

# LegCo Secretariat releases Research Brief on “Characteristics of low- and lower-middle-income households”

The following is issued on behalf of the Legislative Council Secretariat:

The Legislative Council Secretariat (the Secretariat) today (August 4) released a Research Brief on "Characteristics of low- and lower-middle-income households".

The Government identified three groups for targeted poverty alleviation earlier this year to strengthen support to the relevant populations. Among these groups, for all-elderly households that comprised about 560 000 persons, around two-thirds of them were low-income households (defined as households belonging to the lowest quintile group of household income); regarding households residing in subdivided units and single-parent households, with each group covering about 210 000 persons, both groups had some 40 per cent being lower-middle-income households (i.e. households in the second lowest quintile group of household income). The Research Brief made use of the detailed data on household characteristics collected in the 2021 Population Census and compared that with the statistics of the past 25 years, with a view to understanding the situations and challenges faced by the low-income and lower-middle-income households.

Among low-income households, the proportion of economically inactive households doubled over the past 25 years from 33.8 per cent to 74.1 per cent in 2021, representing 396 000 households. An ageing population led to a significant increase in the number of all-elderly households between 1996 and 2021, from 86 000 to 253 000 (239 000 of which were economically inactive households). Concurrently, among low-income households with non-elderly members, the number of economically inactive households also tripled from 50 000 to 157 000.

The absence of employment earnings among economically inactive households was an important factor leading to stagnant income for low-income households (monthly income of the tenth percentile household actually declined about 17 per cent from HK\$5,700 in 2016 to HK\$4,700 in 2021). As income of middle-income and high-income households basically showed an upward trend, a widening income disparity ensued.

Meanwhile, among the aforementioned 157 000 low-income, economically inactive households, there were some 200 000 household members who were of working-age but economically inactive. For 40.8 per cent of them or 81 300 who were homemakers and early retirees, they resided in households without any fellow household members being such care recipients as children, older long-term care recipients or persons with disablement/sickness. Insights on their reasons for not participating in the labour market, combined with practical help to overcome the relevant obstacles, might improve the income

situation of these households as well as release some potential labourers into the local labour market.

With various poverty alleviation policies implemented, Government expenditure on recurrent cash benefits grew significantly when compared with the 1996-1997 fiscal year, to HK\$75.7 billion in the 2022-2023 fiscal year. More specifically, elderly-related recurrent cash benefits including Old Age Living Allowance were the main drivers, with total expenditure stood at HK\$37.3 billion in the 2022-2023 fiscal year, a figure equivalent to more than 12 times that in the 1996-1997 fiscal year. Together with a number of new or enhanced recurrent cash benefit schemes launched by the Government in recent years, the added expenditure on one hand somewhat offset the negative impact of reduced employment earnings of low-income households, but on the other hand raised much concern over the sustainability of social welfare expenditure especially when the relevant recurrent expenditure is set to become the largest among policy area groups by the 2023-2024 fiscal year.

Regarding housing situation, there were about 170 000 low-income and lower-middle-income households that were accommodated in private rental housing in 2021, hence inevitably impacted by rising rents of private flats. Among low-income households with non-elderly members, the median rent-to-income ratio for economically active households that were renting private flats jumped to 93.1 per cent in 2021, or 2.4 times the level in 2011, and the corresponding median for lower-middle-income households was also noticeable at 42.8 per cent. Such data suggests that the burden from housing expenditure was considerable for these households living in rented private housing.

The Research Brief is prepared by the Secretariat's Research Office of the Research and Information Division with a view to enhancing research and information support for Members. It is a concise summary aiming at explaining a subject matter which may be of interests to Members and the general public. The Research Brief is now available on LegCo website at [app7.legco.gov.hk/rpdb/en/uploads/2023/RB/RB02\\_2023\\_20230804\\_en.pdf](http://app7.legco.gov.hk/rpdb/en/uploads/2023/RB/RB02_2023_20230804_en.pdf).

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## **Interest on Tax Reserve Certificates**

The Government Gazette published today (August 4) contains a Legal Notice to the effect that the Secretary for Financial Services and the Treasury has authorised a change in the rate of interest payable on Tax Reserve Certificates. From August 7, 2023, the new annual rate of interest will be 0.8833 per cent against the current rate of 0.8083 per cent, i.e. the new rate will be \$0.0736 per month per \$100.

Tax Reserve Certificates bear simple interest, and interest is calculated monthly (including part of a month) from the date of purchase to the date of payment of tax.

Interest is only credited when certificates are used to pay tax and no interest is due where the principal value of a certificate is repaid to its holder.

The rate of interest payable on Tax Reserve Certificates is periodically revised in line with the market trend. Currently, it is reviewed every month based on the average prevailing interest rate for the 12-month time deposit for \$100,000 to \$499,999 offered by the three note-issuing banks.

The new rate will apply to all certificates purchased on or after August 7, 2023. Certificates purchased before August 7, 2023, will continue to earn interest at the rates prevailing on their respective purchase dates. Below is a summary of the interest rates for the past periods:

For certificates purchased on or after November 7, 2022, and before December 5, 2022:	0.3167 per cent per annum
For certificates purchased on or after December 5, 2022, and before January 3, 2023:	0.4000 per cent per annum
For certificates purchased on or after January 3, 2023, and before March 6, 2023:	0.5833 per cent per annum
For certificates purchased on or after March 6, 2023, and before April 3, 2023:	0.7500 per cent per annum
For certificates purchased on or after April 3, 2023, and before June 5, 2023:	0.7667 per cent per annum
For certificates purchased on or after June 5, 2023, and before August 7, 2023:	0.8083 per cent per annum
For certificates purchased on or after August 7, 2023, until further notice:	0.8833 per cent per annum

This is always subject to the general rule that interest ceases to accrue after 36 complete months.

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**[TD reminds public of implementation of HKeToll in Western Harbour Crossing](#)**

## from 5am this Sunday

The Transport Department (TD) reminded the public today (August 4) that the HKeToll will be implemented in the Western Harbour Crossing (WHC) from 5am this Sunday (August 6). Motorists can drive through the toll plaza and pay tunnel tolls using the HKeToll without having to stop or queue at toll booths for payments. All manual toll booths and Autotoll lanes will be cancelled.

To tie in with the implementation of the HKeToll, temporary traffic arrangements will be implemented in phases in the vicinity of the WHC starting from 10pm on August 5. The speed limit on the West Kowloon Highway towards Hong Kong Island will be reduced to 70 kilometres per hour starting from Hoi Ying Estate, and will be reduced to 50km/h near Olympian City 1 and beyond. Both directions of the WHC and the slip roads leading to the WHC will be closed from 4am to 5am on August 6. During the closure of the WHC, two overnight franchised bus routes (Route Nos. N962 (Tuen Mun (Lung Mun Oasis) – Causeway Bay (Moreton Terrace)) and N969 (Tin Shui Wai Town Centre – Causeway Bay (Moreton Terrace)) will be diverted via the Cross-Harbour Tunnel (CHT). In accordance with the route diversion, the bus stops of the two bus routes (in both directions) at the WHC Toll Plaza will be temporarily suspended and at the same time, temporary bus stops will be added at the CHT Toll Plaza and Jordan Road (near Austin Station). Please refer to Annex 1 for the temporary traffic and public transport arrangements.

As of August 3, about 800 000 vehicle tags had been issued, accounting for about 98 per cent of licensed vehicles in Hong Kong, of which about 87 per cent had opened HKeToll accounts. The HKeToll collected tolls of about 300 000 vehicle trips on an average per day at the Tsing Sha Control Area, Shing Mun Tunnels, Lion Rock Tunnel and CHT.

With the progressive implementation of the HKeToll in government tolled tunnels this year, the TD once again appealed to vehicle owners to complete the three steps for the HKeToll service as soon as possible: (1) install a vehicle tag, (2) open an HKeToll account and (3) set up an automatic payment means, so as to fully enjoy the convenience of the HKeToll. Furthermore, the TD reminds that vehicle owners must pay the toll within 14 business days after passing through the tunnel. He/she can log on the HKeToll website ([hketoll.gov.hk](http://hketoll.gov.hk)) or mobile app to check the outstanding toll and pay, either by credit card or by following the instructions to generate a QR code to either pay via the Faster Payment System or at 7-Eleven convenience stores by cash. The HKeToll website provides a video to guide vehicle owners on how to pay outstanding tolls online. Payments of outstanding tolls can also be made at the four customer service centres and four service outlets.

If vehicle owners need assistance, they can browse the HKeToll website, call the 24-hour customer service hotline 3853 7333, or visit the four customer service centres, four service outlets, government car park service counters, and consultation counters located at designated MTR stations and Home Affairs Enquiry Centres in the District Offices. The locations and

service hours of the facilities are shown in Annex 2.

Following the WHC, the HKeToll will be implemented at the Eastern Harbour Crossing at 5am on August 27. Details of the temporary traffic and transport arrangements, and the one-off special refund arrangements for toll tickets will be announced separately.

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## [Hong Kong Customs combats provision of infringing karaoke songs by party rooms \(with photos\)](#)

Hong Kong Customs yesterday (August 3) conducted an enforcement operation codenamed "Magpie" in Kwun Tong, Lai Chi Kok and Tuen Mun to combat illegal activities involving party room operators providing infringing karaoke songs to customers in the course of business. A total of nine sets of karaoke players used for playing suspected infringing songs, one set of a game console with suspected pirated electronic games, and a batch of televisions and audio and video equipment were seized. The total estimated market value is approximately \$220,000.

Through intelligence analysis and with the assistance of copyright owners, Customs earlier identified a number of party rooms suspected of possessing and providing infringing karaoke songs to customers in the course of business. Customs officers then took enforcement action yesterday and raided nine party rooms in Kwun Tong, Lai Chi Kok and Tuen Mun. The batch of suspected infringing items and relevant equipment were seized.

During the operation, two men aged 20 and 24 were arrested for being suspected of contravening the Copyright Ordinance. Both of them are staff members. An investigation is ongoing and the two arrested persons have been released on bail pending further investigation.

Customs reminds business operators to comply with the Copyright Ordinance and to make enquiries to copyright owners on matters relating to the use of musical visual recordings in the course of business.

Customs will continue to step up inspection and enforcement to vigorously combat different kinds of infringing activities in order to safeguard the rights of copyright owners.

Under the Copyright Ordinance, any person, who without the licence of the copyright owner of a copyright work, possesses infringing copies of a copyright work for the purpose of or in the course of any trade or business with a view to it being used by any person commits an offence. The maximum penalty upon conviction is a fine of \$50,000 per infringing copy and



imprisonment for four years.

Members of the public may report any suspected infringing activities to Customs' 24-hour hotline 2545 6182 or its dedicated crime-reporting email account ([crimereport@customs.gov.hk](mailto:crimereport@customs.gov.hk)) or online form ([eform.cefs.gov.hk/form/ced002/](http://eform.cefs.gov.hk/form/ced002/)).



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## [Proposed road works for public housing development at A Kung Ngam Village gazetted](#)

The Government gazetted today (August 4) the proposed road works in Shau Kei Wan to serve the anticipated traffic demand induced by the public housing development at A Kung Ngam Village.

Details of the proposal are set out in the Annex. The plan and scheme of the works are available for public inspection at the following government offices during office hours:

Central and Western Home Affairs Enquiry Centre,  
G/F, Harbour Building,  
38 Pier Road, Central, Hong Kong

Eastern Home Affairs Enquiry Centre,  
G/F, Eastern Law Courts Building,  
29 Tai On Street, Sai Wan Ho, Hong Kong

District Lands Office, Hong Kong East,  
19/F, Southorn Centre,  
130 Hennessy Road, Wan Chai, Hong Kong

The gazette notice, scheme, plan, resumption plan and location plan are available at [www.tlb.gov.hk/eng/publications/transport/gazette/gazette.html](http://www.tlb.gov.hk/eng/publications/transport/gazette/gazette.html).

Any person who wishes to object to the works or the use, or both, is required to address to the Secretary for Transport and Logistics an objection in writing, which can be submitted via the following means:

- By post or by hand to the Transport and Logistics Bureau's Drop-in Box No. 6 located at the entrance on 2/F, East Wing, Central Government Offices, 2 Tim Mei Avenue, Tamar, Hong Kong. The box is available for use between 8am and 7pm from Monday to Friday (except public holidays);
- By fax to 2868 4643; or
- By email to [gazettetlb@tlb.gov.hk](mailto:gazettetlb@tlb.gov.hk).

A notice of objection should describe the objector's interest and the manner in which he or she alleges that he or she will be affected by the works or the use. Objectors are requested to provide contact details to facilitate communication. A notice of objection should be delivered to the Secretary for Transport and Logistics not later than October 3, 2023.