

Interest rate of third interest payment for Silver Bond Series due 2021

The following is issued on behalf of the Hong Kong Monetary Authority:

The Hong Kong Monetary Authority (HKMA), as representative of the Hong Kong Special Administrative Region Government (HKSAR Government), announces today (June 3) the relevant per annum interest rate for the third interest payment of Silver Bond Series due 2021 (Issue Number 03GB2112R) (the Bonds) issued under the Retail Bond Issuance Programme of the Government Bond Programme.

According to the Issue Circular dated November 22, 2018 for the Bonds, the third interest payment of the Bonds is scheduled to be made on June 17, 2020, and the relevant interest rate is scheduled to be determined and announced on June 3, 2020 as the higher of the prevailing Floating Rate and Fixed Rate.

On June 3, 2020, the Floating Rate and Fixed Rate are as follows:

Floating Rate: +2.28 per cent (Annex)

Fixed Rate: +3.00 per cent

Based on the Floating Rate and Fixed Rate set out above, the relevant interest rate for the third interest payment is determined and announced as 3.00 per cent per annum.

LCQ17: Maintenance and redevelopment of rental housing estates

Following is a question by the Hon Helena Wong and a written reply by the Secretary for Transport and Housing, Mr Frank Chan Fan, in the Legislative Council today (June 3):

Question:

Some public rental housing (PRH) residents residing in Ma Tau Wai Estate, Oi Man Estate, Chun Seen Mei Chuen and Lok Man Sun Chuen of Kowloon City have relayed to me that as quite a number of PRH buildings in Kowloon West are over 40 years of age and are dilapidated, they are very concerned

about the structural safety of such buildings. Besides, the Chief Executive stated in the 2018 Policy Address that the Government would firmly support the Hong Kong Settlers Housing Corporation Limited in taking forward the redevelopment project of Tai Hang Sai (THS) Estate, a private rental housing estate under THS, as soon as possible with a view to improving facilities of the estate and increasing housing supply. Regarding the maintenance and redevelopment of rental housing estates, will the Government inform this Council:

(1) given that the first cycle of the Comprehensive Structural Investigation Programme (CSIP) conducted by the Hong Kong Housing Authority (HA) on selected aged public housing estates (PHEs) was completed in 2018, of the following information on each of the estates for which the structural investigation as well as the required repair and structural strengthening works have been completed (set out in a table):

- (i) name of the estate,
- (ii) number of flats in the estate,
- (iii) date of completion of the estate,
- (iv) commencement year of the investigation,
- (v) completion year of the investigation,
- (vi) scope of the repair and structural strengthening works (i.e. (a) concrete repair, (b) seepage repair, (c) structural strengthening, and (d) structural improvement),
- (vii) actual expenditure on the repair and structural strengthening works for each flat on average, and
- (viii) average annual maintenance expenditure on each flat after the completion of the required repair and structural strengthening works;

(2) given that HA commenced in 2018 the second cycle of CSIP, which comprised 38 estates the investigation of which was completed under the first cycle of CSIP and which were awaiting re-examination, six factory estates and 33 other estates, of the following information of the second cycle of CSIP:

- (i) the name of each of those estates the investigation for which has been completed but the repair and structural strengthening works have not been completed, as well as the latest progress and the expected completion date of such works,
- (ii) the name of each of those estates the investigation for which is in progress, and the expected completion date of the investigation, and
- (iii) the name of each of those estates the investigation for which has not yet commenced, and the expected commencement date of the investigation;

(3) given that some residents are worried that aged PRH buildings will be ageing and their conditions will deteriorate more quickly and drastically, whether HA will consider shortening the cycle for conducting comprehensive structural investigation for aged estates from the existing cycle of once every 15 years to once every 10 years, so as to align it with the cycle for conducting building inspection for aged private buildings by owners as required by the Buildings Department; if not, of the reasons for that;

(4) of the details of the redevelopment projects for PHEs which are being redeveloped or have been planned for redevelopment (including Tung Tau Estate Block 22, Pak Tin Estate and Mei Tung Estate):

- (i) name of the estate,
- (ii) number of flats before redevelopment,
- (iii) rehousing arrangements for affected households (including details of the reception estates accommodating these households),
- (iv) the way in which the estate is being/will be redeveloped,
- (v) number of flats after redevelopment, and
- (vi) expected completion date;

(5) of the details (including the timetables) of the redevelopment projects for HA's estates in Kowloon West that are approaching or over 40 years of age (e.g. Ma Tau Wai Estate, Oi Man Estate, Nam Shan Estate, Lai Kok Estate, Chak On Estate, Tai Hang Tung Estate and Shek Kip Mei Estate (for the remaining 9 blocks)); if redevelopment projects have not been contemplated, of the details of the strengthening and improvement works to be carried out; whether it will consider formulating a rolling programme for large scale redevelopment of aged estates so as to facilitate the smooth and orderly implementation of the redevelopment projects;

(6) whether it knows the details (including the timetables) of the redevelopment projects for the estates in Kowloon West under the Hong Kong Housing Society that are over 40 years of age (e.g. Chun Seen Mei Chuen and Lok Man Sun Chuen); and

(7) given that the validity period of the planning permission granted by the Town Planning Board for the redevelopment of THS Estate will expire by the end of June this year, whether it knows the progress of the redevelopment project for this estate and the rehousing arrangements for the affected tenants?

Reply:

President,

The Long Term Housing Strategy (LTHS) published in 2014 has indicated that while redevelopment of aged public rental housing (PRH) estates may increase PRH supply over the long term, it will, in the short term, reduce PRH stock available for allocation. This will inevitably add further pressure on the Hong Kong Housing Authority (HA)'s target in maintaining the average waiting time (AWT) at about three years. With the persistently strong demand for PRH, a massive redevelopment programme will freeze a large number of PRH units that may otherwise be allocated to households in need, causing an instant adverse effect on the AWT. Hence, it is not a desirable option.

Based on the directions set out in the LTHS, the HA will consider whether to redevelop individual PRH estates prudently by taking into account the actual circumstances according to the four basic principles, namely, structural conditions of buildings, cost-effectiveness of repair works,

availability of suitable rehousing resources in the vicinity of the estates to be redeveloped and build-back potential upon redevelopment, under HA's "Refined Policy on Redevelopment of Aged Public Rental Housing Estates" formulated in 2011. In the last decade, the HA conducted redevelopment projects for 15 PRH estates, and is conducting redevelopment programme in Pak Tin Estate (older part) and Mei Tung Estates (older part).

My reply to the question raised by the Dr Hon Helena Wong is as follows:

(1) The HA launched the Comprehensive Structural Investigation Programme (CSIP) in 2005 to ascertain the structural safety of PRH estates with buildings approaching or over 40 years old, with a view to assessing the repair works needed for sustaining these estates for 15 years or above and their cost-effectiveness. Under the first round of CSIP, investigation of 42 PRH estates was completed in 2018. The number of PRH units involved in estates with structural investigations completed (note) is about 166 500. The relevant cost of works is about \$1.1655 billion, which is equivalent to about \$7,000 per unit on average. Information of these estates is set out in Annex 1.

Details of repair works for PRH buildings and the corresponding expenditure are affected by various factors. Apart from the building age, they also depend on the building design, structural condition, location, maintenance status as well as other site conditions, etc. Hence, it is not suitable to compare the repair expenditure solely by building age. After the completion of the necessary structural repairs and strengthening works, the maintenance expenditure of the above-mentioned 38 PRH estates in 2019-20 was around \$750 million, which is equivalent to about \$4,500 per unit on average.

(2) The HA is conducting the second round of CSIP. PRH estates with investigation completed include Wah Fu Estate, Lai Kok Estate and Shui Pin Wai Estate. The HA is preparing the structural repairs and improvement works required for these estates and will formulate detailed works programme shortly. The PRH estates currently under investigation include Sai Wan Estate, Choi Hung Estate, Kai Yip Estate, Choi Yuen Estate and Lower Wong Tai Sin Estate. The investigations are estimated to be completed within this year.

The HA will continue to conduct detailed investigation for buildings aged at about 40 or above, and plans to conduct structural investigations for Wo Lok Estate, Model Housing Estate, Ping Shek Estate, Ma Tau Wai Estate, Fuk Loi Estate, Mei Lam Estate, Hing Man Estate, Chak On Estate and Shun Tin Estate in the next two years. As for the other estates, currently there is no confirmed investigation timetable.

(3) In addition to implementing the CSIP, the HA has also implemented other measures and programmes to improve the building conditions of PRH estates, such as the Estate Improvement Programme to optimise recreational facilities, common areas and the landscape; the Total Maintenance Scheme to provide in-flat inspection and maintenance services; the Responsive In-flat Maintenance Services to provide timely indoor maintenance services to tenants, etc.

Therefore, we consider that the prevailing 15-year investigation cycle is a suitable arrangement.

(4) Information of PRH estates under redevelopment or with planned redevelopment (including the estates for receiving affected tenants for rehousing) is set out in Annex 2. The information does not include Tung Tau Estate Block 22 (also known as Tung Tau Estate Phase 8) as the redevelopment programme has already been completed in 2019-20. The HA will provide adequate rehousing resources to the PRH tenants affected by redevelopment projects. Major arrangements include:

- (i) allowing affected tenants to move out early such that they can be rehoused to refurbished units in the district of their choice, or units in new estates which are expected to be ready for intake;
- (ii) setting up major reception estates so that affected tenants can move to these estates when they are completed and ready for intake; and
- (iii) allowing affected tenants who wish to purchase Subsidised Sale Flats (SSF) in lieu of PRH be accorded priority in flat selection in the SSF sale exercise(s) launched before the target clearance date.

(5) Apart from the redevelopment programme of Pak Tin Estate (older part) and Mei Tung Estates (older part) that are currently being implemented by the HA, the Government also announced its intention to redevelop Wah Fu Estate in 2014. As for other aged estates, their building conditions are structurally safe as of now and there is no need for redevelopment. The HA will continue to implement various programmes and measures to maintain and improve the building conditions so as to provide residents with a safe and suitable living environment.

(6) The Government announced on June 29, 2018 the reallocation of nine sites at Kai Tak and Anderson Road Quarry, which were originally intended for sale in the coming few years, for public housing. One of the sites in Kai Tak would be allocated to the Hong Kong Housing Society (HKHS) for the redevelopment of Chun Seen Mei Chuen and other rehousing purposes. The HKHS can then make use of the original site of Chun Seen Mei Chuen to redevelop Lok Man Sun Chuen by phases. The HKHS is now formulating details of the redevelopment programmes of Chun Seen Mei Chuen and Lok Man Sun Chuen.

(7) Tai Hang Sai Estate (THSE) was built and has been managed by the Hong Kong Settlers Housing Corporation Limited (HKSHCL) for the purpose of providing rental flats for low-income families. HKSHCL is planning to redevelop THSE at its original site by phases. Regarding the planning approval in relation to the redevelopment of THSE, the Director of Planning, under the delegated authority of the Town Planning Board and in accordance with the Town Planning Ordinance, approved on April 6, 2020 HKSHCL's application for extension of time for commencing the development. The planning approval is valid until June 24, 2024.

The Government will continue to keep in view the progress of the

redevelopment project. We will also support HKSHCL in taking forward the redevelopment project as soon as possible and provide required assistance as far as practicable, with a view to improving estate facilities and increasing housing supply at the site concerned, on the premise that it will make proper rehousing arrangement for its tenants.

Note: As four PRH estates are confirmed to be redeveloped, only 38 PRH estates are included.

Latest progress of Arts and Culture Sector Subsidy Scheme under Anti-epidemic Fund

A spokesperson for the Home Affairs Bureau (HAB) said today (June 3) that the \$150 million Arts and Culture Sector Subsidy Scheme, which was established under the Anti-epidemic Fund, has continued to disburse subsidies to arts groups and freelance arts workers over the past month.

As at the end of May, the Government had disbursed around \$101 million to 463 arts groups/projects as well as more than 2 300 individual arts workers (individual arts workers may receive the subsidy from different organisations).

In particular, under the Arts and Culture Sector Subsidy Scheme, the HAB has entrusted the Hong Kong Arts Development Council (HKADC) to implement the \$50 million Support Scheme for Arts and Cultural Sector, covering performances and activities affected by the epidemic from January 29 to June 30 and projects not funded by the HKADC and freelancers. As at June 2, the HKADC had dispersed subsidies to each of the 42 organisations receiving grants from the HKADC and the 363 HKADC and non-HKADC funded/commissioned projects/activities, and 737 freelancers. In the meantime, the HKADC is now processing approximately 50 applications for projects not funded by it and more than 2 400 applications from freelancers. Arts organisations and freelancers are encouraged to make applications to the HKADC as soon as possible.

The HAB earlier engaged the Chinese Artists Association of Hong Kong (Barwo) to collect details of the affected professional Cantonese opera performances in the period from January 29 to April 30 and disburse subsidies to the practitioners of various categories, both members and non-members of Barwo included, involved in the performances. Barwo began the disbursement to the relevant practitioners on April 23.

The Secretary for Home Affairs, Mr Caspar Tsui, met with the Chairperson and representatives of Barwo on May 25 to explore ways to promote the

development of Cantonese opera and, among other initiatives, the inclusion of the affected performances scheduled for May and June in the scheme.

LCQ20: Creation of time-limited jobs for architectural, surveying, town planning and landscape sectors

Following is a question by the Hon Tony Tse and a written reply by the Secretary for the Civil Service, Mr Patrick Nip, in the Legislative Council today (June 3):

Question:

The second-round relief measures launched by the Government include the provision of \$6 billion to create around 30 000 time-limited jobs in both public and private bodies in the coming two years. Such jobs include (i) positions for seasoned professionals in the architectural sector, (ii) positions for technicians and supporting staff of construction projects as well as repair and maintenance works, and (iii) trainee positions for fresh graduates in professions such as building surveying, town planning, estate surveying and land surveying. In this connection, will the Government inform this Council:

(1) of the details of the newly created positions in the four sectors of architecture, surveying, town planning and landscape, including (i) the number of positions, job nature and entry requirements (with a breakdown by sector), and (ii) the mode by which funding is provided by the Government; the latest progress for the implementation of such measures;

(2) of the specific approaches adopted by the Government for facilitating the creation of the aforesaid positions by the various public and private bodies, as well as the details; and

(3) of the measures put in place to ensure that the job contents of the trainee positions will be recognized by the relevant professional bodies as the graduate training contents required for acquiring the professional qualifications, so that the years of relevant working experience can be converted into the required number of graduate training hours?

Reply:

President,

With a view to relieving the worsening unemployment situation due to the epidemic, the Government has earmarked \$6 billion under the Anti-epidemic Fund to create around 30 000 time-limited jobs in both the public and private sectors in the coming two years for people of different skill sets and academic qualifications. The time-limited jobs created under this measure will normally not exceed 12 months. Bureaux and departments concerned are actively planning and implementing related preparatory and recruitment work. Regarding the question raised by the Hon Tony Tse in relation to the time-limited positions created under the Anti-epidemic Fund in the sectors of architecture, surveying, town planning and landscape, our consolidated reply which is prepared in consultation with the Development Bureau (DEVB) as well as the Transport and Housing Bureau (THB) is as follows:

(1) and (2) Relevant bureaux and works departments will create more job opportunities through expediting implementation of new plans and enhancing existing services. DEVB announced in April this year that it would create some 4 700 additional time-limited jobs for people of different fields, skill sets and academic qualifications, including professionals, technicians and logistic staff providing support. Among the 4 700 time-limited jobs, it is estimated that over 100 are for professionals in architectural, surveying, town planning and landscape architectural sectors and that over 300 are for technicians and other supporting staff members of these sectors. THB will also create time-limited jobs in the sectors of architecture, surveying, town planning and landscape to provide professional and technical support services for the quality control and the safety management system of public projects works sites, highway maintenance works and roadwork projects, highway vegetation maintenance and landscape works, etc.

The majority of these additional jobs would be created by procurement of services from private consultants or contractors through contractual arrangements. It increases the demand for manpower which in turn drives the private sectors to recruit more staff. Besides, the Government will arrange open recruitment of Non-Civil Service Contract positions in relevant departments. These additional jobs would be realised progressively, within 3 months at the soonest.

The Government is also very concerned about the "Hard to get hired" condition of graduates. For graduates in the architectural, surveying, town planning and landscape architectural sectors, DEVB and its family departments would provide an addition of over 40 professional training places in 2020, from 79 in 2019, representing an increase of over 50 per cent. This will not only provide more employment and training opportunities for graduates, but will also help to maintain the professional succession in the relevant sectors through training up successors and retaining abilities for future infrastructure development.

The unemployment rate has been soaring recently, especially in those sectors that are directly hit by the epidemic. For example, the unemployment rate of the construction sector has risen from 6.8 per cent for the period from December 2019 to February 2020 to the 10-year record high of 10 per cent for the period from February 2020 to April 2020. In view of the persistent impacts of the epidemic, it is inevitable that the labour market will

continue to be under tremendous pressure in the short run. In this regard, the Government is actively exploring initiatives to swiftly create more jobs in meeting the needs of the sectors, thus improving employment and maintaining a vibrant economy.

(3) Different professional institutions will formulate the required professional training guidelines and training plans according to the distinctive conditions of the sectors to ensure that the trainees can receive the appropriate professional training and practice. The professional training of Government departments meets the relevant requirements all along. The appointed trainees will receive practical training that meets the requirements of the relevant professional institutions under professional guidance, facilitating them to obtain the relevant professional qualifications. By expediting the implementation of new plans and enhancing existing services, bureaux and departments concerned help the private sector to create the necessary workload for their trainees such that the trainees can accumulate the relevant experience and complete the professional training.

Effective Exchange Rate Index

The effective exchange rate index for the Hong Kong dollar on Wednesday, June 3, 2020 is 108.3 (down 0.3 against yesterday's index).