# Developers and estate agents should comply with relevant ordinances and guidelines in tender process of first-hand residential developments

The Secretary for Transport and Housing, Mr Frank Chan Fan, has earlier pointed out that there were some individual first-hand residential properties offered to be sold by way of tender where the sales process was undesirable and not transparent enough. In this connection, the Sales of First-hand Residential Properties Authority (SRPA) under the Transport and Housing Bureau (THB) has proactively monitored the sales process of developments on the market and has spotted cases with insufficient transparency in the sales process and the transaction information, which might have contravened the Residential Properties (First-hand Sales) Ordinance. The SRPA is investigating the cases and will strictly enforce the Ordinance based on evidence. The SRPA does not rule out the possibility of taking prosecution action. Meanwhile, the Estate Agents Authority (EAA) is looking into cases to ensure that estate agents are strictly observing the Estate Agents Ordinance and EAA's guidelines when participating in the sales of residential properties by tender.

Mr Chan also mentioned that the SRPA would issue a Reminder for the Trade and EAA would also issue a reminding letter to estate agents.

The SRPA today (April 12) issued a Reminder for the Trade and Frequently Asked Questions and Answers (FAQ) requiring vendors to set out full details of the terms of payment in the Register of Transactions of first-hand residential developments. Meanwhile, the EAA also issued a Letter to Licensees reminding them to strictly comply with the relevant ordinances and guidelines when participating in the sales of first-hand residential properties by tender.

According to Section 61 of the Residential Properties (First-hand Sales) Ordinance, the purpose of the Register of Transactions of a development is to provide a member of the public with the transaction information relating to the development for understanding the market conditions. Prospective purchasers can thus get accurate market information and make an informed decision when purchasing first-hand residential properties.

"The main purpose of the Reminder for the Trade and the FAQ issued by the SRPA is to remind vendors that in the sales of first-hand residential properties, if they have offered any discount, gift, financial advantage or benefit (no matter in term of cash or not) to the purchasers, they should set out the full details of the terms of payment as agreed between vendor and purchaser for the purchase of each specified residential property. Moreover, the Register of Transactions should be self-contained so that prospective

purchasers do not have to refer to other documents or materials for details of the terms of payment.

"The Residential Properties (First-hand Sales) Ordinance has clearly stipulated the sales arrangements of first-hand residential properties. These arrangements, particularly those about transaction information, should meet the requirements of the Ordinance regardless of the method of sales. This is to ensure the fairness and transparency of the sales arrangements and the transaction information of first-hand residential properties for the protection of the rights of consumers," a spokesman for the THB said.

Meanwhile, the EAA also issued a Letter to Licensees today to remind all licensees participating in the sales of first-hand residential properties to comply with the Estate Agents Ordinance and the relevant guidelines set out in the Practice Circular issued by the EAA, regardless of the method of sales adopted by developers for selling their properties. In particular, the EAA reminded the licensees that without obtaining a vendor's written endorsement, they must not issue any materials promoting the sales of any first-hand residential properties by tender, including the materials containing information on the suggested bidding price.

The trade must strictly comply with the Residential Properties (Firsthand Sales) Ordinance, the Estate Agents Ordinance and relevant guidelines. The Government will continue to monitor closely the sales of first-hand residential properties by tender and will take any possible measures when necessary to ensure the level of transparency of the sales of first-hand residential properties by tender is the same as that for open sales with price lists.

### Hong Kong Customs seizes suspected counterfeit and smuggled goods (with photo)

Hong Kong Customs yesterday (April 11) seized about 150 cartons of suspected counterfeit mobile phone accessories and glasses and 410 cartons of suspected smuggled clothing with an estimated market value of about \$3.8 million from a container at the Customs Cargo Examination Compound, River Trade Terminal, Tuen Mun.

Through risk assessment, Customs officers inspected a 40-foot container arriving in Hong Kong from Nansha, Guangdong, destined for Uruguay. Upon inspection, Customs officers seized the batch of suspected counterfeit and smuggled goods in the container.

Investigation is ongoing.

Under the Trade Descriptions Ordinance, any person who imports or exports any goods to which a forged trade mark is applied commits an offence. The maximum penalty upon conviction is a fine of \$500,000 and imprisonment for five years.

Under the Import and Export Ordinance, any person found guilty of importing or exporting unmanifested cargo is liable to a maximum fine of \$2 million and imprisonment for seven years.

Members of the public may report any suspected counterfeiting and smuggling activities to Customs' 24-hour hotline 2545 6182 or its dedicated crime-reporting email account (<a href="mailto:crimereport@customs.gov.hk">crimereport@customs.gov.hk</a>).



### Grading of beach water quality released

The Environmental Protection Department (EPD) today (April 12) released the latest grading of water quality for 38 gazetted beaches that are open for swimming and one non-gazetted beach (i.e. Discovery Bay\*).

Twenty-nine beaches were rated as Good (Grade 1) and 10 as Fair (Grade 2).

### Grade 1 beaches are:

Cafeteria New Beach
Cafeteria Old Beach
Cheung Chau Tung Wan Beach
Chung Hom Kok Beach
Clear Water Bay First Beach
Clear Water Bay Second Beach
Deep Water Bay Beach

Lower Cheung Sha Beach
Ma Wan Tung Wan Beach
Middle Bay Beach
Pui O Beach
Repulse Bay Beach
Shek O Beach
Silver Mine Bay Beach

Discovery Bay
Golden Beach
Hap Mun Bay Beach
Hung Shing Yeh Beach
Kiu Tsui Beach
Kwun Yam Beach
Lido Beach
Lo So Shing Beach

South Bay Beach
St Stephen's Beach
Stanley Main Beach
Tong Fuk Beach
Trio Beach
Turtle Cove Beach
Upper Cheung Sha Beach

### Grade 2 beaches are:

Anglers' Beach
Approach Beach
Big Wave Bay Beach
Butterfly Beach
Casam Beach

Castle Peak Beach Hoi Mei Wan Beach Kadoorie Beach Silverstrand Beach Ting Kau Beach

\* Discovery Bay is a non-gazetted beach without lifeguard service.

Compared with the grading released last week, Approach Beach, Casam Beach and Ting Kau Beach have been changed from Grade 1 to Grade 2.

"The changes are generally within the normal range of fluctuation of the bacteriological water quality of the beaches," an EPD spokesman said.

Under the present grading system, beaches are classified into four grades according to the level of E. coli in the water. Grades are calculated on the basis of the geometric mean of the E. coli counts on the five most recent sampling occasions.

While the ratings represent the general water quality at the beaches, the EPD spokesman reminded members of the public that water quality could be temporarily affected during and after periods of heavy rain. Bathers should avoid swimming at beaches for up to three days after a storm or heavy rainfall.

A summary of beach grades is published weekly before the weekend. The latest beach grades based on the most current data may be obtained from the department's website on Beach Water Quality (<a href="www.epd.gov.hk/epd/beach">www.epd.gov.hk/epd/beach</a>) or the beach hotline, 2511 6666.

### Company and its director fined for failure to pay wages and default on Labour Tribunal award

Super Dragon Management Limited and its director were prosecuted by the Labour Department (LD) for failing to pay wages to employees and defaulting on the sums awarded by the Labour Tribunal (LT). The company and its director pleaded guilty at Eastern Magistrates' Courts today (April 12) and were fined \$114,000 and \$84,000 respectively, making a total of \$198,000.

The company failed to pay one employee the awarded sum totalling about \$153,000 within 14 days after the date set out by the terms of the LT award as required by the Employment Ordinance (EO). The company also failed to pay four employees' wages totalling about \$622,000 within seven days after the expiry of the wage periods and the termination of employment. The director concerned was convicted for his consent, connivance or neglect in the wage offences.

"The ruling helps disseminate a strong message to all employers and responsible officers of companies that they have to pay wages and termination payments to employees within the time limit stipulated in the EO and the awarded sums according to the LT or Minor Employment Claims Adjudication Board," a spokesman for the LD said.

"The LD will not tolerate these offences and will spare no effort in enforcing the law and safeguarding employees' statutory rights," the spokesman added.

## <u>SLW's speaking notes on welfare and women policy areas tabled at LegCo Finance Committee special meeting</u>

Following are the speaking notes of the Secretary for Labour and Welfare, Dr Law Chi-kwong, on welfare and women policy areas tabled at the special meeting of the Legislative Council (LegCo) Finance Committee today (April 12):

Chairman and honorable members,

In 2019-20, government recurrent spending on social welfare and women's

interests is estimated to be \$84.3 billion, accounting for 19.1 per cent of the total recurrent government expenditure of the year, second only to education. Compared with the revised estimate for 2018-19 of \$80.1 billion, there is an increase of \$4.2 billion (5.2 per cent). This reflects the Government's commitment to supporting the disadvantaged. The Government will continue to provide and enhance our support to the disadvantaged, including the elderly, children, persons with disabilities, low-income families and those in need. Now, let me highlight how the Labour and Welfare Bureau (LWB) will make use of these resources.

### Elderly Care

The recurrent government expenditure on elderly services in 2019-20 is estimated to reach about \$10.6 billion, representing an increase of about 23 per cent over the revised estimate in 2018-19. In the next two years, the Government expects to provide more than 500 additional residential care places and 300 subsidised day care places for the elderly through setting up new contract residential care homes for the elderly (RCHEs) and day care centres/units for the elderly. The Government has also allocated additional resources to implement various initiatives on enhancing elderly services put forth in the 2018 Policy Address. These include purchasing an additional 5 000 EA1 places under the Enhanced Bought Place Scheme (EBPS) in the next five years (i.e. purchasing 1 000 additional ones each year); providing an additional 2 000 service quotas under the Enhanced Home and Community Care Services; providing an additional 1 000 vouchers under the Second Phase of the Pilot Scheme on Community Care Service Voucher for the Elderly, bringing the total to 7 000; providing designated residential respite places in private RCHEs participating in EBPS; and setting up day care units for the elderly at qualified private and self-financing RCHEs.

The Government will provide an additional funding of about \$210 million from 2019-20 onwards to strengthen child care services, including improving the manning ratio of qualified child care workers in child care centres (CCCs); increasing the level of subsidy for services provided by CCCs; providing additional aided CCC places; enhancing the service quality of the Neighbourhood Support Child Care Project; and re-engineering the existing Mutual Help Child Care Centres.

For early identification of, and to provide assistance to, pre-school children with welfare needs, the Government has launched a three-year pilot scheme in the 2018/19 school year to provide social work services in phases for about 150 000 pre-school children in over 700 subsidised/aided CCCs, kindergartens and kindergarten-cum-CCCs in Hong Kong. An allocation of about \$989 million from the Lotteries Fund will be provided for implementing the pilot scheme.

The Government will set up five co-parenting support centres in Hong Kong from 2019-20. We will also strengthen the manpower of the Social Welfare

Department (SWD) to enhance the co-parenting support for separated/divorced parents and their children. The above initiatives will involve an additional recurrent provision of around \$69.5 million.

To enhance support to youth in handling matters related to academics, relationships with friends and family as well as better adaptation to growth, and to strengthen the mental well-being and resilience of students and to prevent youth suicides, starting in the academic year of 2019/20, the Government will increase the number of school social workers to two for each of some 460 secondary schools, together with a concomitant increase in supervisory support. The annual recurrent expenditure involved is about \$310 million.

Rehabilitation Services â€<-------

Enhancing Support for Pre-school Children with Special Needs and their Parents

The Government has regularised on-site pre-school rehabilitation services (OPRS) in 2018/19 school year and increased the number of service places from about 3 000 under the Pilot Scheme to about 5 000 at present, which will be further increased to 7 000 in October 2019. In parallel, the SWD will allocate annual recurrent expenditure of about \$126 million from the 2019/20 school year to enhance the professional and support services provided under the OPRS, including strengthening the establishment of speech therapists and social workers in the inter-disciplinary service teams, and setting up mobile training centres.

Enhancing Community Support and Residential Care Services

The SWD will allocate annual recurrent expenditure of about \$138 million to gradually set up five additional District Support Centres (DSCs) for Persons with Disabilities and two additional Support Centres for Persons with Autism, and to strengthen the rehabilitation and support services provided by the centres by increasing the manpower of social workers and therapists.

In addition, the SWD will allocate annual recurrent expenditure of about \$138 million to increase 835 rehabilitation service places and purchase 300 places from private residential care homes for persons with disabilities.

To enable carers to continue to take care of ageing persons with disabilities at home under the assistance of professionals, the SWD will allocate annual recurrent expenditure of about \$25.5 million to enhance speech therapy services to ageing service users and persons with severe disabilities through DSCs, Home Care Service for Persons with Severe Disabilities and Integrated Support Service for Persons with Severe Physical Disabilities, and extend speech therapy services for ageing service users living in Care and Attention Homes for the Aged Blind, Long Stay Care Homes

and Supported Hostels, so as to assist them in dealing with speech and swallowing problems.

Community Mental Health Services

The SWD will allocate annual recurrent expenditure of about \$56 million to increase professional and support manpower in all Integrated Community Centres for Mental Wellness (ICCMWs), so as to expand the target groups of ICCMWs from ex-mentally ill persons and persons with suspected mental health problems aged 15 or above, etc., to secondary school students with mental health needs.

On social security, the Government will continue to provide financial assistance to persons in need through the Comprehensive Social Security Assistance (CSSA) Scheme and the Social Security Allowance Scheme. In 2019-20, the estimated total recurrent expenditure of these two Schemes is about \$54 billion, registering a significant increase of 46 per cent as compared with \$37 billion five years ago (i.e. 2014-15). The amount also represents 12 per cent of the recurrent government expenditure in 2019-20.

Of note, the Higher Old Age Living Allowance (OALA), which has been implemented for less than a year since June 2018, has already become the social security programme with the highest number of elderly recipients aged 65 or above. At present, about 480 000 elderly persons are receiving the higher allowance of \$3,585 per month. Together with about 60 000 recipients of Normal OALA (currently at \$2,675 per month), the OALA is covering some 540 000 elderly persons aged 65 or above.

As for other enhancements to the social security system, in order to further facilitate elderly persons who choose to retire in Guangdong or Fujian, the Government will extend the OALA to these two provinces by early 2020 at the earliest, so as to provide the monthly allowance for eligible elderly persons.

Moreover, the Financial Secretary has proposed in the 2019-20 Budget to provide an extra allowance to social security recipients equal to one month of payment, which will involve an additional expenditure of about \$3.8 billion and is expected to benefit about 1.32 million persons. The Government will also make similar arrangements for recipients of the Working Family Allowance (WFA) and the Work Incentive Transport Subsidy (WITS). It is expected that some 50 000 WFA households and 30 000 WITS recipients will benefit from this initiative, involving an additional expenditure of about \$150 million. It is also proposed in the Budget that a one-off grant of \$2,500 should be provided for each student in need (including those who are receiving CSSA). It is estimated that about 67 000 children under the CSSA Scheme will benefit from this initiative, involving an estimated expenditure of about \$170 million.

Welfare Facilities

Purchase of Premises for Provision of Welfare Facilities

With a view to meeting the demand for the much-needed welfare services and solving the problem of shortage in premises, as announced in the 2019-20 Budget, \$20 billion will be allocated to implement an initiative for the Government to purchase suitable premises from the market for the provision of accommodation in operating welfare facilities. This initiative involves more than 130 welfare facilities, scattered around 18 districts, which are planned to be purchased in three years. The Government will continue to adopt a multi-pronged approach in identifying suitable sites or premises for the provision of welfare facilities to meet the needs of the community. We will brief the Panel on Welfare Services later on the initiative and seek its views before submitting the funding proposal to the Finance Committee.

In 2019-20, the Government has earmarked around \$36.7 million to promote women's interests and support the work of the Women's Commission (WoC). These include the provision for assisting the WoC in implementing the "Capacity Building Mileage Programme", and implementing the "Funding Scheme for Women's Development" under which 18 District Councils and women's groups may implement programmes that are conducive to women's development.

Chairman, this concludes my opening remarks. Members are welcome to raise questions.