



WORLD GREEN ORGANISATION
世界綠色組織

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Press Release (For Immediate Release)

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The Winter Solstice is just a day ahead when traditionally, Chinese people gather with their families and enjoy hearty meals. Sharing the same Hong Kong skyline are the less fortunate ones who simply strive to meet their basic needs. According to the latest survey by the World Green Organisation (WGO), over 210,000 households are living under the '**Energy Poverty Line**', which denotes households that spend more than 10% of their total family income on energy related fees such as electricity and gas tariffs. Considering there is a total of 2.37 million families in Hong Kong (in 2011), this means that every 1 in 11 families will be classified as 'energy-poor'. This situation will only worsen as the two power companies have announced electricity tariff increases at the turn of the year, pushing even more families under the **Energy Poverty Line**.

Electricity has become one of the basic needs of contemporary life. WGO recently analyzed the basic electricity needs of a two-person family to be 400 kilowatt/month (roughly equivalent to a monthly electricity tariff of HK\$400). Referring to HKSAR Census and Statistics Department's Census 2012, even when we include all social welfare beneficiaries (Social Security Assistance & Old Age Allowance), there are still 210,000 households in Hong Kong with a monthly income of less than HK\$4,000, among which 85,000 households earn less than HK\$2,000 per month. Their electricity use surpasses 10% of their total family income, so they can be categorized as 'energy-poor'.

The Chief Executive Officer of WGO Dr. William Yu pointed out that energy-poor households' had lousy living environments, highly limited living spaces, and bad air circulation makes them particularly susceptible to health related problems, yet direct and targeted assistance from the government has been non-existent. He also stressed that electricity subsidy cannot help this underprivileged group as they are paying their electricity fees to their landlords, who have no incentive to refund the government's electricity subsidy to their tenants. Some landlords are charging

HK\$1.29 per unit, which far exceeds the regular unit rate of HK\$0.987 for 30%. For this deprived group, the cost per unit is even higher than for normal families; in other words, improving energy efficiency of their households is even more important to them. Furthermore, Dr. Yu added that although the two power companies proposed rebate schemes for low electricity use households, these 'energy-poor' families are actually at the mercy of their landlords who are unlikely to pass on such 'rebates'. As a result, even more families will become 'energy-poor' with the increase in electricity costs in 2013.

Mr. Yip, aged 54, lives with his teenage daughter in a pig house turned shanty in Tuen Mun. He barely lives on SWD's monthly SSA of HK\$4,420, while his monthly electricity tariff of HK\$90 and HK\$400 for LPG cylinders has eaten up more than 10% of his income. To save energy use (which translates to less money spent), he adopts several strict measures which include avoiding the use of electricity appliances and lights by making an errand of 6 hours per day to nearby parks; leaving open the front door and using a fan instead of air-conditioning during the summer. Only when the heat becomes intolerable would he turn on his A/C for just an hour: "I'd rather save the money to buy more veggies!" he said. He further stated that he realizes the landlord is charging HK\$1.29/unit, which is more expensive than the standard market rate. But sadly he cannot do anything about it and the landlord already said that the rise in charges reflects the actual tariff increase.

In response to the fact that these underprivileged groups cannot benefit from the electricity subsidy and that the landlords are charging higher tariffs, Dr. Yu has made the following suggestions:

- 1) Relevant government departments should increase the frequency and depth of inspection to ensure the electricity installations are up to standard;
- 2) Relevant government departments should provide loans to landlords to install proper electricity setups, while power companies should set up separate ammeters for low-income tenants to avoid overcharging by landlords while the deprived group can also enjoy the electricity subsidy;
- 3) The government should request the power companies to help improve the

energy efficiency of low income families, by doing so they can achieve the carbon reduction target set by the government, while also help in poverty alleviation;

- 4) The government should include the energy poverty issue in its Policy Address and begin research on remedy;
- 5) Partner with different organisations and volunteers to provide suggestions on how to achieve energy efficiency and fuel cost reductions.

Dr. Catherine Kwong, Chief Executive of the Urban Peacemaker Evangelistic Fellowship Ltd. said these underprivileged groups would adopt the strictest measures to save energy. Frontline social workers who paid visits to these low-income families found that some of the elderly do not turn on the lights at night, which meant the entire visit was performed in the dark. They merely rely on the lighting from the corridor – this will affect their vision in the long run, also it is likely to create home accidents. She added that to save costs, some parents will only wash clothes that are worn more than once, and their child will be scolded for washing dirty clothes worn only once. During winter, these families will close all their windows to keep warm, hence affecting indoor air circulation. She further stated that the increase in electricity tariff creates huge psychological pressures for low income families. As a counter measure, they have to reduce their time spent at home and stay instead in the shopping malls for free A/C and television, hence affecting their opportunities for family gathering.

Dr. Kwong recommended that:

- 1) The amount of the Social Security Assistance should be adjusted in proportion to the actual increase of electricity tariff;
- 2) Implement related subsidy and services
 - A) Encourage citizens to swop to environmentally-friendly electrical appliances and installations;
 - B) Convey information on daily electricity usage to home users and provide regular checkups on electrical appliances for low income families
- 3) Set up electricity tariff waive for low income families.



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Several years ago, the UK began extensive research on the issue of energy poverty. Through their research, they classified households as being 'energy-poor' when they spent 10% or more of total family income on energy costs. Accordingly, the government would provide assistance to these 'energy-poor' households. Based on a research by the UK's Department of Energy and Climate Change, they found that 4.75 million households in the UK were 'energy-poor' (or 19% of the total number of households). Due to a reduction in fuel prices, increase in citizen income levels, and improved energy efficiency, the number of energy-poor households has decreased by 11% (or 75,000 households) compared to the 2009 figures.

- End -

Appendix 1: Situation of Energy Poverty in Hong Kong

Monthly Energy Expenses (Incl. electricity & gas tariffs)	\$400 (Based on the monthly income of HK\$4,000 or below, where the energy costs take up 10% or more of the total family income)
No. of members in the household	At least one family member stays at home during the day
Characteristics of the living environment	<p>-Constrained environment, usually without windows or the windows cannot be opened for various reasons (e.g. sealed windows or the close proximity to lousy surroundings such as roads), need to turn on the A/C for a prolonged period for air circulation purposes</p> <p>-Electricity cost per unit higher than standard rate</p> <p>-Low bargaining power on electricity tariff, they have to accept the higher rate charged by their landlords</p>

Appendix 2: Basic Energy Needs for a 2-person Family

***Based on on-site evaluations by technical consultants**

Appliance	Electricity Use (KWH/Year)	Assumptions
Air Conditioner	2,655	One A/C (3/4 horsepower); as there are no windows in the room, the A/C has to be turned on 18 hrs/day, for 6 months per year for air circulation purposes.
Induction Cooker	821	One induction cooker to prepare 2 meals/day, cooking time of 45 mins/meal.
Lighting	504	Turned on 10 hrs/day, assumed 3 fluorescent tubes installed
Thermal Pot	182	Boil water 2 times/day, using 3L thermal pot

Fridge (Small)	182	One single-door fridge, kept on 24 hrs/day
Electric Water Heater	180	One electric water heater for 10 min shower once per day
Rice Cooker	180	One rice cooker, used 2 times/day
Hair Dryer	90	One hair dryer, used every 2 days
Television Console	80	One 20' television console, turned on 6 hrs/day, on standby mode 18 hrs/day
Laptop Computer	71	One laptop, turned on 3 hrs/day
Electric Fan	44	One electric fan, turned on 3hrs/day on average
Mobile Phone (Standby mode)	5	One mobile phone on standby mode
Total Electricity Use (Yearly)	4,994 KWH	
Total Electricity Use (Monthly)	416 KWH	
Electricity Tariff	\$416 (*assumed HK\$1/unit)	

Appendix 3: Examples of Energy Saving Methods used by Energy-poor Households

- 1) For families with infants, adjust the infant's bathing time to be closer to the feeding time, so the boiled water used to disinfect milk bottles can be reused for bathing purposes.
- 2) Turn on the lights for only 4 hours/day from 6-10 p.m. and cultivate the habit to sleep early.
- 3) Only turn on the A/C before sleep, and turn off the A/C at 2 a.m. to save costs.
- 4) Use the rice cooker to simultaneously cook rice and steam food.
- 5) Turn off power as soon as the food is cooked to avoid energy wastage.



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Special thanks for the cases of low income families:

The Urban Peacemaker Evangelistic Fellowship Ltd.



The Mong Kok Kai Fong Association Ltd
Chan Hing Social Service Centre



World Green Organisation (WGO)

The World Green Organisation (WGO) is an independent non-government organisation concerned with environmental conservation and environmentally related livelihood and economic affairs. It provides a holistic approach to a totally integrated three-pronged solution that combines social, environmental and economic aspects for a green revolution.

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