Reports of the Investigation on

I  Education Department -
   Arrangement for the Closure of Schools
   due to Heavy Persistent Rain

II  Housing Department and Social Welfare
    Department -
    Co-ordination between the Two Departments
    in Processing Application for Housing Transfer
    on Social Grounds

III Education Department -
   Failure to Complete, on a Timely Basis,
   the Processing of an Application from a Hearing
   Impaired Student to Attend a Special School.

IV  Agriculture and Fisheries Department -
    The Fisheries Development Loan Fund Administered
    by the Department

January 1998

Office of The Ombudsman

Hong Kong, China
EDUCATION DEPARTMENT -

ARRANGEMENT FOR

THE CLOSURE OF SCHOOLS

DUE TO HEAVY PERSISTENT RAIN
CONTENTS

INTRODUCTION 1.1

INVESTIGATION 2.1

RESPONSIBILITY OF THE HONG KONG OBSERVATORY (HKO) 3.1

RESPONSIBILITY OF THE EDUCATION DEPARTMENT (ED) 4.1

COOPERATION AND LIAISON BETWEEN ED AND HKO 5.1

OBSERVATIONS AND FINDINGS 6.1

CONCLUSION AND RECOMMENDATIONS 7.1

FINAL REMARKS 8.1

ANNEXES
<table>
<thead>
<tr>
<th>Annex</th>
<th>Title</th>
<th>Paragraph No.</th>
</tr>
</thead>
<tbody>
<tr>
<td>I</td>
<td>A Sequence of Event on hoisting of Warning Signals/ED's Announcements on 4 June 1997</td>
<td>1.2</td>
</tr>
<tr>
<td>II</td>
<td>ED’s Press Statement on 4 June 1997</td>
<td>1.3</td>
</tr>
<tr>
<td>III</td>
<td>A Rainfall Distribution Map at 6:30 am - 7:30 am on 4 June 1997</td>
<td>1.3</td>
</tr>
<tr>
<td>IV</td>
<td>ED’s Administration Circular No. 39/97 entitled “Tropical Cyclones and Heavy Persistent Rain Arrangements for Kindergartens and Day Schools”</td>
<td>5.1</td>
</tr>
<tr>
<td>V</td>
<td>ED’s Administration Circular No. 40/97 entitled “Tropical Cyclones and Heavy Persistent Rain Arrangements for Evening Schools”</td>
<td>5.1</td>
</tr>
<tr>
<td>VI</td>
<td>ED’s Special Letter dated 16 June 1997 entitled “Precautions for Inclement Weather Conditions” addressed to School Heads</td>
<td>5.3</td>
</tr>
</tbody>
</table>
INTRODUCTION

1.1 Under section 83 of the Education Ordinance (Cap. 279), the Director of Education (D of E) may, if it appears to her that there is any danger or risk of danger to persons in any school premises, give such directions and make such requirements as she thinks necessary, including directions to close schools in the events of tropical cyclone or heavy persistent rain.

1.2 Occasionally heavy persistent rains in the summer season had attracted public comments against the Education Department (ED) on the timing of its decision on the closure or non-closure of the schools. A recent unusual occasion in the early morning of 4 June 1997 when heavy rain occurred mostly in the northern part of the Kowloon and Tsing Yi areas had caused severe flooding in many locations, and attracted again comments and criticisms from some parents, students and the media over ED’s decision not to close the AM schools. In that morning, ED issued public announcements advising parents to decide themselves on the basis of safety, weather, traffic and other environmental factors whether their children should attend school about 25 minutes after the Hong Kong Observatory (HKO)’s issue of the Red Rainstorm Warning at 7:05 a.m. Further announcements to close the PM schools were made three hours afterwards when it became evident that weather, road and traffic conditions had deteriorated. A sequence of events on that day is given in Annex I.

1.3 A statement (Annex II) released by ED in the afternoon explained that the morning’s rainfall was centered in a few districts whilst it was normal or even little rainfall in many other districts (Annex III is the Rainfall Distribution Map at 6:30 - 7:30 a.m.). Unfortunately, some of the heaviest raining areas such as Mongkok and Shamshuipo were flooded in many busy locations thus causing considerable traffic disruptions. As the Red Rainstorm Warning was issued at 7:05 a.m. when most students should have already left home for schools, ED considered that there would be even greater confusion if immediate closure were to be announced.

1.4 ED considered it unfortunate that the rainstorm developed and traffic conditions deteriorated so rapidly that
morning. Since the heaviest rainfall only affected a few districts, there was therefore the decision of asking parents to make their own assessment on the safety for their children and decide whether their children should return to schools. The Department would take all possible reference from the incident and safety of students, teachers and school staff remains its prime concern.

1.5 From the media reports, many people had apparently considered that they were inconvenienced by ED's "belated" announcements in the morning of 4 June 1997. On the general issue of closure of schools during heavy persistent rain, the public concerns are mainly that -

(a) Whilst the safety of students should be the primary concern, there are also other considerations such as the convenience of the parents in making temporary arrangement for the safe-keeping of their children if the schools are to be closed, the implications on scheduled activities such as examinations, etc.

(b) ED should make the announcement in time so that any inconvenience and confusion that might cause to parents, students and road users can be minimized.

(c) ED should therefore ensure that it has an efficient and effective system of responding to occasions of heavy persistent rain.

(d) Whether the decision of closing schools should be given more weight than the probability of making a mistake after schools have been closed. If a mistake has really been made for a school day to be cancelled because of unpredictable weather, whether ED should make it mandatory for schools to make it up by giving one less day of school holidays.

(e) Whether the decision of sending children to schools on occasion of heavy persistent rain should be made by the Administration or by the parents who have no full knowledge of the weather and traffic conditions. In the absence of a government decision, many parents and students might prefer not to take the trouble of missing scheduled classes, activities or examinations even though they would have to take the risk of returning to schools under heavy rain. Unfortunately, the rainy season occurs also in the months in which a lot of public and school examinations are held.

(f) Whether ED had made efforts to ensure all schools will be properly implementing their contingency
plans in the event of rainstorm warning signals being issued. There had been complaints from parents against schools for sending the children home as soon as a signal was hoisted when it might be proper and safer to stay indoors until the rainstorm had passed.

INVESTIGATION

2.1 To further examine the matter, The Ombudsman decided to conduct a direct investigation into ED's arrangement and procedure for announcing the closure of schools on occasions of heavy persistent rain. The investigation had examined the existing arrangement and procedure of ED for the closure of schools in the event of heavy persistent rain, the respective roles of ED, HKO and other relevant departments in the decision-making process of closing schools with a view to establishing —

(a) if the arrangement was effective, taking a balanced view of safety of the students, convenience of the parents and the social costs; and

(b) whether better cooperative efforts should be made by ED, HKO and other relevant departments to improve the current arrangement.

The D of E and Director of Hong Kong Observatory (D of HKO) were informed of the investigation on 19 June 1997.

2.2 The investigation had focused particularly on the arrangement of the closure of schools before classes normally began and the adequacy of the present rainstorm warning system and consultation between ED and HKO on the closure of schools.

2.3 In the course of the investigation, relevant papers, files and records were provided by ED and HKO to this Office for examination and analysis. Meetings and discussions between the representatives of ED, HKO and the Investigators of this Office were held on various occasions between June and July 1997. A visit was made to HKO including its Central Forecasting Office to understand the operation of the rainstorm warning system and the communication links between HKO and ED in times of inclement weather. A visit to ED had also been conducted.
RESPONSIBILITY OF THE HONG KONG OBSERVATORY

Introduction

3.1 It is the responsibility of HKO to maintain a close watch on the weather and issue early warnings whenever Hong Kong is threatened by severe weather conditions such as heavy rain, thunderstorm and tropical cyclone, all of which can lead to flooding, landslip, traffic disruption and other mishaps. Employers, employees, parents and students must therefore be familiar with the various signals and the steps that they should take to protect themselves and their properties in the event of inclement weather.

Tropical Cyclones

3.2 Tropical cyclones affecting Hong Kong will normally occur during the months of May to November. HKO issues weather bulletins on the tropical cyclone signal hoisted and its significance, the latest position and expected movement of the centre of the cyclone, information on the wind strength, rainfall and sea level and advice on precautionary measures.

3.3 The present tropical cyclone signal system has a long history and the public are generally familiar with the meaning of the various signals, i.e. Nos. 1 and 3 being standby and strong wind signals and people should normally continue to work and go to school; the four No. 8 signals, the No. 9 signal and No. 10 signal indicate that gale/storm force winds or hurricane winds are expected and schools and most other activities should close down.

Rainstorms

3.4 In summer, Hong Kong is under the influence of troughs of low pressure in the southwest monsoon. Rain cells are typically small in size, very intense and can develop from nothing to a full blown storm cell very rapidly with no apparent regularity. HKO points out that its existing equipment can provide up-to-date records on the actual rainfall recorded in various districts. Present technology can predict the general occurrence of heavy rain somewhere over the South China Coast near and including Hong Kong over the next 24 hours or so but cannot give indications on the specific districts over which a rainstorm will develop nor the time of occurrence down to the hour until it actually happens.

3.5 Heavy and persistent rains often cause traffic
disruptions, floodings and landslips. The present rainstorm warning system, which has been revised since April 1997, is a two-stage warning system designed to ensure a state of readiness within the essential services in dealing with any emergencies, and to provide timely warning and advice to the public. It operates independently of other weather warning signals (para. 3.10).

3.6 The first stage, the **Amber Rainstorm Warning**, is a standby alert issued to key government departments and major public transport companies and utilities so as to ensure that they are prepared to deal with any emergencies. It is triggered off on the basis of forecasting of 50 mm heavy rain likely to affect Hong Kong during the next six hours or so. At this stage, no public announcement will be made and no special action is called for from the public.

3.7 The second stage, the **Red and Black Rainstorm Warnings** are issued by HKO based on actual rainfalls recorded throughout Hong Kong. Specifically the **Red Rainstorm Warning** indicates that heavy rain has started to fall and 50 mm of rain has been recorded over an extensive area during the immediate past hour or less. It also means that heavy rain has caused or could cause serious road flooding and traffic congestion. In announcing the signal, the public will be given clear and appropriate advice on action to be taken. Normal school operations and examinations are likely to be disrupted.

3.8 The **Black Rainstorm Warning** means that 100 mm or more of rain has been recorded during the immediate past two hours or less. HKO will advise the public to stay indoors, or to take shelter in a safe place until the rainstorm has passed.

3.9 HKO’s normal scheduled hours for consideration of Rainstorm Warning Signals are 3 a.m., 9 a.m., 3 p.m., 9 p.m. However, the Duty Forecaster will assess the rainfall situation as frequently as possible and assign or cancel the signal anytime as appropriate. To rule out cases of very heavy but localized and short-lived thundery showers, rainfalls averaged over 10 selected urban rain gauges will be used for the Red and Black Warning Signals. As soon as there is any sign of heavy rain, the Duty Forecaster will immediately convey by telephone to ED’s responsible officer the latest weather information and forecast and thereafter, HKO will maintain close contacts with ED keeping it fully informed by telephone and fax as the situation develops.
Thunderstorm, Flood and Landslip Warnings

3.10 HKO issues other supplementary warnings to assist employers, engineers, contractors and members of the public who are likely to suffer losses due to thunderstorms, floodings and landslips. These warnings will also alert the relevant government departments and organizations responsible for taking appropriate actions, such as opening of temporary shelters, preparing search and rescue operations and emergency relief work. These warnings are issued irrespective of whether the tropical cyclone or rainstorm warnings are already in force. In particular –

• Thunderstorms are reported in about 5 days each month from April to September. They are severe and hazardous localized phenomena which may or may not be accompanied by rain, but are usually accompanied by lightning which can damage electrical installations, cause fires and induce death by electrocution.

• Flood warnings following heavy or persistent rain will be issued whenever significant flooding is expected to occur or is occurring anywhere in Hong Kong. Normally, a flood warning is issued before the Amber Rainstorm Warning and the Red Rainstorm Warning.

• Landslip warnings are issued in consultation with the Geotechnical Engineering Office (GEO) whenever landslips are considered likely as a result of heavy or persistent rain.

3.11 The thunderstorm and flood warnings will give short term forecast of up to a few hours to the public of the likely occurrence of these phenomena.

Existing publicity materials relating to rainstorms

3.12 In the booklet published by the former Security Branch entitled “Weather Warnings and Precautionary Measures”, there is still the outdated Green Rainstorm Warning which has already been cancelled. Furthermore, under the instruction for the Red Rainstorm Warning, it says that “When the Red warning is issued, it means that .... Normal school operations and examinations are likely to be disrupted. Schools will be closed ....”. However in the circular issued to schools by ED, classes will continue as usual under the Red Rainstorm Warning signal (para. 4.3).
For employers and employees, the Labour Department has issued a booklet entitled "Code of Practice in Times of Typhoons and Rainstorms". Given the diversity in nature and requirements of job in various trades and industries, statutory regulations of work arrangements in times of typhoons and rainstorms seem impracticable. To avoid unnecessary misunderstanding and disputes, employers are advised to reach prior agreements with their employees with regard to work arrangements and contingency measures in times of typhoons and rainstorms.

RESPONSIBILITY OF THE EDUCATION DEPARTMENT

Introduction

The D of E has the statutory responsibility of closing all schools for reason of inclement weather and on safety ground. For tropical cyclones, the existing warning signals are well understood by the public. Experience, however, indicates that during heavy and persistent rain, the rainstorm warning signals would at times be confusing to the general public. The main difference is that, unlike tropical cyclones in which the intensity of the wind is the main cause for closure of school or other activities, the consequential effects of traffic disruptions, floodings and landslips, rather than the amount of rainfall are the main considerations. When the movements of a tropical cyclone over a short period of time, say a few hours, can be more easily predicted, it would be difficult to similarly forecast the occurrence of heavy persistent rain (para. 3.4). All these make the D of E's performance of the duty of deciding the closure of schools on occasions of heavy persistent rain an extremely difficult task.

Tropical Cyclones

Standing instructions have been issued by ED to all kindergartens and day schools that when tropical cyclones are approaching Hong Kong, the following arrangements shall apply which will be announced publicly -

<table>
<thead>
<tr>
<th>Signal</th>
<th>Action to be taken</th>
</tr>
</thead>
<tbody>
<tr>
<td>Hoisting No. 1</td>
<td>All schools including kindergartens to operate as usual.</td>
</tr>
<tr>
<td>Hoisting No. 3</td>
<td>All kindergartens to close. Other schools to operate as usual unless advised otherwise.</td>
</tr>
<tr>
<td>Hoisting No. 8 or above</td>
<td>All schools to close.</td>
</tr>
<tr>
<td>------------------------</td>
<td>----------------------</td>
</tr>
<tr>
<td>Lowering to No. 3</td>
<td>All kindergartens to remain closed. Other schools to resume with the next session unless road or other conditions remain adverse.</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Signal</th>
<th>Action to be taken</th>
</tr>
</thead>
<tbody>
<tr>
<td>Lowering to No. 1 or</td>
<td>All schools to resume with the next session.</td>
</tr>
<tr>
<td>lowering all signals</td>
<td></td>
</tr>
</tbody>
</table>

**Heavy Persistent Rain**

4.3 The following arrangements shall apply with appropriate public announcements under the current rainstorm warning system -

<table>
<thead>
<tr>
<th>Rainstorm warning</th>
<th>Action to be taken</th>
</tr>
</thead>
<tbody>
<tr>
<td>*Red</td>
<td>Schools to operate as usual unless advised otherwise.</td>
</tr>
<tr>
<td>*Black</td>
<td>All schools to close.</td>
</tr>
</tbody>
</table>

* If schools are in session when Red or Black Warning is issued, pupils should stay in school until the signal is not in force. In case D of E announces the immediate suspension of classes, schools should activate their contingency plan to ensure that pupils are kept safe until proper arrangements have been made for them to return home at an appropriate time.

**Closure of All Schools**

4.4 Announcements for closure of schools by ED over radio, television and the public address system of the Kowloon-Canton Railway Corporation will be made, as far as possible, before students set out for school. The first announcement for AM and whole-day schools will be made not later than 6:15 a.m. and for PM schools or the PM session of whole-day schools not later than 11:00 a.m. The announcement will be repeated at regular and frequent intervals.

4.5 If schools are already in session and the weather is likely to deteriorate rapidly, D of E will announce
immediate suspension of classes.

4.6 When Tropical Cyclone Signal No. 3 or the Amber Rainstorm Warning is issued on a school day, ED will from 5:45 a.m. activate an Emergency Duty Team in the Headquarters to answer press and public enquiries, issue announcements at the request of schools and keep track of developments in weather, road, slope, traffic and transport conditions.

Closure of Schools in Individual Districts

4.7 In exceptional circumstances, D of E may announce closure of schools in one or more districts. Students living in such districts should not attend school even if their schools are located elsewhere.

Closure of Individual Schools

4.8 If local conditions warrant the closure of a school and a general announcement has not been made by D of E, the school head may close the school and then notify the District Education Officer as soon as possible afterwards. In such case, the school head should contact ED’s Emergency Duty Team to arrange for an announcement to be made, whenever possible, before students set out for school.

Responsibilities of School Heads

4.9 In accordance with ED’s instructions, school heads should draw up their school contingency plan in advance to deal with the closure of the school or the suspension of classes owing to inclement weather. If D of E announces the closure of schools after some students have left home, school heads should activate their contingency plan to ensure that the school premises will be open, that some teachers living close by will be at the school to look after the students arriving and that safe and proper arrangements are made for them to return home at an appropriate time. If schools have to resume the PM session following the lowering of tropical cyclone signals or rainstorm warnings, D of E will make an appropriate announcement. Nevertheless, parents should use their discretion in deciding whether or not to send their children to school. They should keep their children at home if it seems to them that local weather, road, slope, traffic or transport conditions at that time are still not completely normal. School heads should remind parents by circular letters that they have this discretion.
ED’s Internal Arrangement for the Closure of Schools

4.10 ED has established procedures for announcing the closure of schools. When such a decision has to be made, the following arrangement will apply -

(a) D of E will decide on whether schools should be closed based on recommendation of the Education Officer (Information and Public Relations) (EO(IPR)) in consultation with the Assistant Director (Schools) (AD(S)).

(b) If AD(S) is not available, EO(IPR) will consult the Senior Assistant Directors.

(c) In practice, EO(IPR) will consult his/her supervisor, Chief Information Officer (CIO) of the Information and Public Relations Section, before making a recommendation to D of E.

4.11 With the approach of tropical cyclone or heavy persistent rain, EO(IPR) will maintain close telephone contacts with the Duty Forecaster of HKO who will provide first-hand information on weather forecast and the hoisting of warning signals. In practice, HKO’s Duty Forecaster will take the initiative of alerting EO(IPR) on the first possibility of any forthcoming inclement weather and, when necessary, weather charts and related information will be faxed to EO(IPR). In addition to weather information, EO(IPR) will also collect information on traffic conditions, flooding reports from the Information Services Department (ISD), Police and other departments. He/She will discuss all available information with CIO. In consultation with AD(S), they will then make a recommendation for the need of closure of schools to D of E who will make the final decision. If inclement weather occurs during night time or other non-office hours, such communication, consultation and decision will have to be made by the officers concerned over the telephone.

COOPERATION AND LIAISON BETWEEN ED AND HKO

5.1 There is an established practice whereby an Annual Pre-rain Season Liaison meeting is held between ED and HKO prior to the onset of the rainy season. The 1997 meeting was held on 15 May in which HKO’s officers and ED’s representatives conducted general exchange on the arrangements for typhoons and rainstorms during the past year. HKO suggested to ED that the latter should normally wait until after 5 a.m. before making an announcement for closure or opening of schools during inclement weather situations. Both departments reaffirmed their present target announcement time for AM schools
which should be before 6:15 a.m. Relevant ED school circulars regarding arrangements for schools during tropical cyclones and heavy persistent rain i.e. Administration Circular No. 39/97 (for kindergartens and day schools (para. 4.3 -4.9)) (Annex IV) and No.40/97 (for evening schools) (Annex V) were passed to HKO for reference.

**Improvement Measures initiated by ED and HKO after the 4 June Rainstorm**

5.2 ED and HKO had immediately reviewed the existing arrangements. Meetings were held between the subject officers of the two departments with a view to working out possible improvement measures on the arrangements. The major improvement measures under planning are -

(a) The decision on school closure should be decoupled from the issue of Red/Black Rainstorm Warnings. Instead, a more flexible approach in the decision to close schools will be adopted taking into consideration the forecast elements (instead of just on observed rainfall amounts) of the thunderstorm and flood warnings, and the specifics of each developing rain situation.

(b) HKO would review with a view to lowering and adopting a more flexible action threshold of actual rainfalls for the current Red/Black Rainstorm Warnings. Its Climate Section will compile the rainfall statistics of historical events which would serve as a reference for the new guidance figures.

(c) HKO would review rainstorm warning publicity material to see if there are any misleading messages. A publicity drive might be considered to let the public know that Red Rainstorm Warning and school closure are separate issues.

5.3 At the same time, ED had also re-examined its various related circulars. In a special letter dated 16 June 1997 entitled "Precautions for Inclement Weather Conditions" addressed to School Heads (Annex VI), the Department concludes that the existing arrangement is appropriate and can provide quite comprehensive guidance to the schools. However, ED also considers evident that parents and students need to be better informed about -

(a) the re-assurance that students will not be penalized if they arrive late or cannot attend school because of poor weather, road, slope,
flooding, traffic or transport conditions; and

(b) the contingency plan of individual schools to deal with closure of school or suspension of classes.

5.4 School heads are reminded to ensure that staff, parents and students are fully informed of the arrangements in advance. When the school contingency plan has to be activated, school heads should ensure that -

(a) the school premises would remain open; and

(b) some teachers living in the vicinity should come back to the school to look after students arriving or leaving and to ensure their safety.

5.5 In addition, ED has made the following improvements-

(a) Its communication links with HKO has been strengthened. The Department now has closer liaison and better mechanism for transmission of information on weather forecasts. A new system is in place whereby weather forecasts and rainfall distribution maps are simultaneously faxed to the four ED officers (para. 4.11) at 15-minute intervals on rainy days. The information is sent to their homes outside office hours. As regards the establishment of a user-friendly computer linkage with HKO’s system on obtaining the details of each developing rain situation, ED has installed such linkage at the IPR Section in the Headquarters and at the residence of CIO to ensure first-hand weather information is received round the clock.

(b) Its network of communication with other departments for transmission of latest information on road, slope, flooding, traffic and transport situations has also been reinforced to facilitate more effective decisions at times of inclement weather. In particular, it will obtain police reports through the Police Regional Command Control Centres. It can also obtain flooding reports from the Drainage Services Department (DSD) through its complaint hot-line which operates between 10:00 p.m. to 8:00 a.m. and its Flood Control Unit during office hours or its Emergency Control Centre when Red/Black Rainstorm Warnings or Tropical Cyclone Signal No. 8 or above is issued. DSD has also supplied ED with flooding black spots maps.
5.6 The Department has carefully considered the possibility of devolving to District Education Officers the authority to decide on closure of schools or suspension of classes in their respective area. However, ED considers this option is fraught with practical problems, particularly in the early morning hours before the break of day. During the day when District Education Offices are in operation, the existing practice for ED Headquarters team to keep in close touch with them will continue.

Closure of Schools on 3 and 4 July 1997 due to torrential rain

5.7 Shortly after implementing the above-mentioned improvement measures, ED’s arrangement was put to test. On 2 July 1997, rain was persistent and with squally thunderstorms. For the second consecutive day, the Red Rainstorm and landslip warnings had been issued. The rain was even more frequent in Sha Tin, Tsuen Wan and Kwai Chung where more than 400 mm of rainfall were recorded. Torrential rain was threatening to cause chaos on 3 July after all six lanes of the Tuen Mun Road were closed due to landslip. Meanwhile, a trough of low pressure lingering along the coast of Guangdong was expected to remain slow-moving over the coastal region in the next few days and unsettled weather would persist. In view of the inclement weather situation and having regard to the general road and traffic conditions, ED made a public announcement at about 10:30 p.m. on 2 July that all schools would be closed on the next day. As persistent heavy rain was found still affecting the roads and the traffic, ED made another announcement in the early morning of 4 July i.e. at about 5:40 a.m. to close all schools for the second consecutive day. The early announcements were welcome by parents and students and later proved to be correct in the light of the actual weather and transport conditions.

OBSERVATIONS AND FINDINGS

6.1 Having studied the information provided by ED and HKO, this Office has the following general observations -

(a) Weather forecasting is no easy job. In a small place like Hong Kong, very accurate weather forecast, especially rainfall over specific locations in a given period of time is almost impossible with the present technology.

(b) Because of the rapid developments or construction works in many areas, heavy rainfalls will easily give rise to localized floodings, landslips and traffic disruptions.
(c) A decision to close schools because of heavy persistent rain will have to be based on local weather conditions, road situations, landslips, floodings, etc. Hence, the sooner ED gets timely and accurate information and forecast, the better it can plan early and take precautionary steps to avert any possible emergency where the safety of students might be jeopardized.

(d) The primary consideration of closure of schools, which affect mainly school children (of some 1.2 million - 0.2 million in kindergartens, 0.5 million in primary schools and 0.5 million in secondary schools), is to protect their safety. Other considerations such as convenience of the parents, impact on the transport services, disruption to scheduled activities, etc. should be secondary.

(e) The decision is made by D of E under authority of the Education Ordinance, even though the responsible ED officers, i.e. EO(IPR), CIO, AD(S) and D of E are no expert in weather forecast, geotechnical engineering, traffic management, etc.

(f) As the decision of territory-wide closure of schools will affect millions of parents, school children and road users involving substantial social costs, a decision cannot be made lightly. Although it is based on public safety reason, the Security Bureau (SB) is not involved in the decision-making process.

6.2 Although ED’s arrangement for handling rainstorm situations has been established for years and reviewed annually before the rainy season, past experience and in particular the 4 June rainstorm has highlighted the following limitations and deficiencies -

(a) The ED’s announcement for parents to make decisions had apparently been rejected by many parents as they had no idea and information that the rainstorm had actually only affected a few areas.

(b) Many parents would obviously prefer the Administration to make a decision to close schools, for the sake of safety and uniformity, even if it might later turn out that the decision has been made wrongly when weather conditions turn better afterwards, rather than leaving it to parents because they simply do not have up-to-date information on weather and traffic conditions since their children’s schools might be located in other
districts.

(c) Although ED aims to issue announcements for closure of AM schools before 6:15 a.m., experience indicates that rainstorms could occur at any time and weather conditions could also deteriorate very rapidly as evidenced in the early morning of 4 June. Hence, announcements may not always be made before the targeted time.

(d) ED’s internal instruction is that its Emergency Duty Team will be set up at its Headquarters from 5:45 a.m. when the Amber Rainstorm Warning is issued on a school day (para. 4.6). In the morning of 4 June, the rainstorm developed very rapidly and the Amber Rainstorm Warning turned Red in just 35 minutes. As a result, the decision for non-closure of AM schools was arrived at by the ED officers at home, relying on telephone communications.

(e) ED’s practice is that the Emergency Duty Team comprising Information and PR Section staff would normally be activated and be able to start work in the office from 5.45 am if the Amber Rainstorm Warning was already in force by about 5 am. The team can then implement any school closure decision made by EO(IPR), CFO, AD(S) and D of E by answering press and public enquiries, monitoring announcements on radio and TV, and meeting requests by individual schools for announcements on the cancellation of school functions.

(f) To most parents and students, the meaning of the Tropical Cyclone Signals is very clear - normal school day except for kindergartens for Signals No. 1 & 3 and no school with Signal No. 8 or above. However, the Red Rainstorm Warning is not that simple as schools might continue to operate or be closed. Of course, it is always possible for parents to exercise their discretion if their children should attend school in the light of their own circumstances independent of the weather or transport situations.

(g) The process of collecting information is a laborious task, especially if it has to be performed outside normal office hours. After the 4 June incident, ED had reviewed its liaison with the relevant departments and it has now established formal and improved contacts with HKO, Police, etc. for obtaining more readily the required information.

(h) The current communication links between ED and HKO
officers are conducted mainly by means of telephone. There appears a need for strengthening the links by the provision of computerised on-line facilities so that the weather information and forecast on images, charts and texts can be transmitted from HKO to ED instantly. The need was affirmed by ED’s efforts to improve communications with HKO with the 4 June experience.

6.3 As regards the existing rainstorm system, this Office is of the view that -

(a) The present two-stage and three-signal rainstorm warning system is not internally consistent - the Amber Rainstorm Warning which is not announced publicly is a forecast signal but the other two signals which are announced publicly are indications of actual rainfall already recorded and not rainfall forecast. Presently, only the Black Rainstorm Warnings call for closure of schools. However, there were quite a number of occasions in recent years in which the Red Rainstorm Warning had or should have also called for closure of schools because the heavy rainfall had already caused the traffic and road conditions to turn worse very rapidly.

(b) To the public at large, some might even find the system confusing and misleading. It is difficult for them to relate a Red Rainstorm Warning as more or less a standby warning only under ED’s instruction, i.e. school operates as usual unless advised otherwise when the red colour usually indicates danger. While to HKO, the warning means that heavy rain has caused or could cause serious road flooding and traffic congestion. In addition, the issue of supplementary warnings, i.e. thunderstorm warnings, flood warnings and landslip warnings makes the Rainstorm Warning System even more complicated and confusing.

(c) Following the 4 June rainstorm, ED and HKO had agreed that the decision for school closure should be decoupled from the issuance of Red Rainstorm Warning so that they can adopt a more flexible approach taking into account the forecast elements of a thunderstorm and flood warnings, the specifics of each developing rain situation.

(d) In the light of past occasions in which the Red Rainstorm Warning had actually necessitated closure of schools, it might be necessary to review if the existing thresholds of the Black Rainstorm
Warning (which will close all schools) and the Red Rainstorm Warning (which normally do not have to close all schools) should be revised based on past statistics indicating the correlation between heavy rainfalls and floodings/traffic congestions, etc. in various districts necessitating a general closure of schools in the public interest of safety.

CONCLUSION AND RECOMMENDATIONS

Conclusion

7.1 Having considered the observations and findings, The Ombudsman makes the following conclusion -

(a) Many people’s misinterpretation of the Red/Black Rainstorm Warnings as rainfall forecast signals and their misunderstanding of the meaning of the Red Rainstorm Warning in relation to the closure of schools would easily cause confusion at times of rapid changes of the rainfall situation.

(b) Besides an easily understood rainstorm warning system, ED should be equipped with the capability and efficiency, in terms of staff and supporting resources for liaison with other relevant departments, in responding to changes of weather conditions.

(c) The various measures already introduced or under study by ED and HKO after the 4 June 1997 rainstorm are steps in the right direction for improving the effectiveness and timeliness of the arrangement for ED in deciding the closure of schools due to heavy persistent rain. More need to be done.

Recommendations

7.2 Before closing the investigation, The Ombudsman makes the following recommendations with a view to further improving the existing arrangement -

For ED

(a) A decision to close schools because of inclement weather on a territory-wide basis, and exceptionally on a regional or district basis if circumstances so justified, should be made by the Administration. Parents and students should only decide themselves if they face any special
circumstances of not attending schools if the schools are opened. School heads will decide if there are special circumstances for the closure of individual schools. If such circumstances arise, the District Education Officers should provide assistance as necessary.

(b) To review, in consultation with SB if necessary, the role and involvement of other government departments e.g. HKO, Police, ISD, TD, GEO, etc. over the decision of closure of schools because of weather conditions on safety ground with a view to establishing standing arrangements for ED to be provided by these departments directly and automatically with weather, traffic and other essential information, including the nature of information required and its frequency, once the alert signal has been hoisted.

(c) To consider the need of setting up a system for regularly collecting advice/assessment from relevant departments on black spots of flooding, landslip and traffic disruption in different regions/districts to facilitate the Department in making the best decision at times of heavy persistent rain.

(d) To install computerised on-line facilities for connection to HKO for receiving weather information/forecast. Individual duty officers should also be provided with mobile telephones, home faxes, etc. to facilitate their performance of duties outside office hours.

(e) To review the modus operandi of its Emergency Duty Team with a view to setting up the Team in ED Headquarters within 45 minutes after the alert signal has been hoisted so that a decision for closure of schools, if one has to be made, can be made in the earliest time possible. At times of unsteady weather such as persistent rain extending for a prolonged period but which is not heavy enough for the hoisting of the rainstorm warning signals, consideration should be given to activating the Emergency Duty Team to make early preparation for any possibility for closure of schools due to traffic chaos, floodings or landslips.

For HKO

(f) To review, in consultation with the SB if necessary, the present rainstorm warning system with regard to the feasibility of providing a similar forecast
system as the Tropical Cyclone Warnings on imminent rainfall and the consequential flooding/landslip/traffic situations taken as a whole rather than just rainfall forecast/recorded.

(g) If floodings will usually occur as a result of heavy or persistent rain, to review the continued need of the Flood Warning if in future the revised rainstorm warnings will include not only forecast rainfalls but also forecast floodings.

(h) To issue the revised Amber Warning Signal to the public as an alert signal, as in the case of Tropical Cyclone Signals Nos. 1 and 3.

For ED and HKO

(i) To consider the feasibility of relating the rainstorm warning signals to the closure of schools as in the case of Tropical Cyclone Signals, so that there will be no need, except under special circumstances (such as closure of major highways or the railways even before hoisting of the Red Rainstorm Warning), for D of E to make separate announcements for closure of schools and that the Red and Black Rainstorm Signals will have the same meaning as Tropical Cyclone Signal Nos. 8 and 10 respectively as far as the closure of schools is concerned. Alternatively, whether the Red Rainstorm Warning should only close the kindergartens and primary schools and the Black Rainstorm Warning will then close all schools.

(j) To mount general publicity programmes with a view to educating the public the correct meaning of the rainstorm warning signals and the steps to be taken generally if the Red or Black Rainstorm Warning is issued, when the schools are in session or before the school session begins.

(k) To continue the existing pre-rainy season liaison meeting for reviewing the experiences and reconfirming the communication channels, and involving other relevant departments as necessary.

(l) Prior to the onset of the rainy season, to mount special publicity programmes to remind students and parents of the arrangement in force for the closure of schools due to heavy persistent rain and to circularise to School Heads to remind them to update and reissue their school contingency plan for information of parents, students and school staff.
FINAL REMARKS

COMMENTS FROM THE HONG KONG OBSERVATORY AND EDUCATION DEPARTMENT

8.1 The D of HKO generally welcomes our recommendations in this investigation report. He states that for implementation of the recommendations, some lead time is required because of the need for consultation with bureaux and departments and for publicity on the new arrangements for rainstorm warnings. While HKO hopes to be able to have the new arrangements in place before the next rainy season, he stresses that if it takes longer, this would be because that legislative changes may be involved. As regards the D of E, she appreciates our understanding of ED’s difficulties in the face of severe and sudden changes of weather conditions and indicates that some of the improvement measures recommended by this Office have been put in place. The detailed responses of D of HKO and D of E to this Office’s observations and findings as well as the recommendations are summarised below together with our final observations, where appropriate -

Observation in Para. 1.5(b)

(a) The D of E opines that ED’s announcements should have no real impact on the road users.

Observation in Para. 1.5(c)

(b) The D of E maintains that ED has standardized, efficient and effective system. All schools have also been advised of the same and developed their contingency plans.

(c) While this Office appreciates that ED’s arrangement for handling rainstorm situations has been established for years and reviewed annually before the rainy season, past experience and in particular the 4 June rainstorm has highlighted limitations and deficiencies as detailed in para 6.2 of this report.

Observation in Para. 1.5(d)

(d) The D of E expresses her view that individual school has full discretion in deciding on the school days.

(e) This Office opines that to many parents, they may have concern as this may have some bearing on their children’s study. In the light of the D of E’s above response, we would suggest that ED may consider
addressing parents' concern when mounting special publicity programmes to remind students and parents of the arrangement in force for the closure of schools due to heavy persistent rain (para 7.2(1)).

Observation in Para. 1.5(e)

(f) The D of E expresses her view that since Hong Kong is in the Monsoon region ED has but to cope with this natural phenomenon.

Observation in Para. 1.5(f)

(g) The D of E states that her area officers in their routine inspection will ensure that all schools are aware of and abide by the arrangements in time of inclement weather, and that parents are also informed of the contingency plans.

Observation in Para. 3.12

(h) The D of E remarks that none of these statements from the booklet produced years ago remains in the updated version, which has already been typeset and will be produced by the SB.

Observation in Para. 6.1(a)

(i) The D of HKO supplements our observation by pointing out that rainstorms can develop very rapidly, from virtually nothing to full-blown storms in a matter of a couple of hours or less. Present technology has serious limitations in accurately predicting such short-term, intense rain. On the other hand, the development and approach of tropical cyclones usually take days and this allows time for a build-up in advising public precautionary measures and a graded response on the part of the public towards mitigating typhoon damage. With a long history of typhoon forecasting the HKO has the capability to accurately track tropical cyclones, and the public is well familiar with responses to the different tropical cyclone warning signals.

Observation in Para. 6.2(a)

(j) The D of E states that ED did say in its announcement that according to the Observatory, persistent rain was expected in Kowloon North and Tsing Yi, therefore parents should keep their children at home if local weather and transport conditions were adverse. ED’s announcement was directed to parents in affected districts.
This Office considers that it would be difficult and confusing for parents to make decisions themselves on the basis of limited information on weather and traffic conditions at the material time i.e. at 7.30 a.m. in the morning of 4 June 1997 as their children might reside in areas not seriously affected by the rainstorm but their schools might be located in those affected areas.

Observation in Para. 6.2(b)

The D of E maintains that as heavy rain may be highly localized, its impact varies from place to place. Parents would need such discretion and on occasions have to decide for the safety of their children.

Observation in Para. 6.2(c)

The D of E opines that the HKO will take into account the variation of the weather in a few hours time.

The D of HKO comments that forecast being a forecast, there could be misses despite the best intentions. The rainstorm occasion on 4 June 1997 is a good example in which the HKO had difficulties in forecasting the intense storms striking Hong Kong that morning. The HKO feels that it would be useful to highlight the importance of having the prescribed school arrangements in place in the event HKO misses warning of rainstorms, especially during the time slot from around 6 to 8 a.m. when many school children would be on the way to school already. Also, HKO reiterates that when the Red or Black Rainstorm Warning is issued the best advice is to stay in safe shelters. It appears that, if schools are in session when the Red or Black Rainstorm Warning is issued, the thing to do would be to allow schools to continue, not to close them.

This Office accepts and appreciates the practical difficulties/problems faced by HKO in forecasting rainstorms but such should not, for the sake of safety of school children, discourage the Administration from finding a solution. Indeed D of HKO has rightly pointed out the importance of
having contingency school arrangements in place in the event of such situations. As regards how best this problem should be tackled and what forms of actions should be jointly taken by ED and HKO, we have made 4 recommendations in para. 7.2 (i) - (l) in this report.

**Observation in Para. 6.2(d)**

(q) The D of E considers that telecommunication is the most efficient and effective way for contact outside office hours, in particular the small hours of the day.

(r) The purpose of this paragraph is to review whether the ED’s Emergency Duty Team could be activated in the morning of 4 June 1997 having regard to its relevant internal instruction (para 4.6). This Office does not dispute the effectiveness of telephone communications.

**Conclusion in Para. 7.1(c)**

(s) The D of E has reservation on whether more can be done by the Department considering that it is impossible if not impracticable for Hong Kong to have a very accurate weather forecast (para 6.1 (a)).

(t) Our view has been stated in para 8.1(p) above. In addition, this Office has made some 5 other recommendations for ED to further improve its existing arrangement (para 7.2(a) - (e)).

**Recommendation in Para. 7.2(a)**

(u) The D of E states that this recommendation is already normal practice.

**Recommendation in para. 7.2(b)**

(v) The D of E is of the view that only key attributes such as heavy rain, typhoon, transport conditions should form the core for such a decision. Slope failure and flooding are highly localised features which are periphery to the issue. Nevertheless, ED welcomes as much information as is available and helpful to make decision.

(w) This Office hopes that ED, in consultation with SB
and other relevant departments if necessary, would work out the necessary standing arrangements.

**Recommendation in Para. 7.2(c)**

(x) The D of E confirms that this has been implemented.

(y) This Office is pleased to note that in addition to HKO, ED’s network of communication with other departments for transmission of latest information on road, slope, flooding, traffic and transport situations has also been reinforced to facilitate more effective decisions at times of inclement weather. Among other things, ED can obtain flooding reports from the DSD which will supply ED with flooding black spots maps (para 5.5(b)).

**Recommendation in Para. 7.2(d)**

(z) The D of E confirms that this has been implemented. She reports that all of the four officers involved in the formation gathering and decision-making process have mobile phones and fax machines at home.

**Recommendation in Para. 7.2(e)**

(aa) The D of E agrees that where necessary, ED would set up the Emergency Duty Team earlier. Certainly as possible, ED does prepare schools and parents well in advance.

**Recommendation in Para. 7.2(f)**

(ab) The D of HKO is happy to review the rainstorm warning system, noting the express need to have some ‘forecast’ element in it. Rather than basing the Red/Black rainstorm warnings purely on actual recorded rainfall, the HKO would give consideration to including a forecast element with a view to giving earlier warnings to the public whilst taking into consideration the technical difficulties as mentioned earlier in the report.

**Recommendation in Para. 7.2(g)**

(ac) The D of HKO welcomes the suggestion to re-consider the rainstorm warning system together with the Flood Warning. In fact, for the past year or so the HKO has been discussing with relevant departments possible ways to improve the warning system.
Recommendation in Para. 7.2(h)

(ad) The D of HKO welcomes the suggestion to issue to the public the Amber Warning, or something similar, as a precursor to possible Red/Black Warnings. On the other hand, once made public, the warning has to be tied to specific action on the part of the public, e.g. school children, parents, organisations, etc. The HKO will discuss this with departments concerned.

Recommendation in Para. 7.2(i)

(ae) The D of E considers that the problem is while tropical cyclone affects the territory in general rainstorm often affects localised regions.

(af) The D of HKO welcomes the recommendation for ED and HKO to jointly consider the feasibility of relating rainstorm warnings to school closure. However, HKO foresees great confusion to the public if the Red and Black Rainstorm Warnings are to be given the same meaning as tropical cyclone Signal No. 8 and 10 respectively, as far as precautionary measures are concerned. When rainstorm warnings are issued HKO’s advice to the public is to stay under shelter and avoid going outside as roads, slopes and traffic conditions would have become treacherous. On the other hand, during tropical cyclone Signal No. 8 situations the public is advised to go home early. If members of the public are led to equate rainstorm warnings to tropical cyclone signals in a superficial way, then when the Red Rainstorm Warning is issued, thinking it is the same as No. 8, people may hurry home, only to find themselves amid risks of flooding and landslides.

(ag) The rationale of this Office behind this recommendation is that, if implemented, this would obviate the need for D of E to make separate decisions/announcements for closure of schools due to persistent heavy rain. This will in particular be very helpful in the early morning before schools are in session. As regards the D of HKO’s worries, to avoid unnecessary misunderstanding by members of the public, it may be necessary for the proposed revised warnings to be tied to specific actions, arrangements and contingency measures on the part of the public, e.g. school children, parents and schools etc. ED and HKO may consider producing a booklet on this subject similar to the one entitled the “Code of Practice in Times of Typhoons and Rainstorms” which has been issued by the Labour Department for employers and employees(Para 3.13).
Likewise, on the publicity side, new Announcement of Public interests (API) should also be produced for TV and radio to help educate the public.

Recommendation in Para. 7.2(j)

(ah) The D of E states that there is an existing campaign involving TV, radio and the print media.

(ai) The D of HKO welcomes this recommendation. In fact, during the past few years ED and HKO have jointly mounted seminars to educate the public about the meaning and precautionary measures of rainstorm warnings. HKO considers such efforts worthwhile to continue.

(aj) This Office hopes that in the light of the findings and recommendations in this report, ED and HKO would examine whether the existing publicity programmes could be further improved.

Recommendation in Para. 7.2(k)

(ak) The D of HKO welcomes this recommendation. HKO will strive to continue pre-rain season liaison meetings with ED and reaffirm the communication channels to ensure effective exchange of information.

Recommendation in Para. 7.2(l)

(al) The D of E advises that publicity has been mounted every year since 1992. The circular is reviewed and updated for issue each year prior to the onset of the rainy season.

(am) The D of HKO welcomes the recommendation for ED and HKO to mount pre-rain season publicity programmes to familiarize school children and parents with arrangements during rainstorm situations.

(an) This Office would like both ED and HKO to take into account the findings and observations of this report when planning such publicity programmes.

8.2 This Office has carefully considered the comments made by ED and HKO and is of the view that there is no need for any changes to be made to the observations and findings as well as our conclusion and recommendations in this report.
EPILOGUE

8.3 This Office is pleased to note that ED and HKO have not raised any disagreement to our recommendations and as such all recommendations made in this report have been accepted in full or in principle by them for implementation subject, of course, to details being worked out by them. As some of these recommendations entail the joint efforts of ED and HKO and may involve the SB as well as other relevant government departments, we suggest that, where necessary, they meet and work together on how best the recommendations should be put into implementation.

8.4 Lastly, this Office would like to be kept informed by the ED and HKO in due course on the implementation of the 12 recommendations and any changes in the rainstorm warning system, relevant procedures and arrangement in the event of heavy persistent rain covered by this investigation.

-------------------

Office of The Ombudsman
Ref: OMB/WP/14/1 S.F. 24
August 1997

PLM/81
### Hoisting of Warning Signals/ED's Announcements on 4 June 1997

<table>
<thead>
<tr>
<th>Time</th>
<th>HKO's Signals</th>
<th>ED’s Announcements</th>
</tr>
</thead>
<tbody>
<tr>
<td>0310</td>
<td>Thunderstorm warning issued</td>
<td></td>
</tr>
<tr>
<td>0330</td>
<td>Flood warning issued</td>
<td></td>
</tr>
<tr>
<td>0610</td>
<td>Amber rainstorm warning issued for government</td>
<td>The Red Rainstorm Warning is on. Rains are localised to mainly northern Kowloon,</td>
</tr>
<tr>
<td></td>
<td>departments only</td>
<td>and Tsing Yi areas. Schools and parents should make their own decision if</td>
</tr>
<tr>
<td></td>
<td></td>
<td>students should return to schools. School heads should activate their contingency</td>
</tr>
<tr>
<td></td>
<td></td>
<td>plan.</td>
</tr>
<tr>
<td>0740</td>
<td>Landslip warning issued</td>
<td>The Red Rainstorm Warning is now in force. Bissessional schools are closed in the</td>
</tr>
<tr>
<td></td>
<td></td>
<td>afternoon. However, pupils attending morning classes and full-day schools should</td>
</tr>
<tr>
<td></td>
<td></td>
<td>not be released until normal close of play and conditions are safe. School heads</td>
</tr>
<tr>
<td></td>
<td></td>
<td>should activate their contingency plan.</td>
</tr>
<tr>
<td>1045</td>
<td></td>
<td></td>
</tr>
<tr>
<td>1310</td>
<td>Flood warning cancelled and red rainstorm</td>
<td></td>
</tr>
<tr>
<td></td>
<td>warning cancelled</td>
<td></td>
</tr>
<tr>
<td>1410</td>
<td>Thunderstorm warning cancelled</td>
<td></td>
</tr>
</tbody>
</table>
**Announcement about morning classes**

In response to media enquiries on an announcement this morning shortly after the issuing of the Rainstorm RED warning, a spokesman for the Education Department said:

"Normally we aim to announce before 6.15 am whether or not AM schools should be closed. For this, we need to have the relevant data for a decision to be made by 5.30 am.

The rainstorm RED warning was issued this morning at 7.05 am when large numbers of pupils were already on the way to school. We consider that any school closure announcement at that time would create even greater confusion as parents would rush to collect their children from school, and pupils who heard the announcement on their way would not know what to do.

Moreover, the Royal Observatory advice was that the rains would be regional affecting mainly Kowloon North and Tsing Yi. An announcement for territory-wide school closure was therefore not appropriate.

However, as safety of pupils, teachers and school staff is of paramount importance, the Education Department urged parents to keep their children at home if local weather and transport conditions were adverse. School heads were also asked to take special measures and activate their contingency plan.

According to our circular to schools, individual schools may announce their own closure if the school head considers that local conditions warrant doing so. School heads should also make alternative arrangements regarding internal tests or examinations for those pupils who cannot return to school or arrive late because of poor weather, road, slope, traffic or transport conditions. Pupils will not be penalised under such exceptional circumstances.

It was unfortunate that the rains developed and traffic conditions deteriorated so rapidly this morning. We appreciate the difficulties encountered by some parents and pupils. We are already conferring with the Director of Royal Observatory for closer liaison still over rainstorm warnings. We will take all possible reference from today's experience. The safety of pupils, teachers and school staff remain our prime concern."

End/Wednesday, June 4, 1997

(Team-e@EDpress)
A Rainfall Distribution Map at 6:30 am - 7:30 am on 4 June 1997
ADMINISTRATION CIRCULAR NO. 39/97

Tropical Cyclones and Heavy Persistent Rain
Arrangements for Kindergartens and Day Schools

(Note: This circular should be read by -

(a) Heads of all kindergartens and
day schools - for necessary action

(b) Heads of all sections of Education
Department - for information)

This replaces Administration Circular No. 42/96 dated 5 June 1996 on the same subject. It must be read with care as it concerns the SAFETY OF STUDENTS.

2. All schools should follow these arrangements:

(a) in the event of tropical cyclones or heavy persistent rain; and

(b) upon change of weather conditions at the time of public examinations.

Tropical Cyclones

3. When tropical cyclones affect Hong Kong, the following arrangements apply and appropriate public announcements will be made:
### Signal

<table>
<thead>
<tr>
<th>Action to be taken</th>
</tr>
</thead>
<tbody>
<tr>
<td>Hoisting No. 1</td>
</tr>
<tr>
<td>All schools including kindergartens to operate as usual.</td>
</tr>
<tr>
<td>Hoisting No. 3</td>
</tr>
<tr>
<td>All kindergartens to close. Other schools to operate as usual unless advised otherwise.</td>
</tr>
<tr>
<td>Hoisting No. 8 or above</td>
</tr>
<tr>
<td>All schools to close.</td>
</tr>
<tr>
<td>Lowering to No. 3</td>
</tr>
<tr>
<td>All kindergartens to remain closed. Other schools to resume with the next session unless road or other conditions remain adverse.</td>
</tr>
<tr>
<td>Lowering to No. 1 or lowering all Signals</td>
</tr>
<tr>
<td>All schools to resume with the next session.</td>
</tr>
</tbody>
</table>

### Heavy Persistent Rain

4. The rainstorm warning system has been revised in April 1997 with AMBER-RED-BLACK colour coded alert. It operates independently of other weather warnings, including tropical cyclone warning signals.

5. The AMBER warning ensures a high state of readiness within Government, to deal with emergencies which may arise from rainstorms. When heavy persistent rain affects Hong Kong, the RED or BLACK warning will be issued and broadcast over radio and television. The following arrangements then apply and appropriate public announcements will be made:

<table>
<thead>
<tr>
<th>Action to be taken</th>
</tr>
</thead>
<tbody>
<tr>
<td>*RED</td>
</tr>
<tr>
<td>Schools to operate as usual unless advised otherwise.</td>
</tr>
<tr>
<td>*BLACK</td>
</tr>
<tr>
<td>All schools to close.</td>
</tr>
</tbody>
</table>
*If schools are in session when RED or BLACK warning is issued, pupils should stay in school until the signal is not in force. In case the Director of Education announces the immediate suspension of classes due to inclement weather, schools should activate their contingency plan to ensure that pupils are kept safe until proper arrangements have been made for them to return home at an appropriate time. School heads should listen to radio and television announcements of rainstorms.

Emergency Duty Team

6. When tropical cyclone Signal No. 3 or the AMBER warning is issued on a school day, the Education Department will from 5:45 a.m. activate an Emergency Duty Team in the Headquarters to collect updated information on weather, road, slope, traffic and transport conditions. It will advise schools of such conditions by facsimile and arrange for radio and television announcements on closure of schools or cancellation of activities. The team will be ready to assist any school wishing to make an announcement. Schools using the service should do so first by fax on the form at Appendix L and then follow up by telephone:

- Fax no.: 2575 7050
- Telephone no.: 2892 6193-96.

Closure of Schools

7. If schools are not in session when a tropical cyclone or heavy persistent rain is likely to affect Hong Kong, the Director of Education will, as the circumstances warrant, announce over radio, television and the public address system of the Kowloon-Canton Railway Corporation, to advise parents whether or not to send their children to school. As far as possible, the announcement will be made before children set out for school. The first announcement for AM and whole-day schools will be made not later than 6:15 a.m. and for PM schools or the PM session of whole-day schools not later than 11:00 a.m. The announcement will be repeated at regular and frequent intervals.

8. If schools are in session and the weather is likely to deteriorate rapidly, the Director of Education will announce over radio, television and the public address system of the Kowloon-Canton Railway Corporation, to advise immediate suspension of classes.
Closure of Schools in Individual Districts

9. In exceptional circumstances, the Director of Education may announce the closure of schools in one or more districts. Pupils living in such districts should also not go to school even if their schools are located elsewhere. School heads should therefore ensure that their staff, parents and pupils know the district in which their schools are located and the district in which they live. This should be checked at the beginning of each school year.

Closure of Individual Schools

10. If local weather, road, slope, traffic or transport conditions warrant the closure of a school and a general announcement has not been made by the Director of Education, a school head may close the school and then notify the District Education Officer concerned as soon as possible afterwards. In such case, the school head should contact the Emergency Duty Team in the Education Department Headquarters to arrange for an announcement to be made (for details, please refer to paragraph 6 above). The announcement should be made, whenever possible, before pupils set out for school.

Public Examinations

11. Heads of schools, particularly those used as centres for public examinations, are reminded that the closure of schools as a result of tropical cyclones or heavy persistent rain does not necessarily imply the postponement of a public examination scheduled for that day. Heads of schools should listen to radio or television announcements made separately by the Hong Kong Examinations Authority regarding arrangements.

12. Unless an announcement has been made that a public examination is cancelled or postponed, it should be assumed that the examination will continue to be held as scheduled. Schools to be used as examination centres should therefore remain open for examination purposes.
Responsibilities of School Heads

13. School heads should draw up a contingency plan in advance to deal with the closure of schools or the suspension of classes owing to inclement weather. If the Director of Education announces the closure of schools after some pupils have set out for school (i.e. 6:15 a.m. or after 11:00 a.m. for PM schools), school heads should activate their contingency plan to ensure that the school premises will be open, that some teachers living close by will be at school to look after pupils arriving and that safe and proper arrangements are made for pupils to return home at an appropriate time.

14. If schools are in session when the Director of Education announces the immediate suspension of classes, school heads should also activate their contingency plan to ensure that their pupils are kept in school until safe and proper arrangements have been made for them to return home at an appropriate time. An announcement on closure of school or suspension of classes does not mean that all pupils are to be sent home immediately.

15. Each school head should ensure that the contingency plan is sufficiently comprehensive to cover all likely situations pertaining to the school during inclement weather and that the courses of action to be taken are practical and understood by all concerned. The contingency plan should therefore be worked out in consultation with teachers, parents, school bus operators and others involved so that they will co-operate fully.

16. When schools resume the afternoon session following the lowering of tropical cyclone signals or rainstorm warnings, the Director of Education will make an appropriate announcement. Nevertheless, parents should use their discretion in deciding whether or not to send their children to school. They should keep their children at home if it seems to them that local weather, road, slope, traffic or transport conditions at that time are still not completely normal. School heads should remind parents by circular letters that they have this discretion.

17. School heads should make alternative arrangements regarding internal tests or examinations for those pupils who cannot return to school or arrive late because of poor weather, road, slope, traffic or transport
conditions. Please reassure parents that their children will not be penalized under such exceptional circumstances.

18. School heads should ensure that their staff, pupils and parents are fully informed of these arrangements by circular letters.

Enquiries

19. The Information and Public Relations Section of the Education Department is ready to clarify any points in this circular. The telephone number is 2892 6198.

General

20. Heads of Sections in the Education Department and Government Schools should also read Departmental Standing Instruction No. 2/97.

C.K. TAM
for Director of Education
ADMINISTRATION CIRCULAR NO. 40/97

Tropical Cyclones and Heavy Persistent Rain
Arrangements for Evening Schools

(Note: This circular should be read by -

(a) Heads of all evening schools
   - for necessary action

(b) Heads of all sections of Education
   Department - for information)

This replaces Administration Circular No. 48/96 dated 26 June 1996 on the same subject. It must be read with care as it concerns the SAFETY OF STUDENTS.

2. All evening schools should follow these arrangements:

(a) in the event of tropical cyclones or heavy persistent rain; and

(b) upon change of weather conditions at the time of public examinations.

Tropical Cyclones

3. When tropical cyclones affect Hong Kong, the following arrangements apply and appropriate public announcements will be made:
### Action to be taken

<table>
<thead>
<tr>
<th>Signal</th>
<th>Action to be taken</th>
</tr>
</thead>
<tbody>
<tr>
<td>Hoisting No. 1</td>
<td>All schools including kindergartens to operate as usual.</td>
</tr>
<tr>
<td>Hoisting No. 3</td>
<td>All kindergartens to close. Other schools to operate as usual unless advised otherwise.</td>
</tr>
<tr>
<td>Hoisting No. 8 or above</td>
<td>All schools to close.</td>
</tr>
<tr>
<td>Lowering to No. 3</td>
<td>All kindergartens to remain closed. Other schools to resume with the next session unless road or other conditions remain adverse.</td>
</tr>
<tr>
<td>Lowering to No. 1 or lowering all Signals</td>
<td>All schools to resume with the next session.</td>
</tr>
</tbody>
</table>

### Heavy Persistent Rain

4. The rainstorm warning system has been revised in April 1997 with AMBER-RED-BLACK colour coded alert. It operates independently of other weather warnings, including tropical cyclone warning signals.

5. The AMBER warning ensures a high state of readiness within Government to deal with emergencies which may arise from rainstorms. When heavy persistent rain affects Hong Kong, the RED or BLACK warning will be issued and broadcast over radio and television. The following arrangements then apply and appropriate public announcements will be made:

<table>
<thead>
<tr>
<th>Rainstorm Warning</th>
<th>Action to be taken</th>
</tr>
</thead>
<tbody>
<tr>
<td>*RED</td>
<td>Schools to operate as usual unless advised otherwise.</td>
</tr>
<tr>
<td>*BLACK</td>
<td>All schools to close.</td>
</tr>
</tbody>
</table>
If schools are in session when RED or BLACK warning is issued, pupils should stay in school until the signal is not in force. In case the Director of Education announces the immediate suspension of classes due to inclement weather, schools should activate their contingency plan to ensure that pupils are kept safe until proper arrangements have been made for them to return home at an appropriate time. School heads should listen to radio and television announcements of rainsstorms.

Emergency Duty Team

6. When tropical cyclone Signal No. 3 is issued on a school day, the Education Department will activate an Emergency Duty Team in the Headquarters to collect updated information on weather, road, slope, traffic and transport conditions. It will advise schools of such conditions by facsimile and arrange for radio and television announcements on closure of schools or cancellation of activities. The team will be ready to assist any school wishing to make an announcement. Schools using the service should so do first by fax on the form at Appendix 1 and then follow up by telephone before 5:45 p.m.:

Fax no.: 2575 7050
Telephone no.: 2892 6133-96.

Closure of Schools

7. When a tropical cyclone or heavy persistent rain is likely to affect Hong Kong, the Director of Education will, as the circumstances warrant, announce over radio, television and the public address system of the Kowloon-Canton Railway Corporation, to advise parents whether or not to send their children to school. As far as possible, the announcement will be made not later than 6:00 p.m. before students set out for school. The announcement will be repeated at regular and frequent intervals.

Closure of Schools in Individual Districts

8. In exceptional circumstances, the Director of Education may announce the closure of schools in one or more districts. Students living in such districts should also not go to school even if their schools are located elsewhere. School heads should therefore ensure that their staff, parents and students know the district in which their schools are
located and the district in which they live. This should be checked at
the beginning of each school year.

Closure of Individual Schools

9. If local weather, road, slope, traffic or transport conditions
warrant the closure of a school and a general announcement has not been
made by the Director of Education, a school head may close the school
and then notify the District Education Officer concerned as soon as
possible afterwards. In such case, the school head should contact the
Emergency Duty Team in the Education Department Headquarters to
arrange for an announcement to be made (for details, please refer to
paragraph 6 above). The announcement should be made, whenever
possible, before students set out for school.

Public Examinations

10. Heads of schools, particularly those used as centres for public
examinations, are reminded that the closure of schools as a result of
tropical cyclones or heavy persistent rain does not necessarily imply the
postponement of a public examination scheduled for that day. Heads of
schools should listen to radio or television announcements made
separately by the Hong Kong Examinations Authority regarding
arrangements.

11. Unless an announcement has been made that a public
examination is cancelled or postponed, it should be assumed that the
examination will continue to be held as scheduled. Schools to be used as
examination centres should therefore remain open for examination
purposes.

Responsibilities of School Heads

12. School heads, particularly those with students under 18 years
of age, should draw up a contingency plan in advance to deal with the
closure of schools or the suspension of classes owing to inclement
weather. If the Director of Education announces the closure of schools
after some students have set out for school, school heads should
activate their contingency plan to ensure that the school premises will be
open, that some teachers living close by will be at school to look after
students arriving and that safe and proper arrangements are made for
students to return home at an appropriate time.

13. If schools are in session when the Director of Education
announces the immediate suspension of classes, school heads should also
activate their contingency plan to ensure that their students are kept in
school until safe and proper arrangements have been made for them to
return home at an appropriate time. An announcement on closure of
school or suspension of classes does not mean that all students are to
be sent home immediately.

14. Each school head should ensure that the contingency plan is
sufficiently comprehensive to cover all likely situations pertaining to the
school during inclement weather and that the courses of action to be taken
are practical and understood by all concerned. The contingency plan
should therefore be worked out in consultation with teachers, parents,
school bus operators and others involved so that they will co-operate fully.

15. When evening schools resume following the lowering of
tropical cyclone signals or rainstorm warnings, the Director of Education
will make an appropriate announcement. Nevertheless, parents should
use their discretion in deciding whether or not to send their children
to school. They should keep their children at home if it seems to them
that local weather, road, slope, traffic or transport conditions at that
time are still not completely normal. School heads should remind
parents, if applicable, by circular letters that they have this
discretion.

16. School heads should make alternative arrangements
regarding internal tests or examinations for those students who cannot
return to school or arrive late because of poor weather, road, slope, traffic
or transport conditions. Please reassure parents, if applicable, that
their children will not be penalised under such exceptional
circumstances.

17. School heads should ensure that their staff, students and
parents are fully informed of these arrangements by circular letters.
Enquiries

18. The Information and Public Relations Section of the Education Department is ready to clarify any points in this circular. The telephone number is 2892 6198.

C.K. TAM
for Director of Education
To: Heads of All Schools

Dear Principal,

**Precautions for Inclement Weather Conditions**

We have re-examined the Administration Circulars No. 39/97 and No. 40/97 dated 7 May 1997, on arrangements for schools at times of tropical cyclones and heavy persistent rain, in the light of recent experience. We consider the arrangements to be appropriate. They have been refined over the years and provide quite comprehensive guidance.

However, it is evident that parents and students need to be better informed about:

(a) the reassurance that students will not be penalized if they arrive late or cannot attend school because of poor weather, road, slope, floods, traffic or transport conditions; and

(b) the contingency plan of individual schools to deal with closure of school or suspension of classes.

**Points for Follow-up by Schools**

3. Please ensure that parents, staff and parents are fully informed of these arrangements in advance. Paragraphs 17 and 18 of Administration Circular No. 39/97 and Paragraphs 16 and 17 of Administration Circular No. 40/97 respectively clearly set out this requirement.

4. Where the contingency plan has to be activated, please arrange for:

(a) the school premises to remain open; and
Improvement Measures
5. As a result of our re-examination, we have strengthened our communication links with the Observatory and other departments. We now have closer liaison and better mechanism for transmission of information on weather and environmental conditions (including road, slope, floods, traffic and transport situations). This stronger networking facilitates more effective decisions at times of inclement weather.

District Education Offices
6. We have carefully considered the possibility of devolving to District Education Officers the authority to decide on closure of schools or suspension of classes in their respective area. However, this is fraught with practical problems, particularly in the early morning hours before the break of day.

7. During the day when District Education Offices are in operation, our Headquarters team will of course keep in close touch with them. This is our practice now and will remain the case.

Concluding Observations
8. In conclusion, we reaffirm that Administration Circulars No. 39/97 and No. 40/97 dated 7 May 1997 continue to apply. Please inform staff, students and parents of the arrangements in advance so that they are better able to act accordingly.

9. Our Information and Public Relations colleagues are ready to clarify any points in this letter and to assist generally. Please call at 2892 6195 or fax to 2575 7050 if necessary.

Yours sincerely,

(C.K. TAM)
for Director of Education
HOUSING DEPARTMENT AND
SOCIAL WELFARE DEPARTMENT -
CO-ORDINATION BETWEEN THE
TWO DEPARTMENTS IN PROCESSING
APPLICATION FOR HOUSING
TRANSFER ON SOCIAL GROUNDS
## CONTENTS

<table>
<thead>
<tr>
<th>Section</th>
<th>Para. No.</th>
</tr>
</thead>
<tbody>
<tr>
<td>BACKGROUND</td>
<td>1</td>
</tr>
<tr>
<td>PURPOSE OF THE INVESTIGATION</td>
<td>9</td>
</tr>
<tr>
<td>INVESTIGATION</td>
<td>10</td>
</tr>
<tr>
<td>INFORMATION PROVIDED BY THE SOCIAL WELFARE DEPARTMENT AND THE HOUSING DEPARTMENT</td>
<td>11</td>
</tr>
<tr>
<td>OBSERVATIONS AND FINDINGS</td>
<td>23</td>
</tr>
<tr>
<td>CONCLUSION</td>
<td>27</td>
</tr>
<tr>
<td>NEW IMPROVEMENT INITIATIVES</td>
<td>28</td>
</tr>
<tr>
<td>RECOMMENDATIONS</td>
<td>29</td>
</tr>
<tr>
<td>RESPONSE FROM THE DIRECTOR OF SOCIAL WELFARE</td>
<td>30</td>
</tr>
<tr>
<td>FINAL REMARKS</td>
<td>32</td>
</tr>
</tbody>
</table>
DIRECT INVESTIGATION REPORT

HOUSING DEPARTMENT AND SOCIAL WELFARE DEPARTMENT - CO-ORDINATION BETWEEN THE TWO DEPARTMENTS IN PROCESSING APPLICATION FOR HOUSING TRANSFER ON SOCIAL GROUNDS

BACKGROUND

The complainant, who was suffering from heart disease and neurasthenia and receiving medical treatment, resided with her husband, daughter and a moderate grade mentally handicapped son in a public housing unit. Her son liked to rush into the kitchen and turn on the gas stove. This was dangerous not only to the family, but also to their neighbours. In view of his behavioral problem, the complainant applied in April 1994 to the Social Welfare Department (SWD) through the Social Worker of the School where her son studied for its support of her request for transfer to another housing unit on social grounds. The complainant wished to move to a unit with a kitchen with door so as to deny free access of her son to the kitchen.

2. The SWD supported the complainant’s application and referred it to the Housing Department (HD) for further processing on 2 August 1994. However, for some unknown reasons, the Estate Office (EO) had only received a copy of the memo of referral of her case from the SWD by fax on 26 September 1994.

3. In May 1995, the complainant had a meeting with the Housing Manager (HM) concerned. Agreeing that she had a genuine and pressing need for the transfer, the HM promised at the meeting that her request would soon be acceded to, the complainant waited patiently for a positive reply from the HD, but to no avail.

4. Upon checking the situation of her case with the relevant Housing Officer (HO) in September 1995, the complainant was informed that the HM had already resigned from the Civil Service. She was further annoyed to hear from the HO that -

(a) under existing criteria for transfer, she was not eligible for such a transfer;

(b) the HD had written to inform the SWD of its findings in (a) above in September 1994; and
(c) her case file was lost.

5. The complainant then checked with the subject caseworker of the SWD (the caseworker) regarding para 4(b) above. But the latter stated that she had not been so informed by the HD. The complains then approached the HO again but was told to re-submit a fresh application through the SWD if she still wished to pursue her request for transfer. Despite further enquiries made to the EO on this case by the school social worker and the complainant herself, the HD failed to give them any definite reply.

6. Feeling aggrieved, the complainant lodged a complaint to this Office in March 1996 against the HD for:

(a) delay in handling her application for transfer to another public housing unit which had the support of the SWD; and

(b) failing to advise her of the full situation of her application after a prolonged period of time.

7. In addition to conducting an investigation into this complaint, this Office had requested the HD to expedite action in processing complainant’s request. On 22 April 1996, the HD offered the complainant another public housing unit which she accepted on 30 April 1996.

8. It was noted that although the SWD was also involved in this case, the complainant had made no complaint against the SWD.

PURPOSE OF THE INVESTIGATION

9. The purpose of this investigation was to look into the co-ordination between the SWD and the HD in processing application for housing transfer on social grounds from the complainant.

INVESTIGATION

10. In the course of the investigation, relevant papers, files and statistical data were provided to the Investigation Officer for examination and analysis by the SWD and the HD.
INFORMATION PROVIDED BY THE SOCIAL WELFARE DEPARTMENT AND THE HOUSING DEPARTMENT

Conditions for special housing transfer on medical or social grounds

11. Tenants might apply to move to accommodation of their choice in order to suit their individual needs. The request might be raised by the tenants or under the recommendations of the SWD, Hospital Authority, the Police or voluntary agencies. In general, the HD would approve applications for special transfer on medical or social grounds from:

   (a) working single parents with small children in need of assistance from relatives living in the other areas;

   (b) aged, senile or disabled tenants who were socially and economically dependent on relatives in the other areas;

   (c) families with serious relationship problems with their neighbours;

   (d) families with members who had serious behavioral problems or under triad harassment wishing to break away from the neighbourhood (including key police witnesses);

   (e) families with disabled members who would benefit on moving to flats on the lower floor, lift landing floor, or near to the rehabilitation centres, special schools or working places;

   (f) families in financial difficulties requesting transfers to flats of lower rentals; and

   (g) families requesting for transfers on compassionate grounds e.g. family tragedy.

Support of the request for special housing transfer on medical or social grounds by the SWD

12. Family Service Centres of the SWD received requests from clients for public housing transfer on compassionate grounds from time to time through self-application from the clients, referrals from the HD and the other government departments/organisations. The social workers of the SWD would assess these referrals with a view to identifying
whether there were justifiable reasons for transfer. The request for transfer was supported either to strengthen the family such that it could maximize its normal functioning or prevent the family from any predicament which was detrimental to the family or individual family members’ well-being. For example, a single-parent family might need to move closer to their relatives so as to get a support network nearby. Another example was that a wheelchair-bound person would need to move to a unit on lift-landing floor so as to enhance his mobility.

13. For cases which had genuine medical or social grounds for housing transfer but the clients were unaware of such arrangement, the SWD caseworkers would take the initiative to advise the clients to apply and make the referral to the HD with the consent of the client.

Processing of applications for special housing transfer on medical or social grounds by the HD

14. The HD had laid down procedures in dealing with applications for transfer on medical or social grounds. According to the departmental procedures, when an application for special transfer was received, the Estate Office would interview the applicant to clarify information provided and visit his/her home for assessment on the actual need for the transfer. Each case would be considered on its own merits.

15. Application for the type-to-type transfer (i.e. within the same district, same type or slightly larger in the old estates) on social or medical grounds could be dealt with expeditiously without seeking the comments from the SWD. However, stricter control would be exercised on the request for transfer from an unpopular estate to a popular one. To avoid abuse, advice from the SWD would be sought.

16. Where an application for external transfer involving better accommodation was considered fully justified, the Estate Office would recommend the case to the HD Headquarters for consideration. If a specific recommendation was made for a more popular estate, the Estate Office would ensure that the case was fully documented and that verbal confirmation on the likelihood of the availability of a vacant flat would first be made with the Lettings Unit of the HD Headquarters.

17. In case the reception estate being requested was very popular where vacancy seldom arose, the Estate Office should explore alternative ways to solve the problem, for example, by advising the tenant to widen his/her choice, i.e. to include some less popular estates where vacancies were more readily available. If the tenant insisted on waiting for a
vacancy in a popular estate, he/she should be advised in writing:

(a) that there was at the time no vacancy in the reception estate that the tenant requested for and it was unlikely that a suitable vacancy would become available in the very near future. It would therefore be in the interest of the tenant to consider transferring to the other estates where he/she might have a better chance of success; and

(b) of any other suitable alternatives the tenant might consider trying.

18. Simple cases would normally take one to two months from the date of the receipt of the application to that of an offer being made, when suitable vacant flats were available.

19. There was however no specific guideline on how an application for special transfer should be assessed. For transfer within the estate, the discretion vested with the Estate Housing Manager (EHM), while for transfer to other estates, the discretion vested with the District Senior Housing Manager having regard to the recommendation of the Estate Office, subject to the availability of suitable flats in both cases. Nevertheless, in view of the possible "jumping queue" effect of special transfers arranged on social or medical grounds, the Estate Office would only support genuinely deserving cases.

Procedures in handling requests for special housing transfer on medical or social grounds by the SWD

20. The SWD had laid down procedures in handling requests for housing transfer on medical or social grounds. According to the departmental procedures, caseworkers of the SWD would screen referrals from the HD with a view to establishing whether there were good reasons to justify a special housing transfer from an unpopular estate to a popular one as requested by the tenant. If the request was genuine and justified, the caseworkers would make a suitable recommendation to the EHM to effect the transfer. The caseworkers would also take the initiative to advise clients who had valid compassionate reasons to request for housing transfers but were unaware of the arrangement. According to the figures provided by the SWD, during the period from 1 January 1996 to 30 June 1996, the SWD had received a total of 498 requests for housing transfer, i.e. an average of 83 requests per month.
21. It normally took the SWD between two to four weeks to process a compassionate transfer referral and to conclude a recommendation to the HD. Where there was an urgent or emergency need for such a transfer, the recommendation of the SWD could be forwarded direct to the EHM concerned, copied to the section of the HD Headquarters which monitored compassionate referrals. For cases of extreme urgency, telephone communication with the relevant EHM, followed up by written confirmation, might be used to effect the transfer. In case of need, the directorate staff of the SWD would personally take up the matter with the directorate staff of the HD.

Follow up of referrals for special housing transfer on medical or social grounds to the HD by the SWD

22. Referrals for housing transfer were followed up in the same manner as other family cases. The subject caseworker would, according to the development of the case, contact the client through home visits, office interviews or telephone calls to the family and related parties to keep track of the progress of the case and intervene/provide on-going services for the clients as appropriate. Since this course of action was part and parcel of the duties of the caseworkers, the SWD did not have separate guidelines on how housing transfer cases should be followed up.

OBSERVATIONS AND FINDINGS

23. According to the information provided by the SWD, the request of the complainant housing transfer was first made known to the SWD's FSC by the Principal of the school where the complainant's son studied. Her request was then recommended on social grounds to the HM by way of a memo on 2 August 1994. On 26 September 1994, the caseworker contacted the HM by telephone to follow up the complainant's case but was told that the HD had not received the referral memo of 2 August 1994. Upon the HM's request, a copy of the memo was sent to him immediately. As to why the original referral memo had not reached the HD, the SWD had no idea.

24. The role of the SWD as far as the handling of the complainant's request for housing transfer was to assess the request with a view to establishing where there were good reasons to justify the transfer before making a recommendation to the HD. Subsequent to the SWD's referral made to the HD on 2 August 1994, the case thus became less active on the part of the SWD as it had to wait for the outcome of the HD's assessment on the complainant's application.
The caseworker had followed up the issue by paying two home visits to the complainant in May and August 1995 and by telephone calls in July 1995. It was noted that the complainant had not expressed any wish to urge the HD to transfer her household to another public housing unit as soon as possible with the understanding that there was no suitable cubicle in the estate for the time being. It was not until October 1995 that the complainant requested the caseworker to take up the issue with the HD. The latter then spoke with the subject officer of the HD on 31 October 1995 and 2 November 1995. She was told that the delay in arranging housing transfer for the complainant was due to the lack of suitable unit. Since then, and up till the housing transfer eventually effected in June 1996, the caseworker had kept her client’s request in view through regular contacts with her.

This Office had conducted a separate investigation into the complainant’s complaint against the HD for delay in handling her application for housing transfer. According to the findings of that investigation, the delay was mainly due to the fact that the HD’s EO staff had not attended to the complainant’s case for some 14 months.

CONCLUSION

This Office notes from available information that the caseworker had followed the departmental procedures in examining the complainant’s request for housing transfer and making a recommendation to the HD. It is also evident that the caseworker had maintained regular contacts with the complainant through home visits and telephone calls. She followed up the complainant’s request with the HM by telephone. As stated in the foregoing paragraph, the long delay in question was mainly attributable to the inaction of HD staff. There is nothing to show that there was problem as far as the coordination between the SWD and the HD regarding processing of applications for housing transfer on social grounds. However, as revealed in this case, there was inadequacy in handling of the complainant’s request. The complainant would have been granted the housing transfer earlier had the caseworker taken a more proactive role by issuing regular reminders to the HD to enquire about the position of her case instead of checking its progress from the HD verbally by telephone only. This observation was admitted by the SWD.

NEW IMPROVEMENT INITIATIVES

This Office is pleased to note that in order to avoid undue delay in similar cases in the future, the SWD will remind all of its caseworkers to take note whether any acknowledgment
of receipt from the HD has been received after the issue of the SWD's referral. Should there be no further news from the HD about the referral within a reasonable time frame, the SWD staff should take quick action to request the HD for a reply.

RECOMMENDATIONS

29. This Office proposes the following recommendations for the SWD to consider:

(a) working out a set of guidelines and procedures on how housing transfer cases should be followed up for compliance by its caseworkers and for consistency purpose;

(b) advising its caseworkers to issue reminders, on a regular interval basis, to the HM concerned to enquire about the position of the case as and when required instead of merely relying on telephone contacts; and

(c) conducting regular meetings at the headquarters level with the HD with a view to looking into ways how the coordination in this regard between the two departments could be further improved.

RESPONSE FROM THE DIRECTOR OF SOCIAL WELFARE

30. The Director of Social Welfare (DSW) agreed with the findings and conclusion of this Report.

31. On the recommendations of this Report in paragraph 29 (a) - (c), the DSW had the following comments:

(i) **Paragraph 29 (a)**
As the existing procedures for handling requests for public housing transfer on compassionate grounds for compliance by caseworkers were issued back in June 1989, the SWD would, in consultation with the HD, produce an updated set of guidelines and procedures for handling application for public housing transfer in due course.

(ii) **Paragraph 29 (b)**
The recommendation was accepted and would be incorporated into the updated guidelines on handling applications for public housing transfer.
(iii) Paragraph 29 (c)
The DSW agreed with the conclusion of the investigation that there was nothing to show that there was problem as far as the coordination between the SWD and the HD in processing applications for housing transfer on compassionate grounds. It did not therefore seem necessary nor practical to conduct regular meetings at the headquarters level with the HD with a view to looking into ways how the coordination between the two departments in this regard might be further improved. The scheme would of course be subject to review and meetings between the departments would be conducted as necessary.

FINAL REMARKS

32. The Ombudsman notes from available information that during the period 1 January 1996 to 30 June 1996, the SWD had received an average of 83 requests for housing transfer on compassionate grounds per month. The number of requests received is quite substantial. As the subject matter is of grave concern to those applicants, in particular those with genuine need for immediate housing transfer, the SWD and the HD, the two government departments responsible for the processing of requests for housing transfer on compassionate grounds, should have good coordination as well as close working contacts so as to ensure that all the requests will be attended to properly and immediately. To this end, regular meetings at headquarters level between the SWD and HD are considered necessary. It is only with such a well established forum that the two departments can exchange views, share experiences, review guidelines and procedures, decide on a common approach, and discuss difficult cases. In the circumstances, The Ombudsman maintains his view that the SWD should contact regular meetings at the headquarters level with the HD. As regards the frequency of the meeting, The Ombudsman has no strong view. It is entirely up to the SWD and HD to decide.

33. The Ombudsman is nevertheless pleased to note the positive response from the SWD in pursuing the other two recommendations of this Report.

----------------------
Office of The Ombudsman
Ref: OMB 510/96
August 1997
EDUCATION DEPARTMENT -

FAILURE TO COMPLETE, ON A TIMELY BASIS, THE PROCESSING OF AN APPLICATION FROM A HEARING IMPAIRED STUDENT TO ATTEND A SPECIAL SCHOOL
<table>
<thead>
<tr>
<th>CONTENTS</th>
<th>Para. No.</th>
</tr>
</thead>
<tbody>
<tr>
<td>BACKGROUND</td>
<td>1</td>
</tr>
<tr>
<td>INVESTIGATION</td>
<td>8</td>
</tr>
<tr>
<td>OBSERVATIONS AND FINDINGS</td>
<td>9</td>
</tr>
<tr>
<td>CONCLUSION</td>
<td>14</td>
</tr>
<tr>
<td>LATEST DEVELOPMENT</td>
<td>17</td>
</tr>
<tr>
<td>RECOMMENDATION</td>
<td>18</td>
</tr>
<tr>
<td>RESPONSES FROM THE DIRECTOR OF EDUCATION</td>
<td>20</td>
</tr>
<tr>
<td>FINAL REMARKS</td>
<td>21</td>
</tr>
</tbody>
</table>

ANNEX
DIRECT INVESTIGATION REPORT

Education Department - Failure to complete, on a timely basis, the processing of an application from a hearing impaired student to attend a special school

BACKGROUND

This Office has received an anonymous complaint against the Education Department (ED) for failing to complete, on a timely basis, the processing of an application from a hearing impaired student (the Student) to attend the Perth Street Special Education Centre (PS Centre). As a result of an error by an ED officer, the student was placed in a non-special (NS) school for the 1996/97 academic year.

2. Notwithstanding that this complaint has been made anonymously, an investigation has been conducted in accordance with Section 7(1)(a)(ii) of the Ombudsman Ordinance which states that the Ombudsman may investigate any action taken by an organization, set out in Part I of Schedule 1 (of which the ED had been included), even in the absence of a complainant if he is of the opinion that any person may have sustained injustice in consequence of maladministration in connection with that action.

3. The Student is suffering from severe hearing handicap and had problems in self-expressing. The Student’s parents had, in May 1996, applied through the Audiological Section (AS) of the ED’s Special Education Centre for a place in Form 1 in the Hearing Impaired Class (HIC) at the PS Centre (formerly known as the Homantin Public School).

4. According to the referral procedures, the hearing assessment report on the Student had to be endorsed and signed by the officer-in-charge (O i/c) of the Audiological Section (AS) before being passed onto the Screening, Referral, and Placement Unit (SRP) for further processing.

5. By early July 1996, the AS had completed its processing of the Student’s application and awaited for the O i/c’s signature. At that point in time, it was noted that there were still some vacancies at the said HIC at the PS Centre. However, by mid-July 1996 with the Student’s application still waiting for endorsement, the O i/c had signed and approved the application of another student.
allowing the latter to repeat in that particular class which the Student had applied for. In so doing, the last available vacancy had been filled up.

6. By end of July 1996, the O i/c had discovered that the Student’s application had not been signed. In order to cover up that mistake, the O i/c had instructed staff in the AS to mollify the Student’s parents and convinced them to send their child to attend either the HIC at the Clementi Secondary School (CSS) in North Point or one of the NS secondary schools while waiting for a vacancy that may arise from the HIC at the PS Centre. As they live in Shatin, the Student’s parents were reluctant to send their child to attend the HIC at the CSS. As a result, the Student was sent to the NS school through the normal secondary schools allocation process.

7. It was alleged that because of the oversight of the O i/c, the Student was deprived of entitled specialised education. This has directly affected the child’s learning process and academic progress. In handling the Student’s case, the O i/c was said to have abused the position as the officer-in-charge of the AS while attempting to cover up that mistake.

INVESTIGATION

8. The Director of Education (D of E) submitted her comments on and forwarded the subject files of this case to this Office on 18 October 1996. The Investigation Officer (IO) had discussed this case with the following officers of the AS in January 1997 - Specialist (AS) (S(AS)), Inspector (AS) (I(AS)).

OBSERVATIONS AND FINDINGS

9. A sequence of events regarding the Student’s application for a place with the partially-hearing (p-h) class at the Homantin Government Secondary School (HGSS) is at the ANNEX.

10. The D of E provided the following information regarding this case:

(a) The Student is suffering from bilateral profound sensorineural hearing impairment. The most suitable placement for the child is in a special
school for the deaf. The next best alternative placement is in a p-h class.

(b) On the average, the AS Section can arrange professional assessment for a child within 35 working days and the preparation of the audiologist’s report usually requires two weeks including their signing by the officers concerned and those in-charge.

(c) The SRP Unit can place a child in a special school within 14 working days.

(d) As can be seen in the sequence of events at the ANNEX, there was a lapse of one month between S(AS)’s minuting on 6 June 1996 to I(AS)’s initialling the minutes on 6 July 1996. I(AS) was reported to have the practice of screening the files in the “Report Preparation” tray to identify the urgent ones for immediate action. It was unlikely that the case file could have remained in the tray for a month without being noticed. The file might have been removed from the tray for some unknown reasons. Considering that the “Report Preparation” tray was not kept under lock and key and the absence of a record on file movement within the section, it was difficult to pinpoint who should be held responsible for the delay.

(e) The lapse of one month had caused considerable delay in the handling of the Student’s case. Had it not been the delay, the Student would have probably secured a place in the p-h class at the HGSS.

11. The O i/c of the AS had prepared a statement, stating the background, recent developments with comments on this case. The following had been extracted from that statement:

(a) There was no record on the whereabouts of the Student’s file since it was minuted by S(AS) to I(AS) on 6 June 1996. S(AS) had placed the file in the “Report Preparation” tray, to be collected by I(AS) to prepare the audiological reports. I(AS) would screen the tray at least once a week for urgent cases to be handled promptly but had not found the Student’s file during that period. How the file became missing was unknown. One possible explanation was that the file had been borrowed by some other officers but all the officers handling the case had confirmed that they had not borrowed the file.
(b) On 11 July 1996 the O i/c endorsed an application from another student for repeating the SI class. At that time the O i/c had no knowledge of the Student's application.

(c) The Student's report was on the O i/c's desk around 15 July 1996 who endorsed the audiologist's report as a routine case.

12. S(AS), the Officer-in-charge of the Peripatetic Services Team who had conducted the audiological assessment on the Student, informed the IO of the following:

(a) He confirmed that I(AS) would frequently check the "Report Preparation" tray for cases that required attention.

(b) Though the file had been marked to I(AS) on the file jacket, S(AS) still placed the file in the "Report Preparation" tray as was the standard practice. In this way, the recipient could get hold of the file much quicker than placing it on the out tray waiting to be cleared through the General Registry. This method had worked well in the past and this was the first time that a file had gone missing.

(c) The "Report Preparation" tray was located in the computer room inside the AS Section which was usually staffed and no outsider could gain access to it without being noticed.

(d) Up to the time when S(AS) prepared the audiological assessment and passed out the file, the O i/c had not been involved with the Student's case in anyway at all.

13. Upon queried by the IO, I(AS) provided the following information:

(a) I(AS) confirmed that no leave had been taken during the period, so it was unlikely that the file could have been missed.

(b) I(AS) could not fathom how the file could be missing after S(AS) had placed it in the tray. I(AS) remembered that there had been several requests for that particular file, so it was possible that someone from the other sections within the PS Centre had taken it away without informing the case officers.
CONCLUSION

14. It is noted that if the Student’s case file had not gone astray after S(AS) had placed it in the “Report Preparation” tray on 6 June 1996, the processing of the Student’s application should have been completed and endorsed by the 0 i/c well ahead of that of the other student which was endorsed on 11 July 1996. Neither the department nor its staff concerned could explain how the Student’s case file had disappeared for a month and then unaccountably re-surfaced. However, the records showed that, contrary to the allegation in para. 5 above, I(AS) had not completed the audiological report on the Student for the 0 i/c’s signature until 12 July 1996. On 15 July 1996 the said report was signed by the 0 i/c. Hence it was evident that the file had not sat on the officer’s desk since early July as alleged. Both S(AS) and I(AS) confirmed that the 0 i/c had not been involved with the Student’s case until the file was passed onto the officer’s desk on 15 July 1996. On the basis of the information provided, the 0 i/c should not be personally held responsible for the delay in this case.

15. S(AS) had informed the IO that this was the first time that the AS Section had experienced such a problem. By all accounts, it was an isolated incident. S(AS) considered that routing the files through the General Registry might delay the process. Hence, to ensure that cases would be processed as quickly as possible, he would not recommend any changes to the current practice of placing the files in the “Report Preparation” tray. This Office has no strong views on whether the current practice should be altered or otherwise as long as there is a system to keep track of the whereabouts of those active files or reports which further actions would be required. However, by the ED’s own admission, in paras. 10 (d) and (e) above, there had been a delay of about one month in the handling of the Student’s case. In the circumstances, The Ombudsman concludes that this complaint is substantiated.

16. In the course of this investigation, this Office notes that the ED staff concerned had been very co-operative and their time and effort thus rendered are much appreciated.
LATEST DEVELOPMENT

17. On 3 October 1996, an officer from the ED contacted the Student’s parents concerning possible placement for the Student in the Hong Kong School for the Deaf. But the parents revealed that they were quite satisfied with the child’s performance at the NS school. They were of the view that so far the Student had integrated and adjusted well there. Hence, they would not consider an alternative placement for the Student for the time being.

RECOMMENDATION

18. In the light of this case, to avoid recurrence of a similar incident in the future, the D of E is recommended to consider the setting up of a register to keep track of the file movement of files or reports passing through the "Report Preparation" tray in the AS Section.

19. Additionally, in reviewing the submissions by the D of E regarding this complaint, this Office notes that, apparently, the reply to our memo dated 21 September 1996, or at least part of it, had been drafted, though admittedly not signed, by the 0 i/c. If that was the case and as the 0 i/c was the officer named in the complaint, it would be contradictory to the spirit of para. 9 of the ED’s Administration Circular No. 41/95 on Public Complaints Procedure published on 26 April 1995. The D of E is recommended to remind and ensure her staff that only those neutral staff should be involved in the handling of complaint matters in the future.

RESPONSES FROM THE DIRECTOR OF EDUCATION

20. The D of E submitted the following comments on the draft report:

(a) Regarding para. 18, the ED will, as recommended, set up a register to keep track of the movement of files or reports passing through the "Report Preparation" tray in the Audiological Services Section. The department will go further in that it will review the registry services there generally to improve where appropriate the interest of their clients.
Regarding para. 19, the reply to this Office dated 21 September 1996 was drafted by the Principal Education Officer (Services) (PEO(S)) assigned to handle this case, not by the O i/c. PEO(S) had cleared the draft with the Assistant Director of Education (Services). Five officers of the AS Section, including the O i/c, were requested only each to submit a statement of his/her role in this case and to supply other factual and background materials for a full picture of the incident.

FINAL REMARKS

21. This Office is pleased to note that the recommendation in para. 18 had been accepted by the ED. With regards to the recommendation in para. 19, it was included as a result of the presence of evidence that the O i/c had a hand in the drafting of the ED's said reply to this Office, i.e. the replies to our questions (b), (c), (d) and (e) all carried the initials of that officer at the bottom left corner of each page and the same initials were also found in the O i/c's own statement. We did not question PEO(S)'s involvement in this matter but we would like to point out those possible compromising situations that should be avoided in the future.

22. Under the circumstances, the findings, conclusion and the recommendations in this report will remain unchanged.

Ref. OMB 1772/96
Office of The Ombudsman
August 1997
ANNEX

A sequence of events relating to the submission of the Student's application for a place in the Hearing Impaired Class (HIC) of the Audiological Services (AS) Section, Education Department (ED) is as follows:

<table>
<thead>
<tr>
<th>Date</th>
<th>Event</th>
</tr>
</thead>
<tbody>
<tr>
<td>21.03.96</td>
<td>Inspector (Screening, Referral and Placement) (I(SRP)) confirmed with the Student's parents that the child would choose not to attend a partially-hearing (p-h) class through the Secondary School Placement Allocation process (SSPA(96)) but would opt for the ordinary secondary schooling in Shatin.</td>
</tr>
<tr>
<td>02.05.96</td>
<td>Senior Inspector (Screening, Referral and Placement) (SI(SRP)), submitted a list of applicants for the p-h classes. The Student's name was not in the list submitted.</td>
</tr>
<tr>
<td>20.05.96</td>
<td>The parents of the Student showed interest for their child to attend a p-h class and submitted an application to have the child attending the Homantin Government Secondary School (HGSS) at Perth Street through SSPA. Since the application was submitted late, the Student's application was to be handled on an individual case referral basis.</td>
</tr>
<tr>
<td>21.05.96</td>
<td>An inspector of the Audiological Services referred the case to Specialist (Audiological Services) (S(AS)1). S(AS)1 was informed of the parent's interest in placing their child in a p-h class and was requested to take further action.</td>
</tr>
<tr>
<td>04.06.96</td>
<td>The parent of another student (Student X), a S1 student in the p-h class at the HGSS, sent a letter to the school requesting permission to repeat S1 in the p-h class for September 1996.</td>
</tr>
<tr>
<td>05.06.95</td>
<td>S(AS)1 completed the audiological assessment and the draft report on the Student.</td>
</tr>
<tr>
<td>06.06.96</td>
<td>S(AS)1 minuted to Inspector (Audiological Services) (I(AS)) and...</td>
</tr>
</tbody>
</table>
I(SRP) for report preparation to the school and for placement of the Student.

12.06.96 The co-ordinator of the p-h class in the HGSS forwarded the letter from Student X's parent, requesting for permission to repeat the S1 class, to the SRP Unit. The principal and teachers of the p-h class of the HGSS all supported that application.

01.07.96 The Senior Inspector (SRP) minuted Student X's application to the Officer-in-charge of the AS and another officer, S(AS)2, for recommendation.

06.07.96 I(AS) initialled the minute prepared by S(AS) on 06.06.96 on the Student's application to attend the p-h class at the HGSS.

08.07.96 S(AS)2 supported Student X's application to repeat S1 in p-h class in the HGSS. The O i/c endorsed the application on 11.07.96.

12.07.96 The Audiologist's Report on the Student was ready for the O i/c's signature.

15.07.96 The said report was on the O i/c's desk for the first time. It was signed and passed back to I(AS) and other clerical officers before passing onto the SRP Unit.

22.07.96 SI(SRP) wrote to the principal of the HGSS stating that there was no objection to Student X's application to repeat the S1 class for September 1996.

24.07.96 I(SRP) received the Student's file for p-h class placement for September 1996.

01.08.96 I(SRP) interviewed the Student's parents with the O i/c. The parents were informed that there was no vacancy in the S1 class in the HGSS. The O i/c recommended that the Student should go to a school for the deaf but the parents turned down the recommendation.

14.08.96 I(SRP) managed to contact the parents and was informed that they had
decided to let the child study at the NS school and they would not allow the child to study at a special school for the deaf.

24.09.96 Two ED officers visited the NS school and met with the form teacher who related to the visiting officers that in spite of difficulties in verbal communications, the Student was adjusting well and was accepted by both teachers and school mates.

03.10.96 One of the visiting officers contacted the parents concerning possible placement of the Student in the Hong Kong School for the Deaf. But the parents said that they were pleased with the Student's performance in the NS school and the child was adjusting well there. Hence, they would not consider an alternative special class placement for the Student for the time being.
AGRICULTURE AND FISHERIES DEPARTMENT - THE FISHERIES DEVELOPMENT LOAN FUND ADMINISTERED BY THE DEPARTMENT
<table>
<thead>
<tr>
<th>CONTENTS</th>
<th>Para. No.</th>
</tr>
</thead>
<tbody>
<tr>
<td>INTRODUCTION</td>
<td>1</td>
</tr>
<tr>
<td>PURPOSE OF THE INVESTIGATION</td>
<td>2</td>
</tr>
<tr>
<td>BACKGROUND</td>
<td>3</td>
</tr>
<tr>
<td>MANAGEMENT OF THE FISHERIES</td>
<td>4</td>
</tr>
<tr>
<td>DEVELOPMENT LOAN FUND</td>
<td>5</td>
</tr>
<tr>
<td>PAST INVESTIGATION ON COMPLAINTS ON THE MANAGEMENT AND CONTROL OF THE FUND</td>
<td>10</td>
</tr>
<tr>
<td>OVERALL OBSERVATIONS AND FINDINGS</td>
<td>11</td>
</tr>
<tr>
<td>CONCLUSION</td>
<td>21</td>
</tr>
<tr>
<td>RECOMMENDATIONS</td>
<td>23</td>
</tr>
<tr>
<td>COMMENTS FROM THE D OF A&amp;F</td>
<td>24</td>
</tr>
<tr>
<td>FINAL REMARKS</td>
<td>45</td>
</tr>
</tbody>
</table>

ANNEXES
<table>
<thead>
<tr>
<th>Annex</th>
<th>Title</th>
<th>Paragraph No.</th>
</tr>
</thead>
<tbody>
<tr>
<td>I</td>
<td>Fisheries Development Loan Fund Regulations</td>
<td>7</td>
</tr>
<tr>
<td>II</td>
<td>FDLF Loans</td>
<td>11</td>
</tr>
<tr>
<td>III</td>
<td>FDLF Loans - Total Amount and Total Number Per Year</td>
<td>13</td>
</tr>
</tbody>
</table>
DIRECT INVESTIGATION ON
THE FISHERIES DEVELOPMENT LOAN FUND ADMINISTERED
BY THE AGRICULTURE AND FISHERIES DEPARTMENT

INTRODUCTION

The Agriculture and Fisheries Department (A&FD) is responsible for the administration of loan funds servicing the fishing industry. This Office has conducted an investigation into a complaint in connection with the administration of the Fisheries Development Loan Fund (the Fund) by the A&FD. The investigation reveals areas of concern in the monitoring and control on the use and repayment of loans granted under the Fund. The Ombudsman is of the view that the resources put in by Government to provide financial assistance to fishermen must be administered in an efficient and effective manner and that the loans are used for the intended purpose. The Ombudsman decides in the public interest to conduct a direct investigation on the administration of the Fund in accordance with the powers conferred upon him under section 7(1)(a)(ii) of The Ombudsman Ordinance.

PURPOSE OF THE INVESTIGATION

2. The main purpose of the direct investigation is to examine the administration of the Fund having regard to -

(a) whether the Fund is achieving its goals and objectives;

(b) whether there has been any serious problems in the management and control of the loans;

(c) whether the existing procedural guidelines for the vetting, approval, management and control of the Fund are adequate;

(d) whether any full scale review of the Fund is warranted in the light of changes and developments; and

(e) whether the role and responsibilities of the A&FD in managing and controlling the loans granted under the Fund and similar loan funds are most appropriate in the circumstances.
BACKGROUND

Fisheries Loan Funds Administered by A&FD

3. Financial assistance is currently available to local fishermen from the following four fisheries loan funds administered by A&FD -

(a) The Fund, a revolving fund, was established by the Government in 1959. Loans from the Fund are mostly long-term with a maximum repayment period of 14 years. They are granted to fishermen as development capital. The purpose of the Fund is to help develop the off-shore fishing fleet.

(b) The Fish Marketing Organisation Loan Fund, also a revolving fund, was established in 1946 by the Fish Marketing Organisation (FMO) and is primarily for short-term loans to fishermen with a repayment period of not more than two years. Loans are granted for the repair, replacement or provision of fishing boats, gear and equipment and other productive purpose which will maintain or improve the applicant’s fishing business.

(c) The World Refugee Year Loan Fund is also a revolving fund and was established in 1962. The repayment period is dependent upon the nature of the loan and individual circumstances. Loans are granted to fishermen’s co-operative societies for their economic and social benefits.

(d) The Co-operative for American Relief Everywhere Loan Fund was established in 1957 to make short-term loans to fishermen for productive purposes.

MANAGEMENT OF THE FISHERIES DEVELOPMENT LOAN FUND

4. The A&FD is responsible for administering the Fund, including the appraisal of loan proposals, the disbursement of loans, the conduct of regular follow-up visits to monitor loan repayments and recovery of the outstanding loans from the borrowers. The Fund started off with a loan capital of $2 million in 1959, which was increased to $7 million in 1984.

5. In administering the Fund, the Director of Agriculture and Fisheries (D of A&F) is advised by the Fisheries Development Loan Fund Advisory Committee (FDLAC) whose terms of reference are to advise him on the granting of loans under the Fund. The
D of A&F is the Chairman of the FDLFAC and its other members include two non-official Members of the Legislative Council (LegCo), a representative of the Director of Marine and a representative of the local fishermen. The FDLFAC met quarterly to review the repayment situation of individual loan cases. Additional information pertinent to the operation of the fishing vessels concerned is also provided by the A&FD at each meeting for the reference of the FDLFAC members.

6. Loan repayments under the Fund are made monthly through the deduction of an agreed percentage directly from the loan borrowers’ proceeds of sales of catches at the FMO Fish Markets and/or cash/cheque payment.

Regulations Governing the Grant of the Fisheries Development Loan Fund

7. There are loan regulations to guide the A&FD staff in loan management. The Regulations of the Fund were approved on 21 May 1975 and the latest revision was approved by the Finance Committee of the Legislative Council on 19 October 1990. They set out the objectives for the grant of loans under the Fund, qualifications of applicant, interest payable, authority for approval of loans and transfer of vessels, repayment and security (Annex I). According to the prevailing regulations, the objectives of the Fund are as follows -

(a) Loans for building of new modern fishing vessels capable of fishing in international waters and designed or approved by the D of A&F;

(b) Loans in respect of existing vessels to be made for:
   i) hull modification;
   ii) replacement of existing engines;
   iii) purchase of more efficient fishing gear and equipment;
   iv) installation of navigational aids; and
   v) installation of chilled storage or refrigerated fish hold; and

(c) Loans also to be made in special cases for the purchase of new vessels designed or approved by the D of A&F.

8. In terms of eligibility, the following categories of persons or bodies are qualified to apply for loans under the Fund:
(a) A registered fishermen's co-operative society applying on behalf of a member; or
(b) an individual fisherman; or
(c) a registered fishing company.

9. The criteria adopted in assessing the grant of loans are as follows -

(a) the need for the loan;
(b) the objective of the application vis-a-vis the objectives of the Fund as stipulated under the Fund Regulations which were approved by the Finance Committee;
(c) the technical acceptability of the project;
(d) the financial viability of the project;
(e) the experience and repayment ability of the applicant; and
(f) the acceptability of the security provided by the applicant for loan repayment.

PAST INVESTIGATION ON COMPLAINTS ON THE MANAGEMENT AND CONTROL OF THE FUND

10. This Office has conducted investigations into a complaint against the A&FD for failure to monitor and control the use of loans granted under the Fund and repayments from borrowers and another into the monitoring on the use of a loan for its approved purpose. These cases highlighted areas of concern on-

(a) the delinquency control;
(b) the follow up and monitoring on repayments;
(c) the recovery of society loans in the event of default in repayment; and
(d) the monitoring over the use of the loan vis-a-vis the approved purpose.
OVERALL OBSERVATIONS AND FINDINGS

Utilization of and Demand for the Fund

11. Since the inception of the Fund in 1959, there have been 98 loans granted totalling $24.3 million. By and large, the loans met the objectives of the Fund in assisting local fishermen to develop the off-shore fishing fleet. The amount of loans granted ranged from $9,000 to $1.76 million each (Annex II).

12. Of the 98 loans, 95 were society loans, i.e. loans granted direct to the fishermen co-operative societies for re-lending to the fishermen borrowers and the remaining three were individual loans. There was, however, no loan granted to any fishing company. At present, there are three outstanding society loans which are all due for repayment in full in 1999 involving an outstanding principal of $0.52 million and accrued interest of $1.43 million.

13. The demand for loans under the Fund is diminishing. Apart from 1961 and 1962, the number of loans granted in each year ranged from 0 to 7. There were 12 years where no loan was granted (Annex III).

Delinquency Rate

14. Of all the loans granted, there were 11 society loans involving the writing-off of outstanding principal of $1.67 million and accrued interest of $2.07 million. The delinquency rate in terms of number of loans granted is 11.2% and in terms of the amount of loans granted is 6.9%. The delinquency rate is by no means insignificant and it reflects a review is called for in both the adequacy of the criteria used in assessing the grant of loans and delinquency control.

Delinquency Control

15. At present, the Fisheries Credit Section is responsible for handling the four fisheries loans and the Kadoorie Agricultural Aid Loan Fund for pond fish farmers and mariculturists. The Section has a staff complement of eight, comprising one Fisheries Officer, one Senior Fisheries Supervisor, two Fisheries Supervisor I and four Fisheries Supervisor II. The staff are guided by a set of procedures for handling fisheries loans.

16. Loan files examined by this Office show that the applications were vetted by the designated officers and approved by the authority in accordance with the prevailing regulations and procedures governing the grant of loans.
17. Insofar as default in repayment is concerned, the reasons for the 11 written-off cases are primarily due to failure in fishing. This Office has examined into the most recent two write-off cases in 1995 involving an outstanding principal of $1.22 million and accrued interest of $1.8 million. The reasons for the write-off are due to technical failure and failure in fishing. Investigation into these two write-off cases reveals the following problems -

(a) the follow up and monitoring of delinquency control is inadequate; and

(b) the effectiveness of using co-operative societies as guarantors for loans is in question.

18. In addition, this Office has the following observations to make in the following control aspects of the Fund which require attention -

(a) Although the A&FD's procedures in handling loan state that monthly statements are issued by the Fisheries Credit Section to the borrowers, records from those loans granted after 1988 reveal that statements were in some cases issued to the borrowers on a quarterly basis and in other cases only issued to the fishermen's co-operative societies, also on a quarterly basis. The A&FD had sent reminders to the borrowers regarding their unsatisfactory repayments quarterly. Although at different stages there were unsatisfactory repayment of the monthly instalments, outstanding principals and accrued interests were finally settled by the original due dates or new due dates in the case of extensions for full repayments. However, there have been instances where the co-operative societies which were guarantors of the loans had not been informed of the unsatisfactory repayment cases.

(b) On extension of repayment period, a borrower can submit his application for extension one month before the due date for repayment. Such application will be favourably considered if there are "genuine reasons". This Office notes that the term "genuine reasons" in the A&FD's procedures on extension of repayment of loans has not been defined and is deemed to be too general. In addition, there is no ceiling on the maximum number of extensions that can be approved.

(c) Although in the borrower's loan agreement the fishermen's co-operative society covenants with the A&FD to repay to the latter the outstanding principal and accrued interest on the due date, in those few write-off cases the fishermen's co-operative
societies were not held by their covenants to repay upon default of the borrowers. Those society loans were written-off for reasons like the recovery of the outstanding principal and accrued interest from the society would cause hardship to its other members who might have other loans and not have any tangible assets. It is apparent that the purpose of having the society as the guarantor is not served and the covenant’s effectiveness as a guarantee for loan repayment is therefore doubtful.

(d) For cases where the outstanding loans and accrued interests were written-off reveal that the borrowers had, apart from applying for the loans under the Fund from the A&FD, also obtained loans from other creditors who would usually charge them at much higher interest rates than the 6% per annum charged by the A&FD. As their financial resources had to be diverted to meet other commitments, their actual repayments to the A&FD, which had not taken this into consideration when assessing their applications, would not keep up with their original repayment pledges.

(e) The A&FD would consider a borrower as being unable to repay his outstanding loan when his security was insufficient for the repayment of the outstanding loan and he had tried and exhausted all reasonable means to improve his operation but still failed to generate sufficient income to repay the money. However, before a decision is made to write off a loan, the A&FD did not appear to have attempted to find out whether the borrower had other assets which could well cover the outstanding loan. Without examining the details of a borrower’s total assets, the conclusion that he would be unable to repay his outstanding loan might not always be appropriate.

(f) It is the A&FD’s disbursement procedure to issue the loan directly to the borrowing individual fisherman or fishermen’s co-operative society after the loan agreement is executed. This can pose a problem as the borrower may spend only part of the loan on the items for which the loan was granted and channel the remaining fund to other purposes.

(g) This Office notes that quite often the A&FD has to provide the borrowers with technical advice which other agencies or organisations may be lacking as they may not have sufficient understanding of the fishing industry to give meaningful advice and guidance. However, given the loans granted are used in relation to commercial activities, it calls into question
whether the management functions should continue to be undertaken by a government department.

The Need for a Review of the Fund

19. The Fund was established in 1959 and the need for the Fund was evident in the 1960s during which 66 loans out of a total of 98 loans were granted. There was only one loan granted since 1991 although there are currently two loan applications under process.

20. However, the decline in the number of loans granted and the nil demand in recent years call for a review of whether there is still the need for the Fund and whether its objectives remain relevant to the present day needs of the fishermen engaged in off-shore fishing in the light of changes and developments of the fishing industry as a whole.

CONCLUSION

21. The establishment of the Fund is one of the measures taken by the Government to support the local fishing industry. The Fund has over the years contributed to the modernisation of the off-shore fishing fleet by assisting the fishermen to adopt new or pioneering fishing technology. Admittedly, there is an inherent risk in trying out new technology. However, for all intent and purposes, the financial assistance from Government is given in the form of low interest loan, and not grant, and as such adequate and effective monitoring and control mechanisms must be in place to prevent and eliminate default in repayments. Any failure to recover the loan repayment in full will diminish the value and effectiveness of the Fund in meeting the needs of the fishing community. Furthermore, it will be perceived as unfair to those loan borrowers who have made repayment in full.

22. On the basis of the overall observations and findings, The Ombudsman has come to the following conclusion on this investigation of the Fisheries Development Loan Fund -

(a) There are administrative and procedural deficiencies in delinquency control as revealed in the inadequate follow up, monitoring and control over repayment of loans (Paras. 10 and 18).

(b) There are procedural deficiencies in ensuring the loans are used for its intended purpose (Para. 18).

(c) The existing security for society loans are inadequate and ineffective, particularly for large loans as reflected in the delinquency rate (Paras. 10, 14, 17 and 18).
(d) The goals and objectives of the Fund set out long time ago may no longer be relevant and adequate to the present day needs of the fishing community. This is evident in the almost zero demand for the Fund in recent years (Paras. 13, 19 and 20).

(e) The appropriateness for the A&FD, a government department, to continue to administer loan funds involving commercial activities should be addressed as a matter of policy (Para. 21).

RECOMMENDATIONS

23. The Ombudsman has the following recommendations for the D of A&F’s consideration -

(a) A comprehensive review of the need for the Fund having regard to its objectives vis-a-vis the present day needs of the fishing community should be conducted.

(b) A review of the Regulations governing the Fund should be conducted with a view to considering whether the existing security for society loans are adequate and effective and whether additional security should be imposed in respect of large loans.

(c) When a fishermen’s co-operative society acts as the guarantor for a member’s loan application, the A&FD should advise the relevant society to make known the commitment of the society to all members. The A&FD should also make sure that the fishermen’s co-operative society will have the ability to honour its covenant under the loan agreement if the borrower should default repayment on the due date at all times.

(d) A review should be conducted on the criteria adopted for assessing the grant of loans to ensure that the applicants have adequate repayment ability taking also into account the applicant’s outstanding financial commitments and available assets.

(e) A review should also be conducted on the procedures for handling fisheries loans with a view to -

i) disbursing the loans directly to the borrower upon presentations of invoices and delivery notes;

ii) setting out what constitutes “genuine reasons” for the purpose of granting extension for
repayment and the maximum number of extensions to prevent any abuse; and

iii) tightening the delinquency control and taking timely action to follow up, monitor and prevent default in repayment.

(f) A review of the appropriateness of the continued management and control of the Fund and other similar loan funds by the A&FD should be conducted as the loans are related to commercial activities. Consideration should also be given to explore the possibility and viability of corporatising the funds to relieve the department's loan management responsibilities.

COMMENTS FROM THE D OF A&F

24. The D of A&F submitted the following comments -

General Comments

25. The Fund is established specifically to assist fishermen to adopt new or pioneering fishing technology for the development of the off-shore fishing fleet. It has contributed to the modernisation of the local fishing fleet in the past and will continue to contribute to the further development of the local fishing industry. The provision of loans under the Fund is in fact one of the measures to implement the A&FD's departmental objective of facilitating sustainable production of the local fishing industry and to improve productivity.

26. Bearing in mind the purpose of the Fund, the A&FD's primary concern is how such loans can be issued and managed for the benefit of promoting fisheries development. Having regard to the practical circumstances of the local fishing industry, the A&FD has adopted, in consultation with the FDLFAC, an approach somewhat different from that adopted by commercial banks and financial institutions.

27. The A&FD is well aware of the inherent risks associated with development loans for pioneering fisheries projects, and the borrowers may have difficulties in obtaining loans from commercial banks and financial institutions. Taking into consideration the higher risk of loans of this nature, the delinquency rate cannot be regarded as high (1.8% of total loan amount not counting the two delinquent cases in 1995 which were very unusual and exceptional involving unexpected technical failure and a series of family bereavements and personal misfortunes of the borrowers, or 6.8% if the two cases were included).
28. The A&FD, however, agrees that there is a need to afford greater protection of the Fund resources and measures are being actively pursued to further tighten up the monitoring and controlling mechanism for the disbursement and repayment of loans under the Fund.

29. The broad objective of the Fund for the development of the off-shore fishing fleet is considered valid. Two loan applications for a total of $6 million for the construction of steel-hull fishing vessels are being processed. Another four fishermen have submitted their initial proposals to A&FD for loans totalling some $13 million. The subject of the “Development of the Fishing Industry” was also discussed at the LegCo Panel on Economic Services at its meeting on 16 June 1997 during which Members requested the Administration to provide more assistance, including loans, to assist the development of the local fishing industry. The Hong Kong Fishermen’s Association also made a representation to the LegCo Members on 20 June 1997, requesting the Government to provide more assistance in the development of off-shore fishing industry.

Specific Comments on Observations Made on Management and Control of the Fund

Para. 18(a)

30. With regard to the borrowers with unsatisfactory repayments, it is the A&FD’s present practice to issue quarterly reminders to both the borrowers and guarantor societies concerned. Nevertheless, the A&FD will ensure that loan statements are issued monthly to the borrowers and the co-operative societies concerned.

Para. 18(b)

31. Instead of setting rigid definition on “genuine reasons” or “maximum number of allowable extensions”, the A&FD considers it more appropriate for the D of A&F to exercise his/her discretion having regard to the circumstances of the case after seeking the advice of the FDLFAC. It is not possible to list out exhaustively all “genuine reasons” for extension of loan repayment period. Approval for loan extension is not automatic and each application has to be considered on its merits. As such, it is not necessary nor desirable to set a maximum ceiling.

Para. 18(d)

32. To better assess the borrowers’ repayment ability, the A&FD would require borrowers to provide information on other loans borrowed for the same loan purpose from other creditors.
Para. 18(e)

33. The A&FD has sought legal advice regarding the feasibility of requiring a borrower to submit, on demand, details of his total assets and the provision to allow the lender to seize such assets for the purpose of settling the borrower’s outstanding loan. The legal advice pointed out that such a proposal would be too complicated for implementation. Instead the A&FD proposes to require borrowers of loans exceeding $1 million each to put forward adequate collateral to safeguard their repayment.

Para. 18(f)

34. The A&FD agrees that improvement should be made to ensure that the loans are used for their intended purposes. The loan handling procedures are being revised in such a way that the suppliers/service providers will either be paid direct by the A&FD, or the borrowers will be required to submit receipt(s) to the A&FD for verification within one month of the date of loan disbursement.

Para. 18(g)

35. The A&FD has agreed to consider an alternative arrangement for a non-government organisation to undertake the loan management functions if a suitable and competent organisation is available. However, taking into consideration the Department’s expertise in capture fisheries and its responsibility in promoting the fishing industry, the A&FD considers that unless and until such a suitable organisation has been identified, the A&FD is the most appropriate agency to be vested with the responsibilities of monitoring and controlling the Fund.

Specific Comments on the Conclusion and Recommendations Made

Para. 21

36. The requirements and rules are applied fairly to all loan borrowers. Writing-off of outstanding loans would only be considered in very exceptional cases and all cases are treated fairly and equally.
Para. 22(a) & (b)

37. Improvement measures are being pursued to further tighten up the monitoring and control over repayment of loans and to ensure that loans are used for their intended purpose(s).

Para. 22(c)

38. Arrangements will be made to require sufficient collateral to cover large loans.

Para. 22(d)

39. The need for the Fund is reflected in the recent increase in the number of loan applications.

Para. 23(a)

40. The broad objective of the Fund in assisting fishermen to develop off-shore fishing is generally valid. The A&FD agrees to consider a review of the objectives having regard to the present day needs of the fishing community.

Para. 23(b), (c) & (e)

41. With the exception of para. 23(e)(ii) on the need to set out what constitutes "genuine reasons" for the purpose of granting extension for repayment and the maximum number of extensions, the recommendations are generally acceptable. Loan procedures are being reviewed with a view to tightening up the controlling mechanism for the disbursement and repayment of fishery loans.

Para. 23(d)

42. As stated in para. 33, there are technical difficulties in implementing the recommendation. As a practical alternative, the A&FD proposes to require additional collateral in respect of large loans.

Para. 23(f)

43. The A&FD has no in-principle objection to consider the possibility and viability of corporatising the funds in order to relieve its loan management responsibilities.

44. The D of A&F also points out that quite a number of recommendations made in this report do have significant implications on the development of the fishing industry. Relevant fishermen groups and advisory committees may have to be consulted on the proposals in due course.
FINAL REMARKS

45. The Ombudsman has carefully considered the above comments and has the following response -

General Comments

46. This Office appreciates the primary objective of setting up revolving fishery loan funds is to provide financial assistance to fishermen in the form of low interest loans with long repayment periods in the development of fishing industry. However, as the loan funds are revolving in nature, the administering body has the obligation to ensure the relevant administrative procedures and control mechanisms are efficient and effective and to institute measures to prevent and eliminate default in repayment which may lead to the dwindling of the revolving loan funds.

47. As indicated in para. 14, the delinquency rate in terms of the number and the amount of loans granted are 11.2% and 6.9% respectively. While it is appreciated that there are risks associated with the pioneering projects, this Office considers that these figures do raise concerns over the adequacy of the criteria used in assessing the grant of loans and delinquency control.

48. This Office has not come to the conclusion regarding the management of the Fund merely on the basis of the two delinquent cases in 1995. Instead, the conclusion was drawn based on observations and findings which were made after a thorough examination of the management and control of the loans granted under the Fund.

Specific Comments

Para. 31

49. This Office notes the recent revival of applications under the Fund. However, apart from the fact that they were applications still subject to vetting and approval, the short term revival of a few applications could not be taken as yet to be a valid indication of a reverse in the trend of diminishing applications which had been persisting at least for the past six years.

Para. 33

50. This Office did not suggest that all “genuine reasons” be listed out exhaustively. Our main concern is that the term
for the purpose of granting extensions is too general and vague for management and control purposes. What constitutes "genuine reasons" must be couched in more specific terms and made public for the benefit of all borrowers or potential borrowers, lest borrowers may take approval for extensions of repayment for granted. In addition, the setting of a maximum number of allowable extensions would help the borrower to understand his obligation to repayment and adjust his repayment plan of the outstanding loan. It also serves to provide a clear guideline for the A&FD staff in handling such requests and planning a more definitive course for action. It is also considered useful and productive for the A&FD staff to interview the borrower and work out a revised repayment plan taking account the repayment ability of the borrower.

Para. 39

51. When there is inadequacy in the timely follow-up, monitoring and control over repayment of loans and an outstanding loan has to be written off as a result, it may well give rise to a perceived unfairness to those borrowers who have made repayment in full. In the worst scenario, it may encourage late or default in repayment.

Para. 42

52. While this Office notes that there is a recent revival of applications, it is evident that, as indicated in Annex III, there was only one loan granted in the past six years.

Paras. 35 & 45

53. This Office accepts that the D of A&F's alternative suggestion to require additional collateral in respect of loans of more than $1 million each would help prevent and eliminate default in repayment provided that the collateral is sufficiently substantial in relation to the loan amount.

Overall Comments

54. The Ombudsman is pleased that the D of A&F has generally accepted most of the recommendations with only slight modifications suggested on their implementation. As regards the recommendation in setting out the "genuine reasons" acceptable for grant of extensions for repayment in more specific terms and the maximum number of extensions, The Ombudsman considers that it should stand despite the D of A&F's reservation for reasons explained in para. 50 as this is of great importance in terms of delinquency control.
Office of The Ombudsman
Ref. OMB/WP/14/1 S.P.17
July 1997

APMK/KL/sh
Annex I

Fisheries Development Loan Fund Regulations
(Revised on 19 October 1990)

1. Loan Capital: HK$7,000,000

2. Objective:
   (a) For building of a new modern fishing vessel capable of fishing in international waters and designed or approved by the Director of Agriculture and Fisheries;
   (b) Loans in respect of existing vessels to be made for -
      i) hull modification;
      ii) replacement of existing engines;
      iii) purchase of more efficient fishing gear and equipment;
      iv) installation of navigational aids;
      v) installation of chilled storage or refrigerated fish hold;
      and
   (c) Loans also to be made in special cases for the purchase of new vessels designed or approved by the Director of Agriculture and Fisheries.

3. Qualifications of Applicants:
   (a) A registered fishermen's co-operative society applying on behalf of a member; or
   (b) an individual fisherman; or
   (c) a registered fishing company;

Subject to the applicant -

   i) being supported by the Director of Agriculture and Fisheries;
   ii) being able to contribute from his own resources an amount acceptable to the Director of Agriculture and Fisheries, such amount being not less than 10% of the total cost of the project for which the loan is required;
iii) if a fishing company, being a locally registered company which is vested in one or more local residents; and

iv) agreeing to the terms under which the loan is issued.

4. **Interest**

(a) 6% per annum for loans to members of co-operative societies and a higher rate for loans to registered fishing companies; and

(b) interest is to accrue from the date of the loan but need not be met until the principal is paid in full.

5. **Authority for approval of loans**

(a) any loan of $1,500,000 and above recommended by the Fisheries Development Loan Fund Advisory Committee should be subject to the approval of Finance Committee;

(b) loans of $750,000 or above but below $1,500,000 recommended by the Fisheries Development Loan Fund Advisory Committee should be subject to the approval of the Financial Secretary;

(c) loans of $100,000 or above but below $750,000 should be subject to the approval of the Director of Agriculture and Fisheries on the advice of the Fisheries Development Loan Fund Advisory Committee; and

(d) the Director of Agriculture and Fisheries should have the authority to approve loans below $100,000.

6. **Authority for approval of transfers of vessels**

(a) Finance Committee will be the authority to approve transfers of vessels which are subject to outstanding loans which they had approved originally; and

(b) the Financial Secretary and the Director of Agriculture and Fisheries will be the authority to approve transfers in respect of vessels whose outstanding loans were originally approved by them.

7. **Repayment**

(a) loans to be repaid by regular monthly instalments calculated by the Director of Agriculture and Fisheries to recover the total capital sum of the loan plus the interest thereon within the loan terms (a maximum of 14 years) or at a minimum rate of 15% of the total proceeds of sales of catches whichever is the lesser;
(b) the Director of Agriculture and Fisheries may reduce the repayment rate to 10% in special cases subject to the advice of the Fisheries Development Loan Fund Advisory Committee; and

(c) reduction of the repayment rate below 10% of the proceeds of catches or reduction to that rate for a period of more than five years may be granted by the Financial Secretary on the advice of the Fisheries Development Loan Fund Advisory Committee.

8. **Security**:

(a) loans made to members of a co-operative society to be secured by means of a guarantee from the society through which the loan is paid, in default of which, the Director of Agriculture and Fisheries may recover the sum outstanding from the society in such a manner as may be appropriate;

(b) loans made to fisheries companies to be secured by means of mortgages;

(c) where the applicant is not a member of a co-operative society, two sureties and other security to the satisfaction of the Director of Agriculture and Fisheries are required;

(d) in case of every loan exceeding $5,000 the borrower is required to submit the licence book of his fishing vessel to the Marine Department for endorsement as follows - “The vessel is the subject of a loan agreement between the Director of Agriculture and Fisheries and the owner ......”, and

(e) in case of every loan of $20,000 or over, the borrower is required to insure his vessel in a sum of not less than the outstanding balance of the loan.
<table>
<thead>
<tr>
<th>File No.</th>
<th>Case No.</th>
<th>Amount of loan (£)</th>
<th>Date issued</th>
<th>Purpose of loan</th>
<th>Remark</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>1</td>
<td>50,000</td>
<td>19.10.66</td>
<td>To buy a new engine.</td>
<td></td>
</tr>
<tr>
<td>2</td>
<td>2</td>
<td>30,000</td>
<td>12.5.67</td>
<td>To build existing trawler and buy a 2nd-hand engine.</td>
<td></td>
</tr>
<tr>
<td>3</td>
<td>3</td>
<td>75,000</td>
<td>4.4.67</td>
<td>To repair and buy a new engine.</td>
<td></td>
</tr>
<tr>
<td>4</td>
<td>4</td>
<td>75,000</td>
<td>4.4.67</td>
<td>To build a trawler and buy a new engine.</td>
<td></td>
</tr>
<tr>
<td>5</td>
<td>5</td>
<td>146,700</td>
<td>24.4.67</td>
<td>To build a trawler and buy a new engine.</td>
<td></td>
</tr>
<tr>
<td>6</td>
<td>6</td>
<td>146,700</td>
<td>24.4.67</td>
<td>To build a trawler and buy a new engine.</td>
<td></td>
</tr>
<tr>
<td>7</td>
<td>7</td>
<td>20,000</td>
<td>4.4.67</td>
<td>To buy a new engine and a 2nd-hand trawler.</td>
<td></td>
</tr>
<tr>
<td>8</td>
<td>8</td>
<td>95,000</td>
<td>28.8.67</td>
<td>Additional loan for buying new and improved gear.</td>
<td></td>
</tr>
<tr>
<td>9</td>
<td>9</td>
<td>95,000</td>
<td>28.8.67</td>
<td>To build a trawler and buy a new engine.</td>
<td></td>
</tr>
<tr>
<td>10</td>
<td>10</td>
<td>220,000</td>
<td>12.8.67</td>
<td>To buy 2 new engines.</td>
<td></td>
</tr>
<tr>
<td>10a</td>
<td>10a</td>
<td>100,000</td>
<td>30.12.64</td>
<td>Additional loan for repairing engine and vessel and buying gear.</td>
<td></td>
</tr>
<tr>
<td>11</td>
<td>11</td>
<td>70,000</td>
<td>17.8.67</td>
<td>To build a trawler.</td>
<td></td>
</tr>
<tr>
<td>12</td>
<td>12</td>
<td>144,006</td>
<td>21.5.67</td>
<td>Additional loan for replacement of engine.</td>
<td></td>
</tr>
<tr>
<td>13</td>
<td>13</td>
<td>284,000</td>
<td>21.10.67</td>
<td>To build 2 trawlers and buy 2 engines.</td>
<td></td>
</tr>
<tr>
<td>14</td>
<td>14</td>
<td>180,000</td>
<td>17.8.67</td>
<td>To build a trawler and buy a new engine.</td>
<td></td>
</tr>
<tr>
<td>15</td>
<td>15</td>
<td>150,000</td>
<td>17.8.67</td>
<td>To repair vessel and buy 2 2nd-hand engines.</td>
<td></td>
</tr>
<tr>
<td>16</td>
<td>16</td>
<td>150,000</td>
<td>17.8.67</td>
<td>Transfers to the society in 5.68 and later written off.</td>
<td></td>
</tr>
<tr>
<td>17</td>
<td>17</td>
<td>64,500</td>
<td>3.4.67</td>
<td>To build a trawler and pay engine installation fee.</td>
<td></td>
</tr>
<tr>
<td>18</td>
<td>18</td>
<td>64,500</td>
<td>3.4.67</td>
<td>To build a trawler and pay engine installation fee.</td>
<td></td>
</tr>
<tr>
<td>19</td>
<td>19</td>
<td>64,500</td>
<td>3.4.67</td>
<td>To build a trawler and pay engine installation fee.</td>
<td></td>
</tr>
<tr>
<td>20</td>
<td>20</td>
<td>64,500</td>
<td>3.4.67</td>
<td>To build a trawler and pay engine installation fee.</td>
<td></td>
</tr>
<tr>
<td>21</td>
<td>21</td>
<td>64,500</td>
<td>3.4.67</td>
<td>To build a trawler and pay engine installation fee.</td>
<td></td>
</tr>
<tr>
<td>22</td>
<td>22</td>
<td>64,500</td>
<td>3.4.67</td>
<td>To build a trawler and pay engine installation fee.</td>
<td></td>
</tr>
<tr>
<td>23</td>
<td>23</td>
<td>64,500</td>
<td>3.4.67</td>
<td>To build a trawler and pay engine installation fee.</td>
<td></td>
</tr>
<tr>
<td>24</td>
<td>24</td>
<td>64,500</td>
<td>3.4.67</td>
<td>To build a trawler and pay engine installation fee.</td>
<td></td>
</tr>
<tr>
<td>25</td>
<td>25</td>
<td>64,500</td>
<td>3.4.67</td>
<td>To build a trawler and pay engine installation fee.</td>
<td></td>
</tr>
<tr>
<td>26</td>
<td>26</td>
<td>64,500</td>
<td>3.4.67</td>
<td>To build a trawler and pay engine installation fee.</td>
<td></td>
</tr>
<tr>
<td>27</td>
<td>27</td>
<td>64,500</td>
<td>3.4.67</td>
<td>To build a trawler and pay engine installation fee.</td>
<td></td>
</tr>
<tr>
<td>28</td>
<td>28</td>
<td>64,500</td>
<td>3.4.67</td>
<td>To build a trawler and pay engine installation fee.</td>
<td></td>
</tr>
<tr>
<td>29</td>
<td>29</td>
<td>70,000</td>
<td>23.6.72</td>
<td>To rebuild existing trawler and buy a 2nd-hand engine.</td>
<td></td>
</tr>
<tr>
<td>30</td>
<td>30</td>
<td>70,000</td>
<td>23.6.72</td>
<td>To rebuild existing trawler and buy a 2nd-hand engine.</td>
<td></td>
</tr>
<tr>
<td>31</td>
<td>31</td>
<td>50,000</td>
<td>27.10.67</td>
<td>Additional loan for building a trawler fitted with the existing engine.</td>
<td></td>
</tr>
<tr>
<td>32</td>
<td>32</td>
<td>70,000</td>
<td>27.10.67</td>
<td>Additional loan for building a trawler fitted with the existing engine.</td>
<td></td>
</tr>
<tr>
<td>33</td>
<td>33</td>
<td>98,000</td>
<td>10.5.68</td>
<td>Additional loan to buy and install 2 new engines.</td>
<td></td>
</tr>
<tr>
<td>34</td>
<td>34</td>
<td>106,670</td>
<td>19.3.64</td>
<td>To repair vessel and buy a new engine.</td>
<td></td>
</tr>
<tr>
<td>35</td>
<td>35</td>
<td>127,770</td>
<td>19.3.64</td>
<td>To build a modified pair trawler and buy a new engine.</td>
<td></td>
</tr>
<tr>
<td>36</td>
<td>36</td>
<td>127,770</td>
<td>19.3.64</td>
<td>To build a modified pair trawler and buy a new engine.</td>
<td></td>
</tr>
<tr>
<td>37</td>
<td>37</td>
<td>127,770</td>
<td>19.3.64</td>
<td>To build a modified pair trawler and buy a new engine.</td>
<td></td>
</tr>
<tr>
<td>38</td>
<td>38</td>
<td>372,806</td>
<td>7.10.64</td>
<td>To build 2 modified pair trawlers and buy 2 new engines.</td>
<td></td>
</tr>
<tr>
<td>39</td>
<td>39</td>
<td>21,720</td>
<td>30.12.64</td>
<td>Additional loan for installing a fish hold in the trawler.</td>
<td></td>
</tr>
<tr>
<td>40</td>
<td>40</td>
<td>182,370</td>
<td>23.2.66</td>
<td>To build a 25m modern stern trawler.</td>
<td></td>
</tr>
<tr>
<td>41</td>
<td>41</td>
<td>239,368</td>
<td>11.1.86</td>
<td>To build a 25m modern stern trawler.</td>
<td></td>
</tr>
<tr>
<td>42</td>
<td>42</td>
<td>35,000</td>
<td>20.10.70</td>
<td>Additional loan for converting the existing vessel to a pair trawler.</td>
<td></td>
</tr>
<tr>
<td>43</td>
<td>43</td>
<td>239,368</td>
<td>11.1.86</td>
<td>To build a 25m modern pair trawler.</td>
<td></td>
</tr>
<tr>
<td>44</td>
<td>44</td>
<td>236,700</td>
<td>23.5.86</td>
<td>To build a 25m modern stern trawler.</td>
<td></td>
</tr>
<tr>
<td>45</td>
<td>45</td>
<td>235,000</td>
<td>23.5.86</td>
<td>To build a 25m modern stern trawler.</td>
<td></td>
</tr>
<tr>
<td>46</td>
<td>46</td>
<td>231,750</td>
<td>15.7.86</td>
<td>To build a 25m modern pair trawler.</td>
<td></td>
</tr>
<tr>
<td>47</td>
<td>47</td>
<td>231,750</td>
<td>15.7.86</td>
<td>To build a 25m modern pair trawler.</td>
<td></td>
</tr>
<tr>
<td>48</td>
<td>48</td>
<td>140,000</td>
<td>6.1.87</td>
<td>To repair vessel and buy a new engine.</td>
<td></td>
</tr>
<tr>
<td>49</td>
<td>49</td>
<td>140,000</td>
<td>6.1.87</td>
<td>To repair vessel and buy a new engine.</td>
<td></td>
</tr>
<tr>
<td>Year</td>
<td>Amount</td>
<td>Purpose</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>------</td>
<td>--------</td>
<td>---------</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>44</td>
<td>$216,000</td>
<td>To build a 20m modem stern otter trawler.</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>45</td>
<td>$225,000</td>
<td>To build a 20m modem stern otter trawler.</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>46</td>
<td>$230,000</td>
<td>To build a 26m modem longliner.</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>47</td>
<td>$229,100</td>
<td>To build a 26m modem pair trawler.</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>48</td>
<td>$230,000</td>
<td>To build a 26m modem pair trawler.</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>49</td>
<td>$230,000</td>
<td>To build a 26m modem pair trawler.</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>50</td>
<td>$230,000</td>
<td>To build a 26m modem pair trawler.</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>51</td>
<td>$230,000</td>
<td>To build a 26m modem pair trawler.</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>52</td>
<td>$230,000</td>
<td>To build a 26m modem pair trawler.</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>53</td>
<td>$230,000</td>
<td>To build a 26m modem pair trawler.</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>54</td>
<td>$230,000</td>
<td>To build a 26m modem pair trawler.</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>55</td>
<td>$230,000</td>
<td>To build a 26m modem pair trawler.</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>56</td>
<td>$230,000</td>
<td>To build a 26m modem pair trawler.</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>57</td>
<td>$230,000</td>
<td>To build a 26m modem pair trawler.</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>58</td>
<td>$230,000</td>
<td>To build a 26m modem pair trawler.</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>59</td>
<td>$230,000</td>
<td>To build a 26m modem pair trawler.</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>60</td>
<td>$230,000</td>
<td>To build a 26m modem pair trawler.</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>61</td>
<td>$230,000</td>
<td>To build a 26m modem pair trawler.</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>62</td>
<td>$230,000</td>
<td>To build a 26m modem pair trawler.</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>63</td>
<td>$230,000</td>
<td>To build a 26m modem pair trawler.</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>64</td>
<td>$230,000</td>
<td>To build a 26m modem pair trawler.</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>65</td>
<td>$230,000</td>
<td>To build a 26m modem pair trawler.</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>66</td>
<td>$230,000</td>
<td>To build a 26m modem pair trawler.</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>67</td>
<td>$230,000</td>
<td>To build a 26m modem pair trawler.</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>68</td>
<td>$230,000</td>
<td>To build a 26m modem pair trawler.</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>69</td>
<td>$230,000</td>
<td>To build a 26m modem pair trawler.</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>70</td>
<td>$230,000</td>
<td>To build a 26m modem pair trawler.</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>71</td>
<td>$230,000</td>
<td>To build a 26m modem pair trawler.</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>72</td>
<td>$230,000</td>
<td>To build a 26m modem pair trawler.</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>73</td>
<td>$230,000</td>
<td>To build a 26m modem pair trawler.</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>74</td>
<td>$230,000</td>
<td>To build a 26m modem pair trawler.</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>75</td>
<td>$230,000</td>
<td>To build a 26m modem pair trawler.</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>76</td>
<td>$230,000</td>
<td>To build a 26m modem pair trawler.</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>77</td>
<td>$230,000</td>
<td>To build a 26m modem pair trawler.</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>78</td>
<td>$230,000</td>
<td>To build a 26m modem pair trawler.</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>79</td>
<td>$230,000</td>
<td>To build a 26m modem pair trawler.</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>80</td>
<td>$230,000</td>
<td>To build a 26m modem pair trawler.</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>81</td>
<td>$230,000</td>
<td>To build a 26m modem pair trawler.</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>82</td>
<td>$230,000</td>
<td>To build a 26m modem pair trawler.</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>83</td>
<td>$230,000</td>
<td>To build a 26m modem pair trawler.</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>84</td>
<td>$230,000</td>
<td>To build a 26m modem pair trawler.</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>85</td>
<td>$230,000</td>
<td>To build a 26m modem pair trawler.</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>86</td>
<td>$230,000</td>
<td>To build a 26m modem pair trawler.</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>87</td>
<td>$230,000</td>
<td>To build a 26m modem pair trawler.</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>88</td>
<td>$230,000</td>
<td>To build a 26m modem pair trawler.</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>89</td>
<td>$230,000</td>
<td>To build a 26m modem pair trawler.</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>90</td>
<td>$230,000</td>
<td>To build a 26m modem pair trawler.</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>91</td>
<td>$230,000</td>
<td>To build a 26m modem pair trawler.</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>92</td>
<td>$230,000</td>
<td>To build a 26m modem pair trawler.</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>93</td>
<td>$230,000</td>
<td>To build a 26m modem pair trawler.</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>94</td>
<td>$230,000</td>
<td>To build a 26m modem pair trawler.</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>95</td>
<td>$230,000</td>
<td>To build a 26m modem pair trawler.</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>96</td>
<td>$230,000</td>
<td>To build a 26m modem pair trawler.</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>97</td>
<td>$230,000</td>
<td>To build a 26m modem pair trawler.</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>98</td>
<td>$230,000</td>
<td>To build a 26m modem pair trawler.</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>99</td>
<td>$230,000</td>
<td>To build a 26m modem pair trawler.</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>100</td>
<td>$230,000</td>
<td>To build a 26m modem pair trawler.</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

**Note:** S = Society loan  
I = Individual loan  
(1) Application withdrawn following the death of the applicant  
(2) All loans except Nos. 70, 72 and 80 were cleared.
## Annex III

**FDLF LOANS – TOTAL AMOUNT AND TOTAL NUMBER PER YEAR**

<table>
<thead>
<tr>
<th>Year</th>
<th>Total Amount of Loans ($)</th>
<th>Total No. of Loans (*)</th>
</tr>
</thead>
<tbody>
<tr>
<td>1960</td>
<td>50,000</td>
<td>1</td>
</tr>
<tr>
<td>1961</td>
<td>1,596,400</td>
<td>13</td>
</tr>
<tr>
<td>1962</td>
<td>1,278,240</td>
<td>17</td>
</tr>
<tr>
<td>1963</td>
<td>83,230</td>
<td>3</td>
</tr>
<tr>
<td>1964</td>
<td>980,388</td>
<td>7</td>
</tr>
<tr>
<td>1965</td>
<td>888,048</td>
<td>5</td>
</tr>
<tr>
<td>1966</td>
<td>1,035,500</td>
<td>5</td>
</tr>
<tr>
<td>1967</td>
<td>1,419,866</td>
<td>7</td>
</tr>
<tr>
<td>1968</td>
<td>287,104</td>
<td>1</td>
</tr>
<tr>
<td>1969</td>
<td>1,238,000</td>
<td>7</td>
</tr>
<tr>
<td>1970</td>
<td>134,000</td>
<td>3</td>
</tr>
<tr>
<td>1971</td>
<td>94,000</td>
<td>2</td>
</tr>
<tr>
<td>1972</td>
<td>705,642</td>
<td>4</td>
</tr>
<tr>
<td>1973</td>
<td>740,000</td>
<td>2</td>
</tr>
<tr>
<td>1974</td>
<td>60,000</td>
<td>2</td>
</tr>
<tr>
<td>1975</td>
<td>100,000</td>
<td>2</td>
</tr>
<tr>
<td>1976</td>
<td>1,200,000</td>
<td>2</td>
</tr>
<tr>
<td>1977</td>
<td>550,000</td>
<td>2</td>
</tr>
<tr>
<td>1978</td>
<td>30,000</td>
<td>1</td>
</tr>
<tr>
<td>1979</td>
<td>3,000,000</td>
<td>2</td>
</tr>
<tr>
<td>1980</td>
<td>4,320,000</td>
<td>3</td>
</tr>
<tr>
<td>1981</td>
<td>550,000</td>
<td>1</td>
</tr>
<tr>
<td>1982</td>
<td>1,500,000</td>
<td>4</td>
</tr>
<tr>
<td>1983</td>
<td>1,200,000</td>
<td>2</td>
</tr>
<tr>
<td>1984</td>
<td>745,000</td>
<td>1</td>
</tr>
<tr>
<td>1985</td>
<td>550,000</td>
<td>1</td>
</tr>
<tr>
<td>1986</td>
<td>550,000</td>
<td>1</td>
</tr>
</tbody>
</table>

**Total:** 24,331,527 58

*Note: (*) inclusive of additional loans granted to original borrowers or their successors.*
Hong Kong (China). Office of the Ombudsman.
Reports of the investigation on: I. Education Department: arrangement for the closure of schools due to heavy