

# Ombudsman announces results of direct investigation operation into Government's work in combating abuse of public housing resources (with photos)

The following is issued on behalf of the Office of The Ombudsman:

The Ombudsman, Mr Jack Chan, today (January 22) announced the completion of a direct investigation operation into the Government's work in combating the abuse of public housing resources, with 31 major recommendations for improvement made to the Hong Kong Housing Authority (HKHA) and the Hong Kong Housing Society (HKHS).

The current-term Government has done a lot of work on housing policy. By adopting important strategies of enhancing speed, efficiency, quantity and quality, the Government has endeavoured to increase the supply of public rental housing (PRH) and shorten the waiting time for applicants. These measures have yielded significant results and deserve full recognition. In addition to increasing supply, combating PRH abuse is another key area of the Government's work. In recent years, various sectors of the community have formed a strong consensus supporting the Government in stepping up efforts to combat PRH abuse and increase penalties. The public unanimously recognises that precious PRH resources should be used rationally and focused on people and families with urgent housing needs.

Mr Chan said, "Housing has always been an issue of great concern to the people of Hong Kong. The Office is pleased that the current-term Government has adopted a determined attitude with a range of deepening reform measures to assist members of the public in need of housing to move to PRH and effectively shortening the waiting time, which is a manifestation of its firm commitment to the principle of Improve People's Livelihood in Pursuit of Happiness.

"After the Office initiated the direct investigation operation, the HKHA and the HKHS have taken the initiative to seriously review and implement the enhanced Well-off Tenants Policy. New measures to step up combating PRH abuse are also introduced in succession, such as exploring amendments to the Housing Ordinance for greater deterrent effect, establishing a data matching and verification mechanism with the Land Registry (LR), and launching the Report Public Housing Abuse Award. In respect of the new mechanism established between the HKHA and the LR, the land search fee has been significantly reduced, with the average fee per search dropping significantly from \$640 to around \$4. The HKHA has compared in batches about 358 000 cases of tenants' declarations of their residency status and ownership of residential properties in Hong Kong with the information in the LR, with a

view to more effectively detecting applicants and tenants who have withheld information on their properties. It precisely demonstrates that on the front of combating abuse and ensuring the rational use of PRH resources, the Office is highly aligned with the Government in both principles and actions, working together to address the urgent needs of those who have waited a long time for PRH, thereby enhancing the public's sense of happiness and contentment.

"Since the current-term Government took office in July 2022, the Housing Department (HD) has recovered more than 7 000 flats on the grounds of abuse or breaches of tenancy terms. The number of recovered flats has already exceeded the total number of flats in a large estate. The results are remarkable and deserve recognition and commendation from the community. I would like to recognise the positive attitude, correct approach and remarkable results of the HKHA and the HKHS in combating PRH abuse.

"To go the extra mile, there is still room for improvement on the part of the HKHA and the HKHS to ensure that their administrative work against PRH abuse is more precise, comprehensive and effective.

"I believe that most PRH tenants are law-abiding and good citizens; however, the minority of tenants who abuse public housing must not be tolerated by the Government. Having carefully examined the work of the HKHA and the HKHS in combating PRH abuse, the Office has made a number of recommendations, covering the applicable scope by the HKHS for the full implementation of the Well-off Tenants Policy, detection of abuse relating to 'income and assets declaration' and 'occupancy status', routine home visits, and the feasibility of increasing the deterrent effect with heavier penalties imposed on PRH abuse. The Office is pleased to note that the HKHA and the HKHS have generally accepted our improvement recommendations."

The Ombudsman's major recommendations for improvement to the HKHA and the HKHS include:

- remind estate management office staff to stringently scrutinise the particulars in the declaration forms submitted by tenants, to be more vigilant in clarifying suspicious or incomplete information, and to be more proactive in obtaining tenants' relevant information from other government departments or organisations where necessary;
- review whether there is any duplication of resources or the possibility of revamping the arrangement of routine home visits and other measures against PRH abuse, thereby ensuring that the measures for combating PRH abuse are complementary and more effective as a whole;
- explore ways to enhance communication with Mainland and Macao authorities and agencies, and establish channels, as far as practicable, for more convenient access to information about tenants' property ownership on the Mainland or in Macao;
- consider formulating specific incentive schemes to motivate staff members of property services agents and security services contractors to participate in combating PRH abuse;
- explore any possibilities for imposing heavier penalties on tenants for non-law-breaching PRH abuse cases, where the HKHA and the HKHS can still

impose additional sanctions through administrative measures to achieve greater deterrence;

- step up the collection and analysis of data relating to the crackdown on PRH abuse to gain a more comprehensive understanding of the actual situation, analyse the effectiveness of work, and adjust relevant strategies and enhancement measures; and
- consider conducting a land search on all PRH applicants through the data matching and verification mechanism established with the LR before confirming their eligibility for PRH allocation, rigorously screening them for any domestic property ownership in Hong Kong, and randomly selecting cases for in-depth investigation during the waiting period of PRH applicants, to intercept PRH abuse at the source.

The Ombudsman's major recommendations for improvement to the HKHA include:

- draw on experience and comprehensively review its strategies and policies to raise the prosecution rate, and explore ways to identify and collect sufficient evidence for prosecution within the limitation of time for prosecution, thereby enhancing deterrent effect and cost efficiency to the extent that tenants who have been abusing PRH will voluntarily surrender their flats.

The Ombudsman's major recommendations for improvement to the HKHS include:

- conduct a renewed study on the full implementation of the Well-off Tenants Policy, seek legal advice and seriously explore ways to cover all tenants of its rental estates under the policy as soon as possible;
- remind all staff to strictly adhere to the practice of issuing the Notice-to-Quit outright to tenants in serious breach of the tenancy agreement without prior warning, and review the implementation of the new practice in a timely manner;
- review the existing arrangements for accepting appointments for routine home visits; and
- consider liaising with the Social Welfare Department to set up a notification mechanism in the same way as the HKHA.

The full investigation report is available on the website of the Office of The Ombudsman at [www.ombudsman.hk](http://www.ombudsman.hk) for public information.

