

## Executive Summary

### Direct Investigation into Method of Calculation of Waiting Time for Public Rental Housing and Release of Information

#### Background

Public rental housing (“PRH”) is Government subsidised housing provided to citizens who cannot afford private rental accommodation. In recent years, the increasing number of PRH applications and the prolonged waiting time has become a matter of considerable public concern.

2. Over the years, the Government’s target has been to maintain the waiting time at around three years for general applicants<sup>1</sup>. This target of “housing allocation within three years” has gradually formed the basis of public expectation. The data provided by the Hong Kong Housing Authority (“HKHA”) show that the Average Waiting Time (“AWT”) for general applicants has maintained at around three years in the past few years. However, the Office of The Ombudsman has received from time to time complaints about not getting an allocation after waiting for more than three years. Moreover, in handling individual complaint cases, we noticed that the waiting time for some applicants have far exceeded three years. As such, The Ombudsman decided to initiate a direct investigation into the method of calculation of waiting time for PRH and the release of information by the Housing Department (“HD”), the executive arm of HKHA.

#### Targets for Waiting Time for General Applicants

3. In line with the Government policy objectives and to monitor the effectiveness of PRH allocation, HKHA has set the targets for waiting time for general applicants at three years and for those elderly one-person applicants among them at two years.

#### Defining and Deriving the AWT and Release of Information

4. According to HKHA/HD, waiting time refers to the time taken from the date on which an application for PRH is registered to the first flat offer made to the applicant. The AWT for general applicants refers to the average of the waiting time for family applicants and those elderly one-person applicants housed to PRH in the past 12 months. Within five weeks after each quarter, HD releases the latest AWT for general applicants and for those elderly one-person applicants among them.

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<sup>1</sup> General applicants include: (1) family applicants; and (2) elderly one-person applicants.

5. General applicants actually cover the following five types of applications:
- (1) Ordinary Families;
  - (2) Single Elderly Persons Priority Scheme (i.e. applications by elderly one-person applicants);
  - (3) Elderly Persons Priority Scheme;
  - (4) Harmonious Families Priority Scheme; and
  - (5) Express Flat Allocation Scheme.

6. For Type (1), Ordinary Families, there is no “priority” or “express” arrangement in the allocation of PRH. Yet, the AWT for general applicants released by HD covers all the five types.

7. Moreover, HD provides an update on the Allocation Status on the 15th day of each month for public information. The Allocation Status shows the approximate highest numbers of PRH applications under vetting and of those that have accepted flat offers. Since 2011, HD has also conducted a yearly analysis of the housing situation of general applicants and submit a report to the Subsidised Housing Committee (“SHC”) of HKHA for deliberation. The report, which can be found in HKHA’s Paper Library, includes information such as the distribution of waiting time calculated on the basis of family size and selected district, and the supply of PRH units.

## **Our Findings and Recommendations**

### ***HD unwilling to break down and provide AWT for different types of applicants***

8. HD includes all the five types of applications in calculating the AWT for general applicants. However, each type of applications is accorded a different priority. We believe that if Types (2) to (5), which are applications with “priority”/“express” arrangement, are to be excluded from the calculation, the AWT for Ordinary Families will be longer than the overall AWT released by HD.

9. During our investigation, we have suggested that HD provide the AWT for each type of applicants. If there is any difficulty in doing so, HD should at least provide the AWT for those family applicants after excluding those elderly one-person applicants. We have also requested HD to provide the AWT data for each type of general applicants so that the AWT for Ordinary Families can be derived after excluding the elderly one-person applicants and those “Priority” and “Express” schemes. However, HD could not provide such data.

10. We consider that HD’s calculation is too generalised and the AWT provided for general applicants cannot reflect the real situation. In particular, such information can easily mislead applicants from Ordinary Families, and may attract complaints and criticisms of creating a false image of “housing allocation within three years”.

### ***HD unwilling to release more information on PRH waiting time***

11. HD is in possession of some crucial data on various factors affecting the waiting time, such as applicants' district choice, their household size and the forecast supply of PRH units (see **para. 7** above). While such information is not confidential, the general public or PRH applicants may not know where to obtain the information, nor will they all read the housing situation analysis report in detail. Therefore, during our investigation process, we have suggested that HD make an extra effort by collating the key information and releasing it through publicity channels after completing the analysis report every year.

### ***HD unwilling to publish information on second and third flat offers***

12. HKHA has not set any target regarding the waiting time for valid allocation of the second and third flat offers. In one complaint case received by this Office, we note that the applicant received the first offer within three years, which is in line with the allocation target. However, after refusing the offer without "acceptable reasons", the applicant was yet to receive the second offer after having waited another two years and five months. Overall, the applicant had already been waiting for nearly four years.

13. The waiting time may be prolonged if the applicants refuse a flat offer without "acceptable reasons". In deciding whether or not to accept the first offer, if the applicants are fully aware that no target is set for the waiting time of the second and third flat offers, and that they may need to wait a certain period of time before getting the next offer, they would then think more seriously before they refuse the first offer. Therefore, we consider that HD should state in its publicity materials on PRH application that there are no waiting time targets for the second and third flat offers. HD should also provide the AWT in the past year for the second and third offers as far as possible for applicants' reference.

## **HD's Comments and Our Responses**

### ***HD unwilling to break down and provide AWT for different types of applicants***

14. HD has explained that since HKHA only sets AWT targets for general applicants and those elderly one-person applicants, the AWT should be published on an overall basis (i.e. covering Types (1) to (5) in **para. 5** above) for assessing whether it can meet the target of "housing allocation within three years".

15. For PRH applicants registered on the Waiting List but are yet to receive an offer, HD reckons that it is difficult to estimate how long they still have to wait because PRH allocation is subject to a variety of factors, including the number of applications made by families of the same size within their selected districts, the supply of newly built and renovated PRH units in different districts, and whether applicants with higher priority on the Waiting List accept their allocated flats. HD considers that the latest allocation

status updated on the 15th day of each month will probably be more useful to the applicants. HD also stresses that the AWT is an average figure. So it is inevitable that some PRH applicants have to wait longer than the average time, while some others may just have a shorter wait.

16. In our view, if HD merely provides a generalised, overall AWT figure, applicants can only assess their own cases using that figure. Where there is a discrepancy between their “expectation” and the real situation, they will naturally feel aggrieved. We have received from time to time public complaints alleging that HD has failed to adhere to its pledge of “housing allocation within three years”, such that they are not allocated a PRH unit after prolonged waiting. In some complaint cases, the complainants were yet to receive the first offer after waiting more than seven years. Without realizing the real meaning of the so-called AWT, PRH applicants will inevitably feel indignant when there is no sign of allocation after waiting more than three years. Their complaints are indeed understandable.

17. We have reservations about HD’s reluctance to break down and provide the AWT for different types of general applicants. As a matter of fact, all applicants are anxious to know, or at least have some idea about, when they can be allocated a PRH unit. The AWT for different types of applicants can better reflect the real situation, providing useful reference for PRH applicants, especially those applicants from Ordinary Families who have no benefits from any “Priority” or “Express” schemes to plan for their own housing arrangements.

#### ***HD unwilling to release more information on PRH waiting time***

18. HD indicates that the Analysis of Housing Situation of General Applicants for PRH (“the Analysis Report”) is only intended for discussion at the SHC of HKHA, not for applicants on the Waiting List to estimate their waiting time. Besides, the overall situation of PRH applicants is ever-changing. For instance, some applicants may change the number of family members or their selected district while waiting for an allocation, while some applicants may have their applications cancelled at the stage of detailed vetting because their income level exceeds the prescribed limit. Moreover, there are constantly new applicants being added to the Waiting List and existing applicants being removed from the List upon housing allocation. As the analysis is conducted only once a year, it cannot reflect the latest situation. As such, HD considers that the information in the Analysis Report may not help PRH applicants to make decisions most favourable to them.

19. Furthermore, HD considers that the trends reflected in the past data may not be indicative of the future. If the Department is to derive separately an AWT for each type of PRH applicants, the applicants may then be misled and try to change their household size, selected district, etc. In case such changes eventually prolong their waiting time, the applicants will be in a more disadvantageous position.

20. This Office cannot agree with HD's argument that such information may not be useful to PRH applicants. Even if the data merely reflect the trend of the year past and are not indicative of the future, it does not mean that they are of no reference value. As a matter of fact, many plans are made with past trends as important reference. Besides, an open and accountable government would never cite "the information may not be useful to the public" as a reason for refusing to release information. We cannot see how the information would mislead PRH applicants either. If HD is worried about any possible misunderstanding that may arise, it can add explanatory notes to such information when it is released. In short, HD's refusal to make an extra effort is in conflict with the Government's spirit and endeavours in maintaining openness and transparency and that is undesirable.

### ***HD unwilling to publish information on second and third flat offers***

21. HD points out that while eligible PRH applicants can have three chances of allocation, they are actually given the opportunity for housing on the first flat offer. Whether or not to accept an offer is strictly a personal decision of the applicant and beyond HD's control. On the other hand, when an applicant who has rejected a previous flat offer will get another offer depends on a number of factors (see **para. 15** above). Owing to the different circumstances of individual applicants, their time of getting another offer may vary greatly. As such, HD considers that the AWT data concerning the second or third flat offers would be of little reference value to PRH applicants.

22. This Office, however, is of the opinion that release of information on the second and third flat offers should be useful in helping applicants to make a serious and prudent decision on receiving the first offer.

### **Our Final Comments and Recommendations**

23. This Office has examined from an administrative point of view the question of transparency in HD's calculation of the waiting time for PRH applicants. This issue coincides with one of the topics covered in the Director of Audit's Report No. 61 issued by the Audit Commission in October 2013, and our conclusion is similar to that in the Report, i.e. HD lacks transparency in its release of information concerning PRH waiting time. The information mentioned above can help PRH applicants to understand better the operation of the Waiting List and can, therefore, help reduce complaints and grievances resulting from prolonged waiting time. HD should, in the spirit of openness and accountability, release such AWT-related information as far as possible. We would consider it really misleading to PRH applicants if HD insists on releasing overall data that cover all types of applicants simply for assessing whether its target of "housing allocation within three years" can be met.

24. In the light of the above, The Ombudsman recommends that HD re-examine its justifications for non-disclosure of further information with regard to the following areas and submit the results to HKHA for further deliberation:

- (1) to calculate separately and provide an AWT for each of the different types of applicants (see **para. 5** above). If this cannot be done in one move, HD should at least calculate and provide the AWT for other family applicants after excluding those elderly one-person applicants. The information thus derived would then be more practical and realistic. Relevant stakeholders (e.g. PRH applicants) should be consulted where warranted;
- (2) to collate the information mentioned in **para. 7** above concerning the distribution of waiting time calculated on the basis of family size and selected district, and the supply of PRH units as contained in the Analysis Report. The information should be uploaded to the “Flat Application” webpage for public reference; and
- (3) to explain in the Application Guide for PRH that there are no waiting time targets for the second and third flat offers. AWT data for the second and third offers of the past year should also be provided as far as practicable.

**Office of The Ombudsman**  
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