recent years, the Government has received quite some views proposing an increase in parking spaces and electric vehicle (EV) charging facilities in the carparks of DQs. As such, in 2021, SB instructed the disciplined services and the Architectural Services Department to jointly examine the provision of additional parking spaces in the existing DQs. Inspections and technical feasibility studies have shown that additional parking spaces can be provided to 16 DQs, and the relevant improvement works in 11 of them were already completed. As regards the provision of EV charging facilities, SB is implementing a pilot programme on the installation of such facilities. At present, EV charging facilities are installed and available for residents' use in two DQs. SB and the disciplined services are proactively piloting the installation in another 16 DQs. Among them, electricity supply and installation works are being carried out in six DQs and are expected to be completed progressively in the second quarter of 2024.

⁴ Pak Shing Kok Married Quarters of the Fire Services Department, Junior Police Officers Married Quarters at Fan Garden, and Sheung Fung Street Customs Staff Quarters.

⁵ Po Lam Road Disciplined Services Quarters, Fire Station-cum-Ambulance Depot with Departmental Quarters in Area 72, Tseung Kwan O, and the Redevelopment of Western Police Married Quarters.

15. The network infrastructure of DQs for the disciplined services is also one of the concerns of the disciplined services staff. As at April 2024, almost 95% of the DQ units were covered by fibre-based networks. Considering that some relatively remote or old DQs have not been connected to fibre-based networks, SB instructed the disciplined services to procure 5G wireless routers for households therein in 2022. The households may register for suitable 5G service plans on their own for access to internet connection at home through the said routers.

NEXT STEP

16. The CSPHQ Scheme is set up to provide, on a discretionary basis, a better opportunity for junior civil servants to obtain public housing. We have been continuously reviewing the implementation of the CSPHQ Scheme and introducing improvements where feasible. Given the current tight supply of public housing, the Government has to strike a balance between the demand of civil servants and public needs and expectations.

17. As regards DQs, the Government will continue to explore various options proactively to increase the supply of DQs for the disciplined services and monitor the construction progress of DQs development projects in its endeavour to meet the demand for DQs from the disciplined services staff. At the same time, we will continue to improve the facilities and equipment in newly-built DQs. As for EV charging facilities, in accordance with the requirements set out in the updated Joint Circular on Green Government Buildings, all parking spaces for private cars, motorcycles and light goods vehicles (whether indoors or outdoors) within the boundaries of new DQs will be fully equipped with medium EV chargers. Drawing on our experience in the pilot programme, we will continue to promote the installation of EV charging facilities in the existing DQs.

ADVICE SOUGHT

18. Members are invited to note this paper.

Civil Service Bureau
April 2024

Major Housing Benefit Schemes
Applicable to Officers Offered Appointment before 1 June 2000

Name of Scheme	Content of Scheme
Home Financing Scheme (a condition of service)	• Applicable to eligible officers offered appointment before 1 June 2000 (excluding those offered appointment on overseas terms on or after 1 October 1990) and on or above MPS Point 34 or equivalent. • Under the scheme, eligible officers may receive a monthly allowance for a maximum aggregate period of 120 months of which 50% is accountable and shall be used either for repaying the mortgage loan on a residential property in Hong Kong or renting accommodation in Hong Kong for the initial two years from the commencement date of receipt of the allowance; and the other 50% is non-accountable. • If the relevant requirements are met, the officer may also apply for a downpayment loan limited to 30% of the cost of the property or 24 months of his/her salary, whichever is the lesser. • Officers in receipt of the allowance shall comply with the rules on prevention of double housing benefits and the live-in requirement.
Home Purchase Scheme (provided on a discretionary basis subject to the availability of resources)	• Applicable to eligible officers offered appointment before 1 June 2000 and on MPS Points 22 to 33 or equivalent with at least three years of continuous service, or below MPS Point 22 or equivalent with at least 20 years of continuous service. Application for the scheme should be made under a quota system. • Under the scheme, successful applicants may receive a fully accountable monthly allowance for a maximum aggregate period of 120 months to repay the mortgage loan on a residential property in Hong Kong. • If the relevant requirements are met, the officer may also apply for a downpayment loan limited to 30% of the cost of the property or 24 months of his/her salary, whichever is the lesser. • Officers in receipt of the allowance shall comply with the rules on prevention of double housing

Name of Scheme	Content of Scheme
	benefits and the live-in requirement.
Non-departmental Quarters (NDQ) (a condition of service)	• Applicable to eligible overseas officers or local officers on or above MPS Point 45 or equivalent offered appointment before 1 October 1990. • Eligible officers may be provided with NDQ. • Officers provided with NDQ are required to pay 7.5% of salary as rent to the Government and comply with the rules on prevention of double housing benefits and the live-in requirement.
Private Tenancy Allowance (a condition of service)	• Applicable to eligible overseas officers or local officers on or above MPS Point 34 or equivalent offered appointment before 1 October 1990. • A fully accountable monthly allowance is payable for renting private accommodation in Hong Kong. Officers are required to pay 7.5% of salary as rent to the Government. • Officers in receipt of the allowance shall comply with the rules on prevention of double housing benefits and the live-in requirement.