

**Replies to initial written questions raised by Finance Committee Members
in examining the Estimates of Expenditure 2008-09**

**Director of Bureau : Secretary for Financial Services and the Treasury
Session No. : 6**

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**CONTROLLING OFFICER'S REPLY TO
INITIAL WRITTEN QUESTION**

Reply Serial No.

FSTB(Tsy)001

Question Serial No.

2171

Head: 147 Government Secretariat: Financial Services and the Treasury Bureau
(The Treasury Branch) Subhead (No. & title):

Programme:

Controlling Officer: Permanent Secretary for Financial Services and the Treasury (Treasury)

Director of Bureau: Secretary for Financial Services and the Treasury

Question:

As regards honoraria for members of committees and general departmental expenses under "Departmental Expenses", the estimates for 2008-09 represent increases of 42% and 58.3% respectively over the figures for 2007-08. Please explain the reasons for it.

Asked by: Hon. CHAN Kam-lam

Reply:

The revised estimate for 2007-08 for honoraria for members of the Board of Review (Inland Revenue Ordinance) is 33% less than the original estimate because the number of appeals heard by the Board is lower than originally expected, as a result of the withdrawal and settlement of tax appeal cases. As it is difficult to predict the number of tax appeal cases that will be withdrawn or settled in the year, for prudence sake, we have proposed that the 2008-09 draft estimate should be broadly comparable to the 2007-08 original estimate. Therefore, the 2008-09 draft estimate is higher than the 2007-08 revised estimate.

The increase in the provision for general departmental expenses in 2008-09 is mainly due to the provision for the creation of one position of Under Secretary and one position of Political Assistant as well as the related expenses for administrative support, increased provision for Companies Registry's administration fee for collection of fees on incorporation of local companies and additional requirement for other departmental expenses.

Signature _____

Name in block letters **STANLEY YING** _____

Post Title **Permanent Secretary for Financial
Services and the Treasury (Treasury)** _____

Date **20 March 2008** _____

**CONTROLLING OFFICER'S REPLY TO
INITIAL WRITTEN QUESTION**

Reply Serial No.

FSTB(Tsy)002

Question Serial No.

1124

Head: 147 Government Secretariat: Financial Services and the Treasury Bureau
(The Treasury Branch) Subhead (No. & title):

Programme:

Controlling Officer: Permanent Secretary for Financial Services and the Treasury (Treasury)

Director of Bureau: Secretary for Financial Services and the Treasury

Question:

The Chief Executive indicated in the 2007-08 Policy Address that he would ask the Financial Secretary to undertake a study on how to achieve better governance of government owned assets. How will the above measure be followed up under the 2008-09 Budget?

Asked by: Hon. CHOW LIANG Shuk-ye, Selina

Reply:

The Chief Executive announced in his 2007-08 Policy Address that the Administration would undertake a study to clarify Government's role, and its level of participation as a shareholder, in the management of its assets operated on commercial principles. These assets include organisations set up by the Government in the course of development of large-scale infrastructure projects, such as the railway corporations and the Airport Authority Hong Kong. The above study is steered by the Financial Secretary. The Treasury Branch of the Financial Services and the Treasury Bureau and all relevant bureaux/departments will deploy their existing resources in taking the study forward.

Signature _____

Name in block letters STANLEY YING

Post Title Permanent Secretary for Financial
Services and the Treasury (Treasury)

Date 19 March 2008

**CONTROLLING OFFICER'S REPLY TO
INITIAL WRITTEN QUESTION**

Reply Serial No.

FSTB(Tsy)003

Question Serial No.

0956

Head: 147 Government Secretariat: Financial Services and the Treasury Bureau
(The Treasury Branch) Subhead (No. & title):

Programme: (2) Revenue and Financial Control

Controlling Officer: Permanent Secretary for Financial Services and the Treasury (Treasury)

Director of Bureau: Secretary for Financial Services and the Treasury

Question:

Regarding the studies (including in-house studies or those entrusted to consultants) conducted for the purposes of formulating and assessing policies, please provide the relevant information in the following format:

(a) Projects that have reserved funds for conducting consultancy studies in 2007-08

Name of Consultant (if any)	Content	Revised Estimate (\$)	Progress of Studies (under planning / in progress / completed)	The follow-ups taken by the Administration on the study reports and their progress (if any)	If completed, have they been released to the public? If yes, through which channels? If no, what are the reasons?

(b) Projects that will reserve funds for conducting consultancy studies in 2008-09

Name of Consultant (if any)	Content	Expenditure (\$)	Progress of Studies (under planning / in progress / completed)	Will the studies be released to the public if they are expected to be completed in the 2008-09 financial year? If yes, through which channels? If no, what are the reasons?

Asked by: Hon. EU Yuet-mee, Audrey

Reply:

In 2007-08, a sum of about \$16 million has been earmarked for financial consultancy services, including a provision of \$14 million for the consultancy for the railway merger.

In 2008-09, a sum of about \$19 million has been earmarked for financial consultancy services, including provisions for financial advisory services in relation to the future financial arrangements for the Hong Kong Disneyland and major infrastructural projects, including new railway lines. Consultancy agreements will be awarded in due course as appropriate. Reports from these consultancy studies will be for Government's internal reference.

Signature _____

Name in block letters STANLEY YING

Post Title Permanent Secretary for Financial
Services and the Treasury (Treasury)

Date 17 March 2008

**CONTROLLING OFFICER'S REPLY TO
INITIAL WRITTEN QUESTION**

Reply Serial No.

FSTB(Tsy)004

Question Serial No.

2185

Head: 147 Government Secretariat: Financial Services and the Treasury Bureau
(The Treasury Branch) Subhead (No. & title):

Programme: (3) Service Departments

Controlling Officer: Permanent Secretary for Financial Services and the Treasury (Treasury)

Director of Bureau: Secretary for Financial Services and the Treasury

Question:

As regards the aim to ensure the efficient and cost-effective delivery of central support services, will the Administration inform this Committee of:

- (a) details of the work, expenditure and manpower involved?
- (b) whether it will consider giving priority to procurement of goods and services from social enterprises as well as those goods and services having obtained organic or fair trade certifications?

Asked by: Hon. FUNG Kin-kee, Frederick

Reply:

- (a) The work of the Treasury Branch under Programme (3) is to formulate and co-ordinate policies and actions to ensure the efficient and cost-effective delivery of central support services under its purview and to ensure that the service departments provide quality support services. These services include financial information management, procurement, supplies management, land transport, printing and accommodation. The provision and number of staff for this programme for 2008-09 is \$45.1 million and 69 posts respectively.
- (b) The Government's procurement policy has always been guided by the principles of fair and open competition, transparency, public accountability and value for money. This policy is in the overall interests of Hong Kong. Consistent with the provisions of the World Trade Organization Agreement on Government Procurement, the Government formulates, adopts and applies tender specifications according to the functions and performance of the products or services to be procured. In principle, fair treatment is accorded to all suppliers and service providers. In formulating the specifications for procurement of goods and services, the Government needs to consider various requirements carefully, including technical, environmental and quality, etc. so as to select the most advantageous offer which best meets such requirements and achieves the best value for money. To promote the development of social enterprise, the Government has announced the introduction of a pilot scheme in 2008 to give eligible social enterprises priority in bidding 38 government cleansing services contracts. The Government will review the effectiveness of the pilot scheme in due course.

Signature _____

Name in block letters STANLEY YING

Post Title Permanent Secretary for Financial
Services and the Treasury (Treasury)

Date 20 March 2008

**CONTROLLING OFFICER'S REPLY TO
INITIAL WRITTEN QUESTION**

Reply Serial No.

FSTB(Tsy)005

Question Serial No.

0766

Head: 147 Government Secretariat: Subhead (No. & title):
Financial Services and the
Treasury Bureau
(The Treasury Branch)

Programme: (2) Revenue and Financial Control

Controlling Officer: Permanent Secretary for Financial Services and the Treasury (Treasury)

Director of Bureau: Secretary for Financial Services and the Treasury

Question:

As mentioned in paragraph 68 of the Speech for the 2008-09 Budget, the Financial Secretary forecasted that there would be a surplus of \$115.6 billion for the Consolidated Account. This is a four and a half times of the last year's forecast. Such a huge variance had also appeared between the estimates and the actual figures in the 2007-08 Budget. What kind of measures will the Administration adopt for the preparation of future estimates in order to avoid huge variances in the coming Budget?

Asked by: Hon. SHEK Lai-him, Abraham

Reply:

While we examine all the revenue and expenditure items in the most objective and professional way in order to come up with a reasonable forecast each year, there have been differences between the estimates and the actual figures. This is because the estimates involve a vast array of complex data including over 200 revenue items, and a larger number of expenditure items. Changes in the economy also affect our estimates.

We will continue to issue guidelines setting out detailed timetable and instructions to bureaux and departments for the preparation of the annual estimates. Controlling Officers will also continue to critically review the funding position of the revenue and expenditure heads/subheads under their control and make a realistic assessment of the estimates.

Signature _____

Name in block letters STANLEY YING

Post Title Permanent Secretary for Financial
Services and the Treasury (Treasury)

Date 19 March 2008

**CONTROLLING OFFICER'S REPLY TO
INITIAL WRITTEN QUESTION**

FSTB(Tsy)006

Question Serial No.

1707

Head: 147 Government Secretariat: Subhead (No. & title):
Financial Services and the
Treasury Bureau
(The Treasury Branch)

Programme: (2) Revenue and Financial Control

Controlling Officer: Permanent Secretary for Financial Services and the Treasury (Treasury)

Director of Bureau: Secretary for Financial Services and the Treasury

Question:

Under this programme, the Government mentioned that it will “maintain adequate fiscal reserves to provide a cushion against future uncertainties”.

Financial Year	Budgetary Criteria - Fiscal reserves
2008-09 (Appendix A of the Budget Speech)	The Government aims to maintain adequate reserves in the long run.
2007-08 (Appendix A of the Budget Speech)	The Government aims to maintain adequate reserves in the long run.
2006-07 (Appendix A of the Budget Speech)	The Government in the long run aims to maintain the level of reserves at around 12 months of total government expenditure.

In this regard, the Administration please inform this Committee:

1. Has the criteria “the Government aims to maintain adequate reserves in the long run” mentioned in the years 2007-08 and 2008-09 replaced the criteria “the Government in the long run aims to maintain the level of reserves at around 12 months of total government expenditure” as the indicator of the Government’s “adequate reserves”?
2. If yes, when did the Government decide to change the policy?
3. What was the justification for such a change of policy?
4. Whom did the Government consult on this subject?
5. Has the Administration consulted the relevant committee of the Legislative Council? If not, what was the reason?

Asked by: Hon. SIN Chung-kai

Reply:

1. & 2. We have not set any specific target level of fiscal reserves, such as maintaining the fiscal reserves at an amount equivalent to certain months of government expenditure.
3. The fiscal reserves of Hong Kong serve two main functions. First, they help cope with fiscal pressure arising from economic downturns, unforeseen events or structural changes in the community. Second, they assist the Exchange Fund in maintaining the stability of Hong Kong's monetary and financial systems. There is no need for the reserves to keep expanding, but rather they should be maintained at an appropriate level with a view to providing adequate resources to meet our needs. As such, in preparing the Budget every year, we will review the reserves level to ensure that our public finance system continues to be robust and sustainable.
4. & 5. In preparing the annual Budget, the Financial Secretary will seek the views of the Legislative Councillors, representatives of various sectors and the community on a wide range of issues, including the appropriate level of fiscal reserves.

Signature _____

Name in block letters STANLEY YING

Post Title Permanent Secretary for Financial
Services and the Treasury (Treasury)

Date 25 March 2008

**CONTROLLING OFFICER'S REPLY TO
INITIAL WRITTEN QUESTION**

FSTB(Tsy)007

Question Serial No.

1708

Head: 147 Government Secretariat: Subhead (No. & title):
Financial Services and the
Treasury Bureau
(The Treasury Branch)

Programme: (2) Revenue and Financial Control

Controlling Officer: Permanent Secretary for Financial Services and the Treasury (Treasury)

Director of Bureau: Secretary for Financial Services and the Treasury

Question:

While “maintain adequate fiscal reserves to provide a cushion against future uncertainties” is stated in this Programme, “the Government aims to maintain adequate reserves in the long run” is stated in Appendix A of the Budget Speech as the criterion regarding fiscal reserves. The following questions are put to the Administration:

1. What is the definition of being “adequate”? Has the Government consulted anybody on the definition? Which official is to decide when the reserves are “adequate”?
2. If at any time Government officials consider the reserves below the level of being adequate, will the Government increase the reserves by increasing taxes or cutting expenditure and bring them back to the level of being adequate?
3. Has the Government set internal guidelines on what “adequate” is? If yes, will the Government disclose such internal guidelines?

Asked by: Hon. SIN Chung-kai

Reply:

1. Fiscal reserves being “adequate” means that the reserves is maintained at an appropriate level with sufficient resources to cope with fiscal pressure arising from economic downturns, unforeseen events or structural changes in the community, and assist the Exchange Fund in maintaining the stability of Hong Kong’s monetary and financial systems.

In preparing the annual Budget, the Financial Secretary will seek the views of the Legislative Councillors, representatives of various sectors and the community on a wide range of issues, including the appropriate fiscal reserves level.

2. & 3. A sound public finance system is of paramount importance to maintaining the confidence of the international financial sector and local and foreign investors. In preparing the Budget every year, we will review all revenue and expenditure items and the fiscal reserves level. The Government is of the view that the reserves need not keep expanding, but rather they should be maintained at an appropriate level with a view to providing adequate resources to meet our needs.

The Government may, as appropriate, consider raising tax and cutting expenditure to ensure the soundness of the public finance system. For instance, in view of an accumulated deficit of nearly \$180 billion within a short period of five years from 2000-01 to 2004-05, a number of fiscal targets were set to restore fiscal balance.

Signature _____

Name in block letters STANLEY YING

Post Title Permanent Secretary for Financial
Services and the Treasury (Treasury)

Date 20 March 2008

**CONTROLLING OFFICER'S REPLY TO
INITIAL WRITTEN QUESTION**

Reply Serial No.

FSTB(Tsy)009

Question Serial No.

1710

Head: 147 Government Secretariat: Financial Services and the Treasury Bureau (The Treasury Branch)

Subhead (No. & title): 281 Air passenger departure tax administration fees

Programme: (2) Revenue and Financial Control

Controlling Officer: Permanent Secretary for Financial Services and the Treasury (Treasury)

Director of Bureau: Secretary for Financial Services and the Treasury

Question:

- Please provide a breakdown of air passenger departure tax administration fees covering 2003-04, 2004-05, 2005-06, 2006-07 and 2007-08.
- For each of these 5 years, please list the number of outgoing passengers required to pay the tax and the average administration cost per passenger in collecting the tax.
- Why does the relevant administration cost fail to fall as a result of economy of scale brought about by increases in passenger numbers?

Asked by: Hon. SIN Chung-kai

Reply:

- The breakdown of the air passenger departure tax (APDT) administration fees for the past five years from 2003-04 to 2007-08 are as follows:

	2003-04 Actual Expenditure \$'000	2004-05 Actual Expenditure \$'000	2005-06 Actual Expenditure \$'000	2006-07 Actual Expenditure \$'000	2007-08 Revised Estimates \$'000
APDT Administration Fees	<u>30,284</u>	<u>32,447</u>	<u>34,506</u>	<u>36,848</u>	<u>39,686</u>

- The taxable departing passengers and the average administrative cost per passenger for the past five years from 2003-04 to 2007-08 are as follows:

	2003-04	2004-05	2005-06	2006-07	2007-08
Taxable Departing Passengers (000)	8 812	11 835	12 435	13 364	14 440
Average Administrative Cost Per Passenger(\$)	<u>3.44</u>	<u>2.74</u>	<u>2.77</u>	<u>2.76</u>	<u>2.75</u>

- c) The APDT administration fee mainly comprises the administration fee paid to airlines and helicopter operators for collecting the APDT. As the fee is based on a percentage of the amount of tax collected, it increases proportionally with the increase in the number of passengers. The lower average cost from 2004-05 onwards is due to a downward adjustment of the relevant percentage for calculating the administration fees.

Signature _____

Name in block letters STANLEY YING

Post Title Permanent Secretary for Financial
Services and the Treasury (Treasury)

Date 19 March 2008

**CONTROLLING OFFICER'S REPLY TO
INITIAL WRITTEN QUESTION**

Reply Serial No.

FSTB(Tsy)010

Question Serial No.

1711

Head: 147 Government Secretariat: Financial Services and the Treasury Bureau
(The Treasury Branch) Subhead (No. & title): 000

Programme: (2) Revenue and Financial Control

Controlling Officer: Permanent Secretary for Financial Services and the Treasury (Treasury)

Director of Bureau: Secretary for Financial Services and the Treasury

Question:

Regarding honoraria for members of committees under this subhead, members of which committee(s) are being paid honoraria? Why is the revised estimate for honoraria for members of committees for 2007-08 just 67% of the original estimate? What are the Administration's criteria in forecasting expenditure on this item for 2008-09?

Asked by: Hon. SIN Chung-kai

Reply:

Honoraria are paid to members of the Board of Review (Inland Revenue Ordinance), which was constituted under section 65 of the Inland Revenue Ordinance (Cap 112) to determine tax appeals.

Except for the fixed annual retainer for the Chairman and Deputy Chairmen of the Board, the amount of honoraria paid is determined by the number of appeals heard by the Board. The revised estimate for 2007-08 is less than the original estimate because the number of appeals heard by the Board is lower than expected, as a result of the withdrawal and settlement of tax appeal cases.

The 2008-09 estimate for this item is based on the anticipated number of appeals to be heard by the Board in 2008-09.

Signature _____

Name in block letters STANLEY YING

Post Title Permanent Secretary for Financial
Services and the Treasury (Treasury)

Date 19 March 2008

**CONTROLLING OFFICER'S REPLY TO
INITIAL WRITTEN QUESTION**

Reply Serial No.

FSTB(Tsy)011

Question Serial No.

2596

Head: 147 Government Secretariat: Financial Services and the Treasury Bureau (The Treasury Branch) Subhead (No. & title): 000 Operational expenses

Programme:

Controlling Officer: Permanent Secretary for Financial Services and the Treasury (Treasury)

Director of Bureau: Secretary for Financial Services and the Treasury

Question:

The expenditure under this subhead for 2008-09 represents an increase of \$14,213,000 over the revised estimate for 2007-08. This is "mainly due to the provisions for salary and general departmental expenses arising from the creation of one position of Under Secretary and one position of Political Assistant, both under the Political Appointment System". The Administration is invited to list:

- (a) the respective salaries for one position of Under Secretary and one position of Political Assistant.
- (b) the respective increase in "general departmental expenses" and "other related expenses for administrative support" arising from the creation of one position of Under Secretary and one position of Political Assistant. What do these expenses include?

Asked by: Hon. SIN Chung-kai

Reply:

- (a) The provision in 2008-09 for creation of one position of Under Secretary and one position of Political Assistant is \$2,683,000 and \$1,968,000 respectively.
- (b) The provision on general departmental expenses and other related expenses for administrative support for the two positions in (a) is \$500,000 and \$382,000 respectively. These expenses are mainly for setting up of office, official entertainment and secretarial support.

Signature _____

Name in block letters _____ **STANLEY YING**

Post Title _____ **Permanent Secretary for Financial Services and the Treasury (Treasury)**

Date _____ **18 March 2008**

**CONTROLLING OFFICER'S REPLY TO
INITIAL WRITTEN QUESTION**

FSTB(Tsy)012

Question Serial No.

2713

Head: 147 Government Secretariat: Subhead (No. & title):
Financial Services and the
Treasury Bureau (The
Treasury Branch)

Programme: (2) Revenue and Financial Control

Controlling Officer: Permanent Secretary for Financial Services and the Treasury (Treasury)

Director of Bureau: Secretary for Financial Services and the Treasury

Question:

In the Medium Range Forecast contained in the Budget, the Financial Secretary provided the following data in respect of government expenditure:

(\$ million)	2008/09	2009/10	2010/11	2011/12	2012/13
Total government expenditure	312,394	300,169	313,850	325,364	346,104

(Source: Appendix A to the Budget)

Meanwhile, the following one-off expenditure items are included in this year's Budget:

Measures (Paragraph in the Budget)	Expenditure (\$ million)
Spending on promoting Hong Kong as an international convention and exhibition capital (92)	150
Establishing a Research Endowment Fund (119)	18,000
Converting the Yau Ma Tei Theatre into a Cantonese opera centre (120)	120
Endowment for the West Kowloon Cultural District development (120)	21,600
Promoting the Olympic Games (121)	150
Injection into the Samaritan Fund (139)	1,000
Providing one additional month of CSSA payments and Disability Allowance (142)	1,200
One-month rent waiver for public housing tenants (144)	1,000
Electricity charge subsidy (148)	4,300
Minor works for elderly households (152)	200
Maintenance works for self-occupied properties of the elderly (155)	1,000
Additional Old Age Allowance of \$3,000 (162)	1,500

Measures (Paragraph in the Budget)	Expenditure (\$ million)
Injection into MPF accounts (179)	8,500
Total	58,720

Upon deduction of the above one-off commitments, the government expenditure for 2008-09 is approximately \$253,674 million. If the provisions for the above measures are one-off in nature and they can be excluded from the forecast for 2009-10 to 2012-13, why is annual government expenditures from 2009-10 onwards still over \$300 billion in the Administration's forecast?

Asked by: Hon. SIN Chung-kai

Reply:

With improvement in the fiscal position and a favourable economic outlook, we consider it appropriate to respond positively to the calls of the public to increase government spending to around \$300 billion to \$346 billion a year over the medium term for enhancing public services.

The government expenditure comprises operating and capital expenditure. In formulating the medium range forecast for government expenditure, we have incorporated a wide range of detailed assumptions on expenditure patterns over the forecast period, including –

- estimated cash flow of capital projects;
- forecast completion dates of capital projects and their related recurrent funding in terms of staffing and running costs; and
- estimated cash flow arising from new commitments and policy initiatives, including those announced in the 2008-09 Budget.

Although the spending initiatives listed in the table overleaf mostly involve one-off payments in 2008-09, the cash flow of some items will straddle several years. For example, the two subsidy schemes estimated to cost a total of \$1.2 billion for the elderly in need to carry out maintenance or safety improvement works for their homes are for five years. Apart from these initiatives, we have taken into account the funding requirements arising from other policy commitments, such as 12-year free education and small-class teaching, in setting the operating expenditure guidelines for the medium term.

As for the capital expenditure, we expect that the level of works expenditure will pick up further in the coming years to cope with the next batch of mega projects such as Central-Wan Chai Bypass, Central Kowloon Route and Kai Tak Development which are now at a more advanced planning stage. We have also taken into account the funding requirements for the major infrastructure projects as announced in the Policy Address.

Signature _____

Name in block letters STANLEY YING

Post Title Permanent Secretary for Financial Services and the Treasury (Treasury)

Date 20 March 2008

**CONTROLLING OFFICER'S REPLY TO
INITIAL WRITTEN QUESTION**

FSTB(Tsy)013

Question Serial No.

2731

Head: 147 Government Secretariat: Subhead (No. & title):
Financial Services and the
Treasury Bureau (The
Treasury Branch)

Programme: (2) Revenue and Financial Control

Controlling Officer: Permanent Secretary for Financial Services and the Treasury (Treasury)

Director of Bureau: Secretary for Financial Services and the Treasury

Question:

Under this Programme, the Administration will “ensure that the growth of government expenditure over time is in line with the trend growth rate of the economy.”

Government expenditure as a percentage of our Gross Domestic Product has dropped from 20.04% in 2003-04 to a level of only 14.71%, representing a fall of 27%.

1. Since 2003-04, what measures has the Government adopted to “ensure that the growth of government expenditure over time is in line with the trend growth rate of the economy”?
2. How many years does the Government have in mind when referring to “over time”?
3. How much has the Government spent on this initiative since 2003-04? What is the estimated expenditure for 2008-09?

Asked by: Hon. SIN Chung-kai

Reply:

1. Over the period from 2003-04 to 2007-08, the government expenditure dropped by 2.5%. In terms of proportion of GDP, it has dropped from 19.7% in 2003-04 to 14.7% in 2007-08.

With the consecutive years of deficits between 2000-01 and 2004-05, the Government has set the targets to restore fiscal balance in both the Operating and Consolidated Accounts and reduce the operating expenditure to below \$200 billion by 2008-09, and lower the public expenditure as a proportion of GDP to or below 20 per cent. In reducing expenditure, the Government has enhanced efficiency with a view to doing more with less resources and ensuring that essential services would not be affected. With the collective efforts of bureaux and departments in controlling expenditure and the upturn of the economy, all three targets were achieved in 2005-06, three years ahead of the schedule.

The drop in government expenditure in recent years is also attributable to the easing off of capital works expenditure, mainly due to the fact that a number of mega infrastructure projects were substantially completed between 2004 and 2006, such as Hong Kong Disneyland, Deep Bay Link, Shenzhen Western Corridor and Science Park Phase 1. On the other hand, the construction work of the next batch of mega projects such as Central-Wan Chai Bypass, Central Kowloon Route, Kai Tak Development and Wan Chai Development Phase 2 did not proceed as originally planned due to longer time for preparatory works, including public consultation.

With improvement in the fiscal position, the 2008-09 Budget has announced various spending measures, including the proposed upfront endowment of \$21.6 billion to the West Kowloon Cultural District Authority. It is estimated that the government expenditure will increase by about 32% to \$312.4 billion in 2008-09 from the \$237.2 billion in 2007-08 Revised Estimate. For the next four years to 2012-13, taking into account the cash flow projected for the major infrastructure projects as announced in the Policy Address, we forecast that the government expenditure will grow by an average of about 8% per annum as compared with the 2007-08 Revised Estimate, one percentage point higher than the forecast nominal GDP growth of 7% per annum over the same period.

2. We do not have a specific timeframe when referring to “over time”. In managing public finances, our guiding principle is to strive to achieve a fiscal balance, avoid deficits and keep the budget commensurate with the growth rate of the GDP. This is to ensure a robust and sustainable fiscal system.
3. The work involved in the activity “ensure that the growth of government expenditure over time is in line with the trend growth rate of the economy” is part and parcel of the management of public finances under Programme (2): Revenue and Financial Control. We are unable to separately provide the amount spent in the past years and the financial provision included in the 2008-09 draft Estimate.

Signature _____

Name in block letters STANLEY YING

Post Title Permanent Secretary for Financial
Services and the Treasury (Treasury)

Date 20 March 2008

Examination of Estimates of Expenditure 2008-09
**CONTROLLING OFFICER'S REPLY TO
INITIAL WRITTEN QUESTION**

Reply Serial No.

FSTB(Tsy)019

Question Serial No.

0034

Head : 106 Miscellaneous Services Subhead (No. & title) :

Programme :

Controlling Officer : Permanent Secretary for Financial Services and
the Treasury (Treasury)

Director of Bureau : Secretary for Financial Services and the Treasury

Question :

In paragraph 148 of the Financial Secretary's Budget Speech for the second reading of the Appropriation Bill, it is proposed that each residential electricity account be granted a subsidy of \$1,800. However, residents who are not provided with individual electricity meters, such as those living in log cabins, private buildings and quarters, will receive no benefit from this proposal. Is this unfair? Will the Administration consider other policies to bring benefits to them?

Asked by : Hon. CHEUNG Chiu-hung, Fernando

Reply :

The Financial Secretary has proposed in the Budget that each residential electricity account be granted a subsidy of \$1,800 in order to ease inflationary pressure. It is believed that this measure can benefit a great majority of the residential users. The Financial Secretary has also proposed a number of other measures to lighten the burden of the public, particularly relieving the difficulties encountered by the disadvantaged groups so that all citizens can enjoy the fruits of our economic improvement. The Administration believes that some of those not covered by this measure can benefit from other proposals put forth in the Budget.

Signature _____

Name in block letters STANLEY YING

Post Title Permanent Secretary for
Financial Services and the
Treasury (Treasury)

Date 14.3.2008

**CONTROLLING OFFICER'S REPLY TO
INITIAL WRITTEN QUESTION**

Reply Serial No.

FSTB(Tsy)020

Question Serial No.

0959

Head: 106 Miscellaneous Services

Subhead (No. & title): 789 Additional commitments

Programme:

Controlling Officer: Permanent Secretary for Financial Services and the Treasury (Treasury)

Director of Bureau: Secretary for Financial Services and the Treasury

Question:

In the 2008-09 Estimates, a provision of \$36.8 billion is made for additional commitments for initiatives including setting up a Research Endowment Fund. Would the Administration explain:

- (a) how the provision of \$18 billion is determined;
- (b) how much of the provision will be used to replace the existing annual funding granted by the Government to the Research Grants Council of the University Grants Committee;
- (c) what types of research projects will be financed by the Research Endowment Fund; and
- (d) how to ensure the investment earnings of the fund can support the research work of local institutions in the long run?

Asked by: Hon. LEUNG Kwan-yuen, Andrew

Reply:

The Administration is consulting the University Grants Committee (UGC) on the details of the Research Endowment Fund. The provision of \$18 billion for the Fund is determined with a view to replacing the existing annual funding granted by the Government to the Research Grants Council of the UGC, and providing additional funds to finance appropriate research projects on specific themes. We believe that the capital sum of \$18 billion will provide an opportunity for decent investment return, which should generate steady and additional funding for the research work of local institutions.

Signature _____

Name in block letters STANLEY YING

Post Title Permanent Secretary for Financial
Services and the Treasury (Treasury)

Date 26 March 2008

**CONTROLLING OFFICER'S REPLY TO
INITIAL WRITTEN QUESTION**

FSTB(Tsy)021

Head : 106 Miscellaneous
Services

Subhead 789 Non-recurrent
(No. & title): additional
commitments

Question Serial No.

2594

Programme :

Controlling Officer : Permanent Secretary for Financial Services and the Treasury (Treasury)

Director of Bureau : Secretary for Financial Services and the Treasury

Question :

The Financial Secretary has earmarked \$4.3 billion as electricity charge subsidy. What is the mode of operation regarding the subsidy? Will consideration be given to deducting the amount of subsidy from electricity charges in advance, instead of injecting the subsidy into each electricity account as a rebate, so that tenants will also benefit from the subsidy?

Asked by : Hon. WONG Kwok-hing

Reply :

The Financial Secretary has proposed a phased injection of \$1,800 into each residential account of the two electricity companies to subsidise the electricity charge of the household. The bureau is now discussing the details with the two companies. The Administration will set out the detailed proposal in the funding submission to the Finance Committee of the Legislative Council.

Signature _____

Name in block letters STANLEY YING

Post Title Permanent Secretary for
Financial Services and the
Treasury (Treasury)

Date 17.3.2008

**CONTROLLING OFFICER'S REPLY TO
INITIAL WRITTEN QUESTION**

FSTB(Tsy)022

Head: 184 – Transfers to Funds Subhead (No. & title):

Question Serial No.

2153

Programme:

Controlling Officer: Permanent Secretary for Financial Services and the Treasury (Treasury)

Director of Bureau: Secretary for Financial Services and the Treasury

Question:

The 2007-08 revised estimate for transfers to funds is 34% (i.e. \$550 million) less than the original estimate. What are the reasons? Can the Administration list in a table the original and revised estimates for each fund as well as the reasons for major variances?

Asked by: Hon. LAU Sau-shing, Patrick

Reply:

The Government provides funding to finance government services and investments through the General Revenue Account (GRA) and eight purpose-specific funds (e.g. the Loan Fund). Every year, the Government will project the cash flow of each of these funds on the basis of its estimated expenditure and revenue, and estimate the amount to be transferred from Head 184 of GRA to these funds.

The 2007-08 revised estimate for Head 184 Transfers to Funds is lower than the original estimate. We tabulate below a comparison of the original and revised estimates for each subhead under Head 184 and the reasons for the variances:

<u>Subhead</u>	<u>Original Estimate 2007-08</u>	<u>Revised Estimate 2007-08</u>	<u>Variance</u>	<u>Reasons for the variance</u>
	\$'000	\$'000	\$'000	
988 Payment to the Loan Fund	1,600,000	800,000	-800,000	The decrease is mainly due to the lower-than-expected requirements for education and housing loans under the Loan Fund
990 Payment to the Disaster Relief Fund	16,800	266,800	+250,000	The increase is mainly due to the payments from the Disaster Relief Fund to provide relief for snowstorm victims in the Mainland
Total Transfers to Funds	<u>1,616,800</u>	<u>1,066,800</u>	<u>-550,000</u>	

Signature _____

Name in block letters Stanley YING

Post Title Permanent Secretary for
Financial Services and the
Treasury (Treasury)

Date 3.2008

**CONTROLLING OFFICER'S REPLY TO
INITIAL WRITTEN QUESTION**

FSTB(Tsy)023

Head: 708 Capital Subventions and Subhead (No. & title):
Major Systems and Equipment

Question Serial No.

1677

Programme:

Controlling Officer: Commissioner of Inland Revenue

Director of Bureau: Secretary for Financial Services and the Treasury

Question:

It has been announced in the Budget that the Administration will study the relocation of three government office buildings at the Wan Chai waterfront. If the following projects have not commenced, will the Inland Revenue Department consider suspending them to save the following estimated expenditures for 2008-09?

Approved Items	Estimate 2008/09 (\$m)
Replacement of 23 sets of air-handling units in Inland Revenue Department computer hall	1.89
Replacement of five sets of air-cooled chiller units for Inland Revenue Department computer hall and other sections	2.18

If some of the above projects have already commenced, will the Administration inform this Committee of their progress?

Asked by: Hon. SIN Chung-kai

Reply:

We understand that the relocation of the three government office buildings at the Wan Chai waterfront is still being studied. If implemented, it is estimated that it would take at least six to seven years to complete.

For the above two projects, works have started and are expected to be completed by end-March 2009. The air-handling units and the air-cooled chillers for the computer hall are essential for providing a stable and controlled environment for all computer systems in IRD, hence facilitating the round-the-clock operation of computer systems. Works on these two projects have to be continued to ensure IRD's normal operation for delivery of services to the public.

Signature _____

Name in block letters Mrs LAU MAK YEE MING,
ALICE

Post Title Commissioner of Inland Revenue

Date 25 March 2008

Examination of Estimates of Expenditure 2008-09
**CONTROLLING OFFICER'S REPLY TO
INITIAL WRITTEN QUESTION**

Reply Serial No.

FSTB(Tsy)024

Question Serial No.

2667

Head : 708 Capital Subventions and Major Systems and Equipment

Subhead (No. & title) :

- 8074XI Replacement of two sets of air-cooled chillers at Revenue Tower
- 8080XI Replacement of pre-action piping and detectors at Revenue Tower
- 8082XI Replacement of sea water-cooled centrifugal chiller unit No. 3 at Revenue Tower
- 8084XI Installation of closed-circuit television cameras and digital video recorders at Immigration Tower, Revenue Tower and Harbour Building
- 8087XI Replacement of 29 sets of variable air volume air-handling units and 36 sets of constant air volume air-handling units at Immigration Tower
- 8092XI Replacement of sea water-cooled centrifugal chiller unit No. 3 at Immigration Tower
- 8093XI Replacement of sea water-cooled centrifugal chiller unit No. 4 at Revenue Tower
- 8094XI Replacement of remote controlling system for air-handling units and fresh air-handling units at Revenue Tower
- 8096XI Replacement of sea water-cooled centrifugal chiller unit No. 3 at Wanchai Tower

Programme :

Controlling Officer : Government Property Administrator

Director of Bureau : Secretary for Financial Services and the Treasury

Question :

As announced in the Budget, the Administration will study the relocation of three government office buildings at the Wan Chai waterfront. In this connection, will the Government Property Agency consider shelving the above projects if they have not yet commenced so as to achieve savings in the following estimated expenses in 2008-09?

Approved Projects	Estimate 2008-09 (\$m)
Replacement of two sets of air-cooled chillers at Revenue Tower	1.57
Replacement of pre-action piping and detectors at Revenue Tower	1.67

Approved Projects	Estimate 2008-09 (\$m)
Replacement of sea water-cooled centrifugal chiller unit No. 3 at Revenue Tower	5.52
Installation of closed-circuit television cameras and digital video recorders at Immigration Tower, Revenue Tower and Harbour Building	2.21 (partly)
Replacement of 29 sets of variable air volume air-handling units and 36 sets of constant air volume air-handling units at Immigration Tower	7.20
Replacement of sea water-cooled centrifugal chiller unit No. 3 at Immigration Tower	1.80
Replacement of sea water-cooled centrifugal chiller unit No. 4 at Revenue Tower	2.20
Replacement of remote controlling system for air-handling units and fresh air-handling units at Revenue Tower	2.30
Replacement of sea water-cooled centrifugal chiller unit No. 3 at Wanchai Tower	3.00

If some of the above projects have commenced, please provide information on the progress.

Asked by : Hon. SIN Chung-kai

Reply :

The Budget Speech mentions that Government will study the relocation of three government office buildings at the Wan Chai waterfront. It is estimated that the relocation, if implemented, will take at least six to seven years to complete.

The fire service installations and air-conditioning systems of the three government office buildings are ageing and some of their major components need to be replaced to maintain their reliability for compliance with fire safety requirements and for effective operation and energy efficiency. In addition, the installation of closed-circuit television systems inside lift cars at Immigration Tower and Revenue Tower is necessary to enhance security.

Five of the nine projects mentioned in the question have already commenced. Please see the attached **Annex** for details of their progress. The remaining four projects will be reviewed in the light of the current study.

Signature	_____
Name in block letters	<u> K K Kwok </u>
Post Title	<u> Government Property Administrator </u>
Date	<u> 18 March 2008 </u>

Progress of the Commenced Projects

Approved Projects	Progress as at end February 2008 (% completed)
Replacement of two sets of air-cooled chillers at Revenue Tower	5%
Replacement of pre-action piping and detectors at Revenue Tower	50%
Replacement of sea water-cooled centrifugal chiller unit No. 3 at Revenue Tower	20%
Installation of closed-circuit television cameras and digital video recorders at Immigration Tower, Revenue Tower and Harbour Building	90%
Replacement of 29 sets of variable air volume air-handling units and 36 sets of constant air volume air-handling units at Immigration Tower	5%

**CONTROLLING OFFICER'S REPLY TO
INITIAL WRITTEN QUESTIONS**

FSTB(Tsy)025

Head: 31 Customs and Excise Department
Subhead (No. & title):

Question Serial No.

2723

Programme: (4) Revenue Protection and Collection

Controlling Officer: Commissioner of Customs and Excise

Director of Bureau: Secretary for Financial Services and the Treasury

Question:

During the anti-illicit-fuel enforcement operations in 2007, what were the quantities of diesel oil and petrol seized?

Asked by: Hon. LAU Kin-ye, Miriam

Reply:

During the enforcement operations in 2007, the Customs and Excise Department seized a total of 646 000 litres of diesel oil and 251 000 litres of motor spirit (petrol).

Signature _____

Name in block letters RICHARD M F YUEN

Post Title Commissioner of Customs and Excise

Date 19.3.2008

**CONTROLLING OFFICER'S REPLY TO
INITIAL WRITTEN QUESTION**

FSTB(Tsy)026

Head: 31 Customs and Excise Department
Subhead (No. & title):

Question Serial No.

2724

Programme: (4) Revenue Protection and Collection

Controlling Officer: Commissioner of Customs and Excise

Director of Bureau: Secretary for Financial Services and the Treasury

Question:

On "Anti-illicit-cigarette enforcement" in 2007, why is there an upsurge in the number of cigarettes seized in comparison with that in 2006?

Asked by: Hon. LAU Kin-ye, Miriam

Reply:

The significant increase in the quantity of illicit cigarettes seized in 2007 was mainly due to four major smuggling cases detected during the year, which together accounted for 52 million sticks of illicit cigarettes seized. These were isolated cases of transnational cigarette smuggling through Hong Kong. The Department will maintain close liaison with its Mainland and international counterparts and step up enforcement action against smuggling activities of all nature.

The Department will continue to closely monitor the market situation and adopt an intelligence-led operation mode which has proven to be an effective enforcement strategy.

Signature _____

Name in block letters RICHARD M F YUEN

Post Title Commissioner of Customs and Excise

Date 19.3.2008

**CONTROLLING OFFICER'S REPLY TO
INITIAL WRITTEN QUESTION**

FSTB(Tsy)027

Question Serial No.

2725

Head: 31 Customs and Excise Department
Subhead (No. & title):

Programme: (4) Revenue Protection and Collection

Controlling Officer: Commissioner of Customs and Excise

Director of Bureau: Secretary for Financial Services and the Treasury

Question:

Among the persons prosecuted for offences relating to illicit cigarettes in the anti-illicit-cigarette enforcement in 2007, how many of them are the youth below the age of 16 and in the age group of 16 – 20 respectively?

Asked by: Hon. LAU Kin-ye, Miriam

Reply:

Out of the persons prosecuted for offences relating to illicit cigarettes in the anti-illicit-cigarette enforcement in 2007, the numbers of persons below the age of 16 and in the age group of 16 - 20 prosecuted for offences relating to illicit cigarettes in 2007 were 3 and 15 respectively.

Signature _____

Name in block letters RICHARD M F YUEN

Post Title Commissioner of Customs and Excise

Date 19.3.2008

**CONTROLLING OFFICER'S REPLY TO
INITIAL WRITTEN QUESTION**

FSTB(Tsy)028

Question Serial No.

1914

Head: 31 Customs and Excise Department
Subhead (No. & title):

Programme: (1) Control and Enforcement

Controlling Officer: Commissioner of Customs and Excise

Director of Bureau: Secretary for Financial Services and the Treasury / Secretary for Security / Secretary for Commerce and Economic Development

Question:

What are the total numbers of cases involving illicit fuel filling stations which were reported by the public and were successfully detected in 2006-07 and 2007-08? How many cases among them entail rewards for the arrest of offenders and what is the total amount of the reward payments? What are the numbers of cases involving illicit fuel filling stations which were reported by the public and were successfully detected within the same periods but rewards for the arrest of offenders were refused to be paid? What are the reasons?

Asked by: Hon. LI Wah-ming, Fred

Reply:

The Customs and Excise Department (C&ED) detected 960 and 939 cases involving illicit fuel filling stations in 2006 and 2007 respectively. On the other hand, there were 890 and 677 reports received from the public on illicit fuel in 2006 and 2007 respectively which were mainly concerned with illicit fuel filling stations. Some of these reports contributed to successful cases detected.

There were 14 reward payments made in 2007-08 (up to 6 March 2008) covering different crimes handled by C&ED. The total expenditure on rewards and special services during the period, including payment of reward money as well as expenses for covert operations, is \$7.09 million. It would not be appropriate to reveal the expenditure details under this subhead because the disclosure of such information would compromise the operational effectiveness of investigations.

Not all applications for rewards were successful because some of them failed to meet the conditions set for the payment of reward, e.g. the person was unwilling to register as informer, the information given was inaccurate, too trivial or already known to the law enforcement agencies.

Signature _____

Name in block letters RICHARD M F YUEN

Post Title Commissioner of Customs and Excise

Date 25.3.2008

**CONTROLLING OFFICER'S REPLY TO
INITIAL WRITTEN QUESTION**

FSTB(Tsy)029

Question Serial No.

1328

Head: 31 Customs and Excise Department
Subhead (No. & title):

Programme: (4) Revenue Protection and Collection

Controlling Officer: Commissioner of Customs and Excise

Director of Bureau: Secretary for Financial Services and the Treasury

Question:

The number of illicit cigarettes seized in 2007 by the Customs and Excise Department has increased significantly in comparison with that in 2006. What are the reasons? Will the Department increase manpower and resources to strengthen the work of combating smuggling of illicit cigarettes?

Asked by: Hon. WONG Ting-kwong

Reply:

The significant increase in the quantity of illicit cigarettes seized in 2007 was mainly due to four major smuggling cases detected during the year, which together accounted for 52 million sticks of illicit cigarettes seized. These were isolated cases of transnational cigarette smuggling through Hong Kong.

The Department will continue to closely monitor the market and adopt an intelligence-led operation mode which has proven to be effective. No additional resources are required to strengthen the enforcement in this area for the time being.

Signature _____

Name in block letters RICHARD M F YUEN

Post Title Commissioner of Customs and Excise

Date 25.3.2008

Examination of Estimates of Expenditure 2008-09
**CONTROLLING OFFICER'S REPLY TO
INITIAL WRITTEN QUESTION**

Reply Serial No.

FSTB(Tsy)030

Head : 51 Government Property Agency

Question Serial No.

Subhead (No. & title) : 000 Operational expenses

2565

Programme : (3) Estate Utilisation

Controlling Officer : Government Property Administrator

Director of Bureau : Secretary for Financial Services and the Treasury

Question :

The Government Property Agency estimates that 12 sites will be included in the prioritised redevelopment programme this year, doubling the actual figure in 2007. Please provide information on the locations of these 12 sites.

Asked by : Hon. CHAN Kam-lam

Reply :

The 12 sites planned to be included in the prioritised redevelopment programme this year are listed below :

- (1) ex-Tanner Road Police Married Quarters (No. 2 Pak Fuk Road, North Point)
- (2) ex-Fat Kwong Street Fire Services Married Quarters (No. 32 Fat Kwong Street, Hung Hom)
- (3) ex-Ho Man Tin Police Married Quarters (No. 81 Chung Hau Street, Ho Man Tin)
- (4) ex-Hung Hom Customs and Excise Married Quarters (Nos. 5-23 Lee Kung Street, Hung Hom)
- (5) ex-Tsuen Wan Fire Services Married Quarters (No. 8 Lai Lei Fa Street, Kwai Chung)
- (6) ex-Tai Lam Chung Police Married Quarters (No. 131 Castle Peak Road – Tai Lam)
- (7) ex-Tuen Mun Fire Services Rank & File Married Quarters (Fu Tei, Tuen Mun)
- (8) ex-Au Tau Departmental Staff Quarters (Yau Shin Street, Yuen Long)
- (9) ex-Kwai Chung Police Married Quarters (No. 997 Kwai Chung Road, Kwai Chung)
- (10) ex-Sha Tin Police Married Quarters (No. 1 Fung Shun Street, Sha Tin)
- (11) ex-Sha Tin Fire Services Married Quarters (No. 3 Fung Shun Street, Sha Tin)
- (12) ex-British Military Hospital Quarters (Nos. 12-14 Wylie Road, Ho Man Tin)

Signature

Name in block letters

Post Title

Date

K K Kwok

Government Property Administrator

17 March 2008

Examination of Estimates of Expenditure 2008-09
**CONTROLLING OFFICER'S REPLY TO
INITIAL WRITTEN QUESTION**

Reply Serial No.

FSTB(Tsy)031

Question Serial No.

1169

Head : 51 Government Property Agency

Subhead (No. & title) : 000 Operational expenses

Programme : (3) Estate Utilisation

Controlling Officer : Government Property Administrator

Director of Bureau : Secretary for Financial Services and the Treasury

Question :

The Hong Kong Convention and Exhibition Centre (HKCEC) has been faced with the problem of inadequate exhibition space for a long time, and has lost quite a number of exhibitions to neighbouring regions. In the Budget, it was mentioned that the Government intended to relocate the existing three government office buildings at the Wan Chai waterfront to free some land for developing Grade A offices. Does the work plan of the Government Property Agency for 2008-09 include a review of the use of the above site, such as allocating it for the construction of an extension of the HKCEC? If yes, what is the timetable for the review?

Asked by : Hon. CHENG Jinghan, Albert

Reply :

With the announcement of the Budget Speech by the Financial Secretary, the Agency has started to study the relocation of the three government office buildings. The study covers an examination of the feasibility of relocation. It includes the collation of user departments' requirements and exploration of suitable sites for relocation. The Agency's work plan for 2008-09 does not include a review of the use of the site of the three government office buildings. The Planning Department will review the detailed uses and the development parameters of the site when the release of the site for other uses is confirmed.

Signature

Name in block letters

K K Kwok

Post Title

Government Property Administrator

Date

14 March 2008

Examination of Estimates of Expenditure 2008-09
**CONTROLLING OFFICER'S REPLY TO
 INITIAL WRITTEN QUESTION**

Reply Serial No.

FSTB(Tsy)032

Head : 51 Government Property Agency

Question Serial No.

1420

Subhead (No. & title) : 000 Operational expenses

Programme :

Controlling Officer : Government Property Administrator

Director of Bureau : Secretary for Financial Services and the Treasury

Question :

Regarding the studies (including in-house studies or those entrusted to consultants) conducted for the purposes of formulating and assessing policies, please provide the relevant information in the following format:

(a) For projects that have reserved funds for conducting consultancy studies in 2007-08:

Name of Consultant (if any)	Content	Revised Estimate (\$)	Progress of Studies (under planning / in progress / completed)	The follow-ups taken by the Administration on the study reports and their progress (if any)	If completed, have they been released to the public? If yes, through which channels? If no, what are the reasons?

(b) For projects that have reserved funds for conducting consultancy studies in 2008-09:

Name of Consultant (if any)	Content	Expenditure (\$)	Progress of Studies (under planning / in progress / completed)	Will the studies be released to the public if they are expected to be completed in the 2008-09 financial year? If yes, through which channels? If no, what are the reasons?

Asked by : Hon. EU Yuet-mee, Audrey

Reply :

We have not earmarked any funds in the 2007-08 Revised Estimate or the 2008-09 draft Estimate for conducting studies for the purposes of formulating and assessing policies.

Signature

Name in block letters

Post Title

Date

K K Kwok

Government Property Administrator

17 March 2008

Examination of Estimates of Expenditure 2008-09
**CONTROLLING OFFICER'S REPLY TO
INITIAL WRITTEN QUESTION**

Reply Serial No.

FSTB(Tsy)033

Question Serial No.

2682

Head : 51 Government Property Agency

Subhead (No. & title) : 000 Operational expenses

Programme : (2) Property Management

Controlling Officer : Government Property Administrator

Director of Bureau : Secretary for Financial Services and the Treasury

Question :

There are 23 012 residential flats managed by the Government Property Agency. Will the Administration provide information on:

- a. the vacancy rate of these residential flats? what the Agency will do with the vacant flats?
- b. the average rental per square foot for the leased out flats at present? how the Government determines the rental per square foot for the leased out flats?

Asked by : Hon. HO Chun-yan, Albert

Reply :

- a. As at 1 February 2008, 1 401 or 6.1% of the total 23 012 residential flats managed by the Agency were vacant. The majority (1 018) of these vacant flats are located in four building sites earmarked for alternative development. The remaining 383 vacant flats are mainly government quarters in the course of allocation or will be allocated shortly to eligible civil servants. For vacant residential flats not required for use as government quarters, in the short term, the Agency will lease out those suitable for leasing in the market to ensure optimal utilisation of public resources. In the long term, these vacant flats will be disposed of by sale or alternative development.
- b. The average rent of the let out surplus Government quarters is about \$16 per square foot per month (on a saleable area basis). In determining the market rents of the flats put up for leasing, the Agency makes reference to relevant rental transactions in the property market.

Signature

Name in block letters

Post Title

Date

K K Kwok

Government Property Administrator

18 March 2008

Examination of Estimates of Expenditure 2008-09
**CONTROLLING OFFICER'S REPLY TO
INITIAL WRITTEN QUESTION**

Reply Serial No.

FSTB(Tsy)034

Question Serial No.

0772

Head : 51 Government Property Agency

Subhead (No. & title) : 000 Operational expenses

Programme : (1) Acquisition and Allocation

Controlling Officer : Government Property Administrator

Director of Bureau : Secretary for Financial Services and the Treasury

Question :

In paragraph 83 of the Speech for the 2008-09 Budget, the Financial Secretary mentioned that the Administration would study the relocation of three government office buildings at Wan Chai waterfront so as to provide some land for developing Grade A offices. Please provide the details for the preparatory work and the commencement date of this study and the estimated fund to be allocated for this study and the relevant relocation project.

Asked by : Hon. SHEK Lai-him, Abraham

Reply :

With the announcement of the Budget Speech by the Financial Secretary, the Agency has started to study the relocation of the three government office buildings. The study covers an examination of the feasibility of relocation. It includes the collation of user departments' requirements and exploration of suitable sites for relocation. The funding requirement for the relocation project will also be examined.

No additional provision has been included in the 2008-09 draft Estimate for the study and the relocation project. The Agency is now undertaking the study in-house.

Signature

Name in block letters

Post Title

Date

K K Kwok

Government Property Administrator

14 March 2008

Examination of Estimates of Expenditure 2008-09
**CONTROLLING OFFICER'S REPLY TO
INITIAL WRITTEN QUESTION**

Reply Serial No.

FSTB(Tsy)035

Question Serial No.

1429

Head : 51 Government Property Agency

Subhead (No. & title) : 000 Operational expenses

Programme : (1) Acquisition and Allocation

Controlling Officer : Government Property Administrator

Director of Bureau : Secretary for Financial Services and the Treasury

Question :

What measures will be taken by the Government to achieve a reduction in leased office accommodation in terms of square metres?

Asked by : Hon. TONG Ka-wah, Ronny

Reply :

It is Government policy to accommodate departments in government-owned office accommodation where possible to reduce leasing office accommodation. When vacant government-owned office accommodation is available, we will relocate departments from leased accommodation to reduce leasing office accommodation and achieve rental saving. The Government will also meet requirements for office accommodation through planning and construction of new government buildings.

Signature

Name in block letters

Post Title

Date

K K Kwok

Government Property Administrator

14 March 2008

Examination of Estimates of Expenditure 2008-09
**CONTROLLING OFFICER'S REPLY TO
INITIAL WRITTEN QUESTION**

Reply Serial No.

FSTB(Tsy)036

Head : 51 Government Property Agency

Question Serial No.

Subhead (No. & title) : 000 Operational expenses

2668

Programme : (2) Property Management

Controlling Officer : Government Property Administrator

Director of Bureau : Secretary for Financial Services and the Treasury

Question :

What measures will be taken by the Government Property Agency in 2008-09 to encourage government departments to reduce power consumption so as to save on electricity bills? Please provide details.

Asked by : Hon. TONG Ka-wah, Ronny

Reply :

To reduce power consumption and expenditure of government joint-user office buildings, the Agency encourages bureaux/departments regularly through building management committees to adopt the housekeeping measures for saving energy worked out by the Electrical and Mechanical Services Department (EMSD), such as maintaining room temperature at 25.5°C during the summer months, turning off lighting if it is not needed, turning off monitors of personal computers during lunch hours, and switching off office equipment that is not in use or before leaving the premises. We have also shortened the core air-conditioning hours and curtailed lift services during off-peak hours. We will continue to monitor electricity consumption in individual joint-user office buildings on a monthly basis and keep user bureaux/departments informed of the electricity consumption of the buildings they occupy. Any significant deviation in consumption from past trends will be investigated in consultation with the relevant building management committee and the EMSD. Furthermore, energy audits are carried out regularly at major government joint-user office buildings to explore further energy-saving opportunities.

Moreover, energy-saving designs and installations, e.g. computerised building management systems, air-handling units with variable speed drive and energy-saving lighting, have been incorporated in the newly-built government joint-user office buildings in recent years. Cost-effective and feasible energy-saving improvement works, e.g. replacement of light fittings with more efficient T5 light fittings and conversion of air-cooled chillers to water-cooled chillers, will be incorporated in the fitting-out/refurbishment projects of existing joint-user office buildings.

Signature

Name in block letters

Post Title

Date

K K Kwok

Government Property Administrator

17 March 2008

**CONTROLLING OFFICER'S REPLY TO
INITIAL WRITTEN QUESTION**

Reply Serial No.

FSTB(Tsy)037

Question Serial No.

1424

Head: 59 – Government Logistics Department Subhead (No. & title):

Programme:

Controlling Officer: Director of Government Logistics

Director of Bureau: Secretary for Financial Services and the Treasury

Question:

Regarding the studies (including in-house studies or those entrusted to consultants) conducted by the Department for the purposes of formulating and assessing policies, please provide the relevant information in the following format:

- (a) For projects that the department has reserved funds for conducting consultancy studies in 2007-08, please provide information in the following format:

Name of Consultant (if any)	Content	Revised Estimate (\$)	Progress of Studies (under planning / in progress / completed)	The follow-ups taken by the Administration on the study reports and their progress (if any)	If completed, have they been released to the public? If yes, through which channels? If no, what are the reasons?

- (b) Is there any project that the department will reserve funds for conducting consultancy study in 2008-09? If yes, please provide the following information:

Name of Consultant (if any)	Content	Expenditure (\$)	Progress of Studies (under planning / in progress / completed)	Will the studies be released to the public if they are expected to be completed in the 2008-09 financial year? If yes, through which channels? If no, what are the reasons?

Asked by: Hon. EU Yuet-mee, Audrey

Reply:

We have not earmarked any funds in the 2007-08 Revised Estimate or the 2008-09 draft Estimate for conducting studies for the purposes of formulating and assessing policies.

Signature _____

Name in block letters Ms Maria S N KWAN

Post Title Director of Government Logistics

Date 13 March 2008

**CONTROLLING OFFICER'S REPLY TO
INITIAL WRITTEN QUESTION**

Reply Serial No.

FSTB(Tsy)038

Question Serial No.

2180

Head: 59 – Government Logistics Department Subhead (No. & title):

Programme: (1) Procurement

Controlling Officer: Director of Government Logistics

Director of Bureau: Secretary for Financial Services and the Treasury

With reference to the Department's purchases of goods and services that represent best value for money on behalf of government departments, please make a detailed breakdown of these goods and services and the estimated provision required for each of these items in the coming year.

Asked by: Hon. HO Chun-yan, Albert

Reply:

We always aim to purchase goods and services that represent best value for money for government departments. For 2008, we estimate that 396 contracts at a total value of \$4,036 million will be handled. However, given the large number of contracts involved and the fact that many of them are a mix of goods and services, we are unable to provide a detailed breakdown of these goods and services for each contract and the estimated provision for each item. Based on the available forecast requirements from departments (which may change in the course of the year), the 10 major categories of goods and services to be purchased in 2008 would be computer equipment and software (around \$985 million); fuel oils and lubricants (around \$650 million); water treatment chemicals (around \$400 million); transportation services, specialised vehicles and spares (around \$340 million); food and beverages (around \$280 million); fire fighting and rescue appliances and spares (around \$170 million); aircraft spares (around \$145 million); general stores and services (around \$130 million); telecommunications equipment and spares (around \$130 million); and arms, ammunition and police equipment (around \$60 million). The rest (around \$746 million) comprises miscellaneous goods and services.

Signature _____

Name in block letters Ms Maria S N KWAN

Post Title Director of Government Logistics

Date 19 March 2008

**CONTROLLING OFFICER'S REPLY TO
INITIAL WRITTEN QUESTION**

Reply Serial No.

FSTB(Tsy)039

Question Serial No.

2147

Head: 59 – Government Logistics Department Subhead (No. & title):

Programme: (3) Land Transport

Controlling Officer: Director of Government Logistics

Director of Bureau: Secretary for Financial Services and the Treasury

Question:

It is estimated that 489 government vehicles will be replaced in 2008. Please advise :

- a) How many of these replacement vehicles will be environment-friendly models? Please provide a detailed breakdown of the types of vehicles and the number of environment-friendly models among them.
- b) What is the percentage of environment-friendly models among the various types of vehicles in the current government fleet?
- c) What is the expenditure involved in replacing vehicles?
- d) What is the estimated difference in expenditure for procuring environment-friendly and non environment-friendly vehicles?

Asked by: Hon. LAM Kin-fung, Jeffrey

Reply:

- a) All the 489 government vehicles to be procured in 2008 will comply with the prevailing statutory emission standards set by the Environmental Protection Department (EPD). Of this, it is estimated that 61 cars will meet EPD's qualifying standards for tax incentives for environment-friendly petrol private cars, subject to the availability of suitable models on the market and operational and resource considerations. A breakdown of these 489 vehicles by vehicle type is as follows -

Vehicle Type	No. of Vehicles
Bus	62
Car	61
Cross Country Vehicle	33
Motorcycle	167
Truck	6
Van	160
Total	489

- b) At present, there are 267 cars which meet EPD's qualifying standards for tax incentives for environment-friendly petrol private cars and 229 liquefied petroleum gas (LPG) light buses, amounting to about 23% and 83% of the government fleet of 1 151 cars and 276 light buses respectively.
- c) The estimated expenditure involved in replacing vehicles in 2008-09 is \$101 million.
- d) Currently, it is estimated that the replacement of cars with models set out in the latest list of environment-friendly petrol private cars which qualify for tax incentives, as compiled and published by EPD, would not incur additional expenditure in 2008-09. However, whether any additional expenses will be incurred for purchasing vehicles of Euro V emission standards, in line with the qualifying standards to be adopted by EPD for the new tax incentive scheme on environment-friendly commercial vehicles with effect from 1 April 2008, have yet to be assessed having regard to the availability of suitable models on the market and operational and resource considerations.

Signature _____

Name in block letters _____ Ms Maria S N KWAN

Post Title _____ Director of Government Logistics

Date _____ 20 March 2008

**CONTROLLING OFFICER'S REPLY TO
INITIAL WRITTEN QUESTION**

Reply Serial No.

FSTB(Tsy)040

Question Serial No.

0247

Head: 59 – Government Logistics Department Subhead (No. & title):

Programme: (2) Supplies Management

Controlling Officer: Director of Government Logistics

Director of Bureau: Secretary for Financial Services and the Treasury

Question:

Please state the estimated expenditure on the purchase of environment-friendly products under the financial provision of \$65.2 million in 2008-09.

Asked by: Hon. LEUNG Kwan-yuen, Andrew

Reply:

The financial provision of \$65.2 million in 2008-09 under Programme (2) is mainly for operational expenses, including personal emoluments, personnel related expenses and other departmental expenses under this Programme. Only an estimated \$1.81 million is earmarked for the purchase of goods. As and when relevant “green” standards or “green specifications” are available, such as an energy efficiency label awarded by the Electrical and Mechanical Services Department, “green specifications” identified/drawn up by the Environmental Protection Department, the Government Logistics Department would purchase these “green” products (e.g. photocopiers with the energy efficiency label, recycled photocopying paper, recycled toilet paper, refillable ballpoint pens, refillable pencils, recycled pencils, file boxes made from recycled cardboard, detergent powder, cleansing powder and fuel oil). The relevant purchase is estimated to cost \$0.26 million. The rest comprises the purchase of goods in respect of which “green” standards or “green specifications” are not available, such as quarters furniture, warehouse tools and equipment, operating stores and other miscellaneous items.

Signature _____

Name in block letters Ms Maria S N KWAN

Post Title Director of Government Logistics

Date 19 March 2008

**CONTROLLING OFFICER'S REPLY TO
INITIAL WRITTEN QUESTION**

Reply Serial No.

FSTB(Tsy)041

Question Serial No.

0970

Head: 59 – Government Logistics Department Subhead (No. & title):

Programme: (3) Land Transport

Controlling Officer: Director of Government Logistics

Director of Bureau: Secretary for Financial Services and the Treasury

Question:

Regarding the two posts to be created under the programme of Land Transport by the Government Logistics Department in 2008-09, please provide information as listed below:

- a) the breakdown of the 2 posts to be created by rank, the duties of these posts and department;
- b) the breakdown of the number of vacancies filled in 2007-08 by rank, the duties of these posts and department and the total expenditure involved; and
- c) the breakdown of the establishment of the government drivers of all ranks in 2007-08.

Asked by: Hon. LI Fung-ying

Reply:

- a) The two posts to be created under Programme (3) Land Transport of the Government Logistics Department (GLD) in 2008-09 are one Transport Services Officer I and one Transport Services Officer II posts, which will replace two non-civil service contract positions. The Transport Services Officer I will be responsible for conducting departmental transport reviews. The Transport Services Officer II will be responsible for administering the Transport Management Information System which provides essential information on drivers and vehicles for the effective management of the government vehicle fleet.
- b) In 2007-08, 10 vacancies under Programme (3) Land Transport of GLD were filled. Having regard to the timing of filling the respective vacancies during the year, the estimated expenditure involved, in terms of notional annual mid-point salary value, is \$1.1 million. A breakdown of these posts is as follows:

Rank	Number of vacancies filled in 2007-08	Duties
Senior Transport Services Officer	1	To supervise the Grade Management Unit
Transport Services Officer I	1	To monitor vehicle-hiring contracts
Personal Chauffeur	1	To provide driving services to VIPs and senior Government officials
Chauffeur	2	To provide driving services to VIPs and senior Government officials
Motor Driver	5	To provide transport services to bureaux and departments

- c) The establishment of government drivers of different ranks under Programme (3) Land Transport of GLD in 2007-08 is as follows:

Rank	Establishment
Personal Chauffeur	1
Chauffeur	13
Motor Driver	38

Signature _____

Name in block letters Ms Maria S N KWAN

Post Title Director of Government Logistics

Date 14 March 2008

**CONTROLLING OFFICER'S REPLY TO
INITIAL WRITTEN QUESTION**

Reply Serial No.

FSTB(Tsy)042

Question Serial No.

1460

Head: 59 – Government Logistics Department Subhead (No. & title): 691 General purpose vehicles
(block vote)

Programme: (3) Land Transport

Controlling Officer: Director of Government Logistics

Director of Bureau: Secretary for Financial Services and the Treasury

Question:

In recent years, the Government's expenditure on replacement vehicles is as follows:

	2003-04	2004-05	2005-06	2006-07	2007-08 (Revised estimate)	2008-09 (Estimate)
Number of additional vehicles	18	20	0	0	0	0
Number of replacement vehicles	446	484	593	529	443	489
Expenditure (in thousand dollars)	77,627	89,991	91,126	93,584	94,000	101,000
Average price of each vehicle (dollar)	167,300	178,554	153,669	176,907	212,190	206,544

Please provide a breakdown of the number of the vehicles to be replaced in 2008-09 by vehicle type and user department and provide information on the highest value, the lowest value, the mean and the median value of mileage and age of these vehicles.

Asked by: Hon. SIN Chung-kai

Reply:

The age and mileage of the vehicles to be replaced in 2008-09 by vehicle type and user department are given in the Annex.

Signature _____

Name in block letters Ms Maria S N KWAN

Post Title Director of Government Logistics

Date 14 March 2008

Age and Mileage of Vehicles to be Replaced in 2008-09

Vehicle Type : Bus

Bureau/Department	Age	Mileage (km)
	<i>Max</i>	<i>Max</i>
	<i>Min</i>	<i>Min</i>
	<i>Mean</i>	<i>Mean</i>
	<i>Median</i>	<i>Median</i>
Civil Aviation Department <i>1 Unit</i>	11	316 900
	11	316 900
	11	316 900
	11	316 900
Correctional Services Department <i>10 Units</i>	11	453 700
	10	178 500
	11	285 000
	11	282 200
Immigration Department <i>3 Units</i>	12	415 500
	9	258 200
	10	313 300
	9	266 300

Vehicle Type : Car

Bureau/Department	Age	Mileage (km)
	<i>Max</i>	<i>Max</i>
	<i>Min</i>	<i>Min</i>
	<i>Mean</i>	<i>Mean</i>
	<i>Median</i>	<i>Median</i>
Agriculture, Fisheries and Conservation Department <i>4 Units</i>	9	165 500
	9	141 900
	9	155 100
	9	156 400
Architectural Services Department <i>1 Unit</i>	9	121 800
	9	121 800
	9	121 800
	9	121 800
Civil Service Bureau <i>1 Unit</i>	11	196 500
	11	196 500
	11	196 500
	11	196 500
Commerce and Economic Development Bureau <i>1 Unit</i>	10	127 200
	10	127 200
	10	127 200
	10	127 200
Electrical and Mechanical Services Department <i>1 Unit</i>	9	102 500
	9	102 500
	9	102 500
	9	102 500
Fire Services Department <i>2 Units</i>	11	165 900
	11	114 000
	11	140 000
	11	140 000
Government Logistics Department <i>4 Units</i>	14	278 300
	13	189 500
	13	233 900
	13	233 900
Home Affairs Department <i>1 Unit</i>	10	150 200
	10	150 200
	10	150 200
	10	150 200

Bureau/Department	Age	Mileage (km)
	<i>Max</i>	<i>Max</i>
	<i>Min</i>	<i>Min</i>
	<i>Mean</i>	<i>Mean</i>
	<i>Median</i>	<i>Median</i>
Hong Kong Police Force <i>22 Units</i>	14	240 800
	7	72 200
	9	161 200
	9	168 500
Independent Commission Against Corruption <i>1 Unit</i>	14	224 100
	14	224 100
	14	224 100
	14	224 100
Judiciary <i>2 Units</i>	14	272 500
	12	154 000
	13	213 300
	13	213 300
Labour Department <i>2 Units</i>	9	156 000
	9	117 000
	9	136 500
	9	136 500
Planning Department <i>1 Unit</i>	9	94 000
	9	94 000
	9	94 000
	9	94 000
Social Welfare Department <i>4 Units</i>	10	148 600
	9	126 000
	9	138 600
	9	140 000
Water Supplies Department <i>1 Unit</i>	10	91 800
	10	91 800
	10	91 800
	10	91 800

Vehicle Type : Cross Country Vehicle

Bureau/Department	Age	Mileage (km)
	<i>Max</i>	<i>Max</i>
	<i>Min</i>	<i>Min</i>
	<i>Mean</i>	<i>Mean</i>
	<i>Median</i>	<i>Median</i>
Agriculture, Fisheries and Conservation Department <i>1 Unit</i>	11 11 11 11	189 300 189 300 189 300 189 300
Customs and Excise Department <i>3 Units</i>	10 10 10 10	238 100 156 100 210 600 237 600
Civil Aviation Department <i>1 Unit</i>	11 11 11 11	221 100 221 100 221 100 221 100
Environmental Protection Department <i>7 Units</i>	11 10 10 10	198 900 112 000 157 200 154 600
Hong Kong Police Force <i>8 Units</i>	9 6 8 9	424 000 94 700 261 800 255 500
Rating and Valuation Department <i>1 Unit</i>	11 11 11 11	187 900 187 900 187 900 187 900
Water Supplies Department <i>3 Units</i>	10 10 10 10	202 100 128 100 158 800 146 200

Vehicle Type : Motorcycle

Bureau/Department	Age	Mileage (km)
	<i>Max</i>	<i>Max</i>
	<i>Min</i>	<i>Min</i>
	<i>Mean</i>	<i>Mean</i>
	<i>Median</i>	<i>Median</i>
Agriculture, Fisheries and Conservation Department <i>4 Units</i>	10	90 100
	7	45 500
	8	62 100
	8	56 300
Food and Environmental Hygiene Department <i>26 Units</i>	7	90 500
	7	28 500
	7	44 200
	7	39 000
Fire Services Department <i>12 Units</i>	9	106 700
	9	65 500
	9	83 200
	9	80 900
Hong Kong Police Force <i>124 Units</i>	8	301 000
	5	32 200
	7	128 000
	7	113 400
Leisure and Cultural Services Department <i>5 Units</i>	7	50 600
	7	28 000
	7	38 500
	7	33 600

Vehicle Type : Truck

Bureau/Department	Age	Mileage (km)
	<i>Max</i>	<i>Max</i>
	<i>Min</i>	<i>Min</i>
	<i>Mean</i>	<i>Mean</i>
	<i>Median</i>	<i>Median</i>
Correctional Services Department <i>2 Units</i>	11	271 300
	11	116 100
	11	193 700
	11	193 700
Food and Environmental Hygiene Department <i>4 Units</i>	12	203 200
	12	90 600
	12	145 300
	12	143 600
Fire Services Department <i>1 Unit</i>	11	162 800
	11	162 800
	11	162 800
	11	162 800
Government Logistics Department <i>1 Unit</i>	11	102 200
	11	102 200
	11	102 200
	11	102 200
Leisure and Cultural Services Department <i>4 Units</i>	13	167 200
	10	96 300
	11	118 800
	11	105 800

Vehicle Type : Van

Bureau/Department	Age	Mileage (km)
	<i>Max</i>	<i>Max</i>
	<i>Min</i>	<i>Min</i>
	<i>Mean</i>	<i>Mean</i>
	<i>Median</i>	<i>Median</i>
Agriculture, Fisheries and Conservation Department <i>13 Units</i>	12	270 700
	7	109 500
	9	179 700
	9	183 700
Auxiliary Medical Service <i>1 Unit</i>	8	275 500
	8	275 500
	8	275 500
	8	275 500
Customs and Excise Department <i>15 Units</i>	12	270 900
	8	67 600
	9	160 400
	9	154 000
Correctional Services Department <i>1 Unit</i>	12	109 200
	12	109 200
	12	109 200
	12	109 200
Department of Health <i>2 Units</i>	10	187 500
	10	143 300
	10	165 400
	10	165 400
Drainage Services Department <i>2 Units</i>	10	174 000
	10	172 500
	10	173 200
	10	173 200
Food and Environmental Hygiene Department <i>31 Units</i>	12	244 400
	9	83 200
	11	170 800
	11	178 100
Fire Services Department <i>10 Units</i>	10	305 500
	7	146 900
	9	209 900
	9	181 400

Bureau/Department	Age	Mileage (km)
	<i>Max</i>	<i>Max</i>
	<i>Min</i>	<i>Min</i>
	<i>Mean</i>	<i>Mean</i>
	<i>Median</i>	<i>Median</i>
Hong Kong Observatory <i>1 Unit</i>	12	130 500
	12	130 500
	12	130 500
	12	130 500
Hong Kong Police Force <i>78 Units</i>	13	238 800
	7	33 700
	11	107 200
	11	105 000
Highways Department <i>16 Units</i>	12	207 500
	11	81 000
	11	119 300
	11	94 300
Independent Commission Against Corruption <i>2 Units</i>	10	198 500
	7	149 500
	9	174 000
	9	174 000
Immigration Department <i>2 Units</i>	9	232 400
	9	219 200
	9	225 800
	9	225 800
Innovation and Technology Commission <i>1 Unit</i>	10	219 700
	10	219 700
	10	219 700
	10	219 700
Judiciary <i>1 Unit</i>	11	273 600
	11	273 600
	11	273 600
	11	273 600
Lands Department <i>22 Units</i>	13	185 700
	8	57 300
	11	109 500
	12	105 500

Vehicle Type : Van (Cont'd)

Bureau/Department	Age	Mileage (km)
	<i>Max</i>	<i>Max</i>
	<i>Min</i>	<i>Min</i>
	<i>Mean</i>	<i>Mean</i>
	<i>Median</i>	<i>Median</i>
Leisure and Cultural Services Department <i>5 Units</i>	12	226 700
	10	124 000
	11	164 600
	10	165 600
Radio Television Hong Kong <i>2 Units</i>	11	183 600
	11	142 800
	11	163 200
	11	163 200
Transport Department <i>5 Units</i>	12	206 500
	10	115 700
	11	167 800
	11	161 400
Water Supplies Department <i>10 Units</i>	12	212 000
	10	92 100
	11	151 200
	11	145 000

**CONTROLLING OFFICER'S REPLY TO
INITIAL WRITTEN QUESTION**

Reply Serial No.

FSTB(Tsy)043

Question Serial No.

1461

Head: 59 – Government Logistics Department Subhead (No. & title): 691 General purpose vehicles (block vote)

Programme: (3) Land Transport

Controlling Officer: Director of Government Logistics

Director of Bureau: Secretary for Financial Services and the Treasury

Question:

In recent years, the Government's expenditure on replacement of vehicles is as follows:

	2003-04	2004-05	2005-06	2006-07	2007-08 (Revised estimate)	2008-09 (Estimate)
Number of additional vehicles	18	20	0	0	0	0
Number of replacement vehicles	446	484	593	529	443	489
Expenditure (in thousand dollars)	77,627	89,991	91,126	93,584	94,000	101,000
Average price of each vehicle (dollar)	167,300	178,554	153,669	176,907	212,190	206,544

- (a) Please give a breakdown of the estimated expenditure in 2008-09 for vehicle procurement by vehicle type.
- (b) Please advise the reasons for the much higher average unit vehicle price to be procured in 2008-09 than that for the period from 2003-04 to 2006-07.

Asked by: Hon. SIN Chung-kai

Reply:

- (a) The estimated expenditure in 2008-09 for vehicle procurement by vehicle type is as follows :-

Vehicle Type	Estimated Expenditure (\$ million)
Bus	29.3
Car	5.3
Cross Country Vehicle	4.3
Motorcycle	18.3
Truck	1.7
Van	42.1
Total	101.0

- (b) The “average unit vehicle price” worked out in the table in the question may vary from year to year depending on the types of vehicles involved. For example, generally speaking, buses cost more than vans which in turn cost more than motorcycles. The proportion of the different types of vehicles to be purchased each year affects the “average unit vehicle price” so worked out.

Signature _____

Name in block letters Ms Maria S N KWAN

Post Title Director of Government Logistics

Date 14 March 2008

**CONTROLLING OFFICER'S REPLY TO
INITIAL WRITTEN QUESTION**

Reply Serial No.

FSTB(Tsy)044

Question Serial No.

2719

Head: 59 – Government Logistics Department Subhead (No. & title):

Programme: (3) Land Transport

Controlling Officer: Director of Government Logistics

Director of Bureau: Secretary for Financial Services and the Treasury

Question:

On what criteria does the Government Logistics Department vet the requests for replacement vehicles?

Asked by: Hon. TONG Ka-wah, Ronny

Reply:

In considering whether a vehicle should be replaced, the Government Logistics Department would vet the request to see whether the vehicle is due to be replaced under the Economic Life Model (which takes into account accumulated maintenance cost, vehicle age, mileage run and replacement cost), and whether there is a continual need for the vehicle, taking into account the utilisation rate and implications for operational efficiency if the vehicle is not replaced.

Signature _____

Name in block letters Ms Maria S N KWAN

Post Title Director of Government Logistics

Date 14 March 2008

**CONTROLLING OFFICER'S REPLY TO
INITIAL WRITTEN QUESTION**

Reply Serial No.

FSTB(Tsy)045

Question Serial No.

2720

Head: 59 – Government Logistics Department Subhead (No. & title):

Programme: (3) Land Transport

Controlling Officer: Director of Government Logistics

Director of Bureau: Secretary for Financial Services and the Treasury

Question:

Will consideration be given to sell a portion of the 489 vehicles estimated to be replaced in 2008 to other places? If yes, what are the details and how much manpower will be involved?

Asked by: Hon. TONG Ka-wah, Ronny

Reply:

Currently, Government has term contracts secured through open tenders for the disposal of government vehicles that have been replaced. The vehicles, as and when they are retired from the service, are sold to the term contractors at the contract rate and the contractors are required to collect them on an as-and-when-required basis. There is no restriction on the export or otherwise of such vehicles.

Signature _____

Name in block letters Ms Maria S N KWAN

Post Title Director of Government Logistics

Date 19 March 2008

**CONTROLLING OFFICER'S REPLY TO
INITIAL WRITTEN QUESTION**

Reply Serial No.

FSTB(Tsy)046

Question Serial No.

2721

Head: 59 – Government Logistics Department Subhead (No. & title):

Programme: (3) Land Transport

Controlling Officer: Director of Government Logistics

Director of Bureau: Secretary for Financial Services and the Treasury

Question:

In replacing government vehicles, does the government require the tenderers to offer more environment-friendly vehicles such as models with smaller engine capacity, hybrid electric vehicles, hydrogen-powered vehicles or bio-diesel vehicles?

Asked by: Hon. TONG Ka-wah, Ronny

Reply:

The Government Logistics Department takes into account fuel consumption rates when evaluating tenders for the supply of vehicles to the Government. Vehicles with lower fuel consumption rates will be given higher marks in the evaluation process. Apart from this, subject to the availability of models on the market and operational and resource considerations, tenderers will be required to offer vehicles that meet Environmental Protection Department's (EPD) qualifying standards of environment-friendly vehicles for tax incentives, which may be met, inter alia, by vehicles with a small engine capacity and hybrid electric vehicles.

EPD plans to introduce a statutory specification for biodiesel as motor vehicle fuel in 2009. The Government will consider using biodiesel in the diesel vehicles of the Government fleet when there is an extensive supply of this fuel on the market and after the vehicle manufacturers have confirmed that biodiesel is suitable for use by these vehicles. As for vehicles powered by hydrogen, we understand from EPD that the technology has yet to mature and that it will continue to monitor developments closely.

Signature _____

Name in block letters Ms Maria S N KWAN

Post Title Director of Government Logistics

Date 18 March 2008

**CONTROLLING OFFICER'S REPLY TO
INITIAL WRITTEN QUESTION**

FSTB(Tsy)047

Head: 76 Inland Revenue Department Subhead (No. & title): 000 Operational Expenses

Question Serial No.

2172

Programme:

Controlling Officer: Commissioner of Inland Revenue

Director of Bureau: Secretary for Financial Services and the Treasury

Question:

Please explain the reasons why the estimated amounts of Mandatory Provident Fund contribution and Civil Service Provident Fund contribution under 'Personnel Related Expenses' in 2008-09 increase by 63% and 90.5% respectively when compared with the amounts of 2007-08.

Asked by: Hon. CHAN Kam-lam

Reply:

The increase in the provision for Mandatory Provident Fund contribution in 2008-09 is mainly due to the recruitment of more officers to fill vacancies following the resumption of open recruitment.

As for the Civil Service Provident Fund (CSPF) contribution, more provision is required in 2008-09 mainly due to the full-year CSPF provision for those officers who joined the civil service on or after 1 June 2000, and were subsequently offered permanent terms of appointment and became eligible to join the CSPF Scheme in 2007-08.

Signature _____

Name in block letters Mrs LAU MAK YEE MING, ALICE

Post Title Commissioner of Inland Revenue

Date 26 March 2008

**CONTROLLING OFFICER'S REPLY TO
INITIAL WRITTEN QUESTION**

FSTB(Tsy)048

Head: 76 Inland Revenue Department Subhead (No. & title):

Question Serial No.

1423

Programme:

Controlling Officer: Commissioner of Inland Revenue

Director of Bureau: Secretary for Financial Services and the Treasury

Question:

Regarding the studies conducted for the purposes of formulating and assessing policies (including in-house studies or those entrusted to consultants), please provide the relevant information in the following format:

(a) In respect of provision made for conducting consultancy studies in 2007-08 -

Name of Consultant (if any)	Content	Revised Estimate (\$)	Progress of Studies (under planning / in progress / completed)	The follow-ups taken by the Administration on the study reports and their progress (if any)	If completed, have they been released to the public? If yes, through which channels? If no, what are the reasons?

(b) Is there any provision for conducting consultancy studies in 2008-09 -

Name of Consultant (if any)	Content	Expenditure (\$)	Progress of Studies (under planning / in progress / completed)	Will the studies be released to the public if they are expected to be completed in the 2008-09 financial year? If yes, through which channels? If no, what are the reasons?

Asked by: Hon. EU Yuet-mee, Audrey

Reply:

We have not earmarked any funds in the 2007-08 Revised Estimate or the 2008-09 draft Estimate for conducting studies for the purposes of formulating and assessing policies.

Signature _____

Name in block letters Mrs LAU MAK YEE MING, ALICE

Post Title Commissioner of Inland Revenue

Date 18 March 2008

**CONTROLLING OFFICER'S REPLY TO
INITIAL WRITTEN QUESTION**

FSTB(Tsy)049

Head: 76 Inland Revenue Department Subhead (No. & title):

Question Serial No.

1200

Programme:

Controlling Officer: Commissioner of Inland Revenue

Director of Bureau: Secretary for Financial Services and the Treasury

Question:

How many taxpayers have filed tax returns through electronic means in 2007-08? Can the introduction of electronic services reduce assessment cost for the Administration? If yes, how much assessment cost will be saved?

Asked by: Hon. LEE Cheuk-yan

Reply:

The main objective of Inland Revenue Department (IRD) in initiating electronic filing is to enhance the quality of its services by facilitating the public to lodge tax returns 24 hours a day anywhere anytime. It also enables IRD to automate the capturing of information and to enhance the accuracy of information updated by taxpayers. In 2007-08 (up to 29 February 2008), the number of tax returns lodged electronically is around 142 700 (or 6.3% of the total number of individual tax returns and property tax returns received), representing a growth of 32 000 cases (or 29%) over the same period of the previous year.

IRD has re-deployed resources to enhance and promote its electronic services by launching an electronic service eTax by phases from 2008 to early 2009. Depending on the public's take-up rate for this service, IRD aims to achieve a saving of 20 posts in 3-5 years.

Signature _____

Name in block letters Mrs LAU MAK YEE MING, ALICE

Post Title Commissioner of Inland Revenue

Date 20 March 2008

**CONTROLLING OFFICER'S REPLY TO
INITIAL WRITTEN QUESTION**

Reply Serial No.

FSTB(Tsy)050

Question Serial No.

2308

Head: 76 Inland Revenue Department Subhead (No. & title):
Programme: (1) Assessing Functions

Controlling Officer: Commissioner of Inland Revenue

Director of Bureau: Secretary for Financial Services and the Treasury

Question:

In 2007-08, the average provision of processing each salaries tax assessment was \$151.1. Will the Administration inform this Committee, for this year, the number of cases where the assessed tax payable (including cases where the tax payable is \$0) is less than the average provision per assessment? What is the percentage of these cases out of the total number of assessments?

Asked by: Hon. LEE Cheuk-yan

Reply:

For 2007-08 (up to early March 2008), the number of cases where the assessed tax payable (including \$0) is less than the average provision per assessment is around 950 000. Such cases constitute around 45% of all salaries tax assessments made in the year.

Signature _____

Name in block letters Mrs LAU MAK YEE MING, ALICE

Post Title Commissioner of Inland Revenue

Date 18 March 2008

**CONTROLLING OFFICER'S REPLY TO
INITIAL WRITTEN QUESTION**

FSTB(Tsy)051

Head: 76 Inland Revenue Department Subhead (No. & title):

Question Serial No.

2309

Programme: (1) Assessing Functions

Controlling Officer: Commissioner of Inland Revenue

Director of Bureau: Secretary for Financial Services and the Treasury

Question:

Why the provision per salaries tax assessment is increased by 8.8% from \$142.9 in 2006-07 to \$155.5 in 2008-09?

Asked by: Hon. LEE Cheuk-yan

Reply:

The increase in provision per salaries tax assessment for 2008-09 by 8.8% as compared with 2006-07 is mainly due to increased expenditures including the civil service pay rise in 2007-08, provision for filling vacant posts, salary increments for staff and general departmental expenses.

Signature _____

Name in block letters Mrs LAU MAK YEE MING, ALICE

Post Title Commissioner of Inland Revenue

Date 18 March 2008

**CONTROLLING OFFICER'S REPLY TO
INITIAL WRITTEN QUESTION**

FSTB(Tsy)052

Head: 76 Inland Revenue Department Subhead (No. & title):

Question Serial No.

2620

Programme: (1) Assessing Functions

Controlling Officer: Commissioner of Inland Revenue

Director of Bureau: Secretary for Financial Services and the Treasury

Question:

Will the Administration inform this Committee of the numbers of returns relating to profits tax, salaries tax, property tax and personal assessment filed electronically (including online filing) for 2003-04, 2004-05, 2005-06, 2006-07 and 2007-08 respectively? What are the percentages of these cases for each type of tax?

Asked by: Hon. SIN Chung-kai

Reply:

Individual tax returns and property tax returns can be filed electronically. Individual tax returns cover an individual's salaries income, rental income from solely owned properties and profits from the carrying on of sole proprietorship businesses whereas property tax returns cover rental income from jointly-owned properties. Personal Assessment can also be elected in the individual tax returns.

The number of tax returns lodged electronically and their percentage in the total number of such tax returns received in the past five years are as follows:

Year	Individual tax returns		Property tax returns (jointly-owned properties)		Total	
	No. of returns lodged electronically	% to total returns received	No. of returns lodged electronically	% to total returns received	No. of returns lodged electronically	% to total returns received
2003-04	5 400	0.3%	300	0.2%	5 700	0.3%
2004-05	32 100	1.6%	600	0.4%	32 700	1.5%
2005-06	66 300	3.3%	1 100	0.7%	67 400	3.1%
2006-07	109 200	5.3%	1 700	1.2%	110 900	5.0%
2007-08 (up to 29.2.2008)	140 600	6.7%	2 100	1.5%	142 700	6.3%

Signature _____

Name in block letters Mrs LAU MAK YEE MING, ALICE

Post Title Commissioner of Inland Revenue

Date 20 March 2008

**CONTROLLING OFFICER'S REPLY TO
INITIAL WRITTEN QUESTION**

FSTB(Tsy)053

Head: 76 Inland Revenue Department Subhead (No. & title):

Question Serial No.

2714

Programme: (1) Assessing Functions

Controlling Officer: Commissioner of Inland Revenue

Director of Bureau: Secretary for Financial Services and the Treasury

Question:

According to the Estimates from 2003-04 to 2008-09, in respect of the collection of profits tax, salaries tax, property tax and personal assessment, if the provision per assessment is calculated by dividing the provision for the relevant item that year by the number of posts handling such item that year, the figures for 2007-08 are all higher than those for 2006-07 and the figures for 2008-09 are likewise all higher than those for 2007-08 (Revised Estimates). What are the reasons? Please explain how the "provision per assessment" is calculated in the Estimates.

Asked by: Hon. SIN Chung-kai

Reply:

The provision per assessment for 2008-09 is higher than the revised estimate for 2007-08 mainly due to filling of vacant posts and salary increments for staff in 2008-09. The provision for 2007-08 is higher than the expenditure for 2006-07 mainly due to the civil service pay rise in 2007-08, filling of vacant posts, salary increments for staff and increased requirement for general departmental expenses.

The provision per assessment is computed by dividing the total departmental direct and related expenses (mainly comprised of staff emoluments and departmental expenses) attributable to each indicator by the number of assessments made.

Signature _____

Name in block letters Mrs LAU MAK YEE MING, ALICE

Post Title Commissioner of Inland Revenue

Date 20 March 2008

**CONTROLLING OFFICER'S REPLY TO
INITIAL WRITTEN QUESTION**

FSTB(Tsy)054

Head: 76 Inland Revenue Department Subhead (No. & title):

Question Serial No.

2389

Programme: (1) Assessing Functions

Controlling Officer: Commissioner of Inland Revenue

Director of Bureau: Secretary for Financial Services and the Treasury

Question:

Many officers engaging in the assessing work are accountants. At present, there is a shortage of manpower in the accounting field. Many accountants will change jobs for better pay. Will the Administration consider raising the salaries of accountants in the Inland Revenue Department to retain and attract talents? If yes, what is the expenditure involved?

Asked by: Hon. TAM Heung-man

Reply:

Pay scales of individual civil service ranks are determined having regard to various job factors. The Administration follows the established mechanism, namely, the conduct of six-yearly pay level surveys and triennial starting salaries surveys, to ensure civil service pay is broadly comparable with that of their private sector counterparts.

Following the last starting salaries survey, the pay scales of two ranks of the Assessor grade have been adjusted upwards accordingly. Specifically, the starting and maximum salaries of the Assistant Assessor rank have been adjusted upwards by five pay points (i.e. around \$5,000 and \$7,000 per month), and the starting salary of the Assessor rank has also been increased by five pay points (i.e. around \$8,000 per month) since 1 August 2007.

We will continue to monitor the recruitment and retention situation of the Assessor grade.

Signature _____

Name in block letters Mrs LAU MAK YEE MING, ALICE

Post Title Commissioner of Inland Revenue

Date 20 March 2008

**CONTROLLING OFFICER'S REPLY TO
INITIAL WRITTEN QUESTION**

FSTB(Tsy)055

Head: 76 Inland Revenue Department

Subhead (No. & title):

Question Serial No.

2390

Programme: (1) Assessing Functions

Controlling Officer: Commissioner of Inland Revenue

Director of Bureau: Secretary for Financial Services and the Treasury

Question:

According to some accountants, the Inland Revenue Department's assessing criteria are unclear, causing inconvenience to them. Will the administration consider allocating resources to provide training for assessing officers and accountants in respect of assessing guidelines? If yes, what are the manpower and expenditures involved?

Asked by: Hon. TAM Heung-man

Reply:

The Inland Revenue Department (IRD) has published a series of Departmental Interpretation and Practice Notes (DIPNs) providing guidance on application of the tax law and the usual practices in conducting the tax assessment functions. To facilitate taxpayers and their authorized representatives to gain access to such information, these DIPNs are available on the IRD website. Up to now, 44 DIPNs have been issued. Advance rulings on taxation matters that may be of tax-paying public's interest as well as constantly updated frequently asked questions are published on the website. IRD considers that the above measures can help make clear and improve public access to its assessing criteria.

Regarding training for assessing officers, IRD has a training committee, which holds regular meetings to monitor the progress of training activities and review the training needs of staff, in particular the professional training for new and existing assessing officers. IRD officers also attend seminars organised by relevant accounting and taxation bodies from time to time to speak on issues of concern to the industry and exchange views with accountants in the private practice.

Signature _____

Name in block letters Mrs LAU MAK YEE MING, ALICE

Post Title Commissioner of Inland Revenue

Date 25 March 2008

**CONTROLLING OFFICER'S REPLY TO
INITIAL WRITTEN QUESTION**

FSTB(Tsy)056

Question Serial No.

2391

Head: 76 Inland Revenue Department Subhead (No. & title):

Programme: (3) Investigation and Field Audit

Controlling Officer: Commissioner of Inland Revenue

Director of Bureau: Secretary for Financial Services and the Treasury

Question:

Although investigation work is very important for safeguarding tax revenue, the Administration has not mentioned anything about increase in manpower under this programme. Has the Administration considered allocating more resources to this area, including employment of more professionals to cope with the need? If yes, what are the expenditures involved and details? If no, what are the reasons?

Asked by: Hon. TAM Heung-man

Reply:

The Inland Revenue Department (IRD) has been allocating appropriate resources for carrying out its duties, according to service needs and departmental priorities. Although the Field Audit and Investigation Unit of IRD will not increase its manpower in 2008-09, IRD will continue to undertake various on-going measures to enhance the efficiency and effectiveness of the Unit and enable the Unit to put its available resources into the best possible uses. For example, staff training is strengthened to improve IRD officers' professional knowledge and investigation technique. IRD has also made use of information technology to perform risk management, whereby tax evasion and avoidance cases can be identified and combated more effectively.

Signature _____

Name in block letters Mrs LAU MAK YEE MING, ALICE

Post Title Commissioner of Inland Revenue

Date 20 March 2008

**CONTROLLING OFFICER'S REPLY TO
INITIAL WRITTEN QUESTION**

FSTB(Tsy)057

Head: 76 Inland Revenue Department Subhead (No. & title):

Question Serial No.

1297

Programme:

Controlling Officer: Commissioner of Inland Revenue

Director of Bureau: Secretary for Financial Services and the Treasury

Question:

At present, how many people are using electronic services for filing tax returns and making tax payments?
What is the percentage of these people out of the total number of taxpayers?

Asked by: Hon. WONG Ting-kwong

Reply:

In 2007-08 (up to 29 February 2008), the number of tax returns lodged electronically is around 142 700 (or 6.3% of the total number of individual tax returns and property tax returns received), representing a growth of 32 000 cases (or 29%) over the same period of the previous year.

In 2007-08 (up to 29 February 2008), around 1 294 000 payments for earnings and profits tax (or 56% of total) are made by electronic means, representing a growth of 38 000 cases (or 3%) over the same period of the previous year.

Signature _____

Name in block letters Mrs LAU MAK YEE MING, ALICE

Post Title Commissioner of Inland Revenue

Date 18 March 2008

**CONTROLLING OFFICER'S REPLY TO
INITIAL WRITTEN QUESTION**

FSTB(Tsy)058

Head: 76 Inland Revenue Department Subhead (No. & title):

Question Serial No.

1298

Programme:

Controlling Officer: Commissioner of Inland Revenue

Director of Bureau: Secretary for Financial Services and the Treasury

Question:

What specific plans are there for promoting the use of electronic services? What is the estimated expenditure involved?

Asked by: Hon. WONG Ting-kwong

Reply:

The Inland Revenue Department (IRD) rolled out eTAX services by phases from early 2008 through the GovHK to provide the e-services migrated from the Electronic Service Delivery Scheme as well as various new personalised e-services for individual taxpayers.

IRD has planned a series of promotional initiatives for eTAX starting from January 2008, including posters, publicity leaflets, newspaper advertisements, electronic media advertisements, Internet publicity, roving shows, eTAX seminars, promotional messages as well as letters/e-mails to promote the electronic services. The expenditure is estimated to be \$4 million.

Signature _____

Name in block letters Mrs LAU MAK YEE MING, ALICE

Post Title Commissioner of Inland Revenue

Date 18 March 2008

**CONTROLLING OFFICER'S REPLY TO
INITIAL WRITTEN QUESTION**

FSTB(Tsy)059

Head: 76 Inland Revenue Department Subhead (No. & title):

Question Serial No.

1299

Programme: (1) Assessing Functions

Controlling Officer: Commissioner of Inland Revenue

Director of Bureau: Secretary for Financial Services and the Treasury

Question:

As it is proposed in the Budget that the Hotel Accommodation Tax be waived, why does the return processing work increase rather than decrease as reflected by the performance indicators?

Asked by: Hon. WONG Ting-kwong

Reply:

The performance indicators were prepared by Inland Revenue Department (IRD) prior to the announcement of the Budget proposal to waive Hotel Accommodation Tax (HAT). It was based on the then estimated number of hotels and guesthouses which have to submit quarterly tax returns in 2008-09. IRD is required to process the HAT returns lodged by hotels and guesthouses for the period until the relevant provisions of the legislation have been amended to give effect to the Budget proposal.

Signature _____

Name in block letters Mrs LAU MAK YEE MING, ALICE

Post Title Commissioner of Inland Revenue

Date 18 March 2008

**CONTROLLING OFFICER'S REPLY TO
INITIAL WRITTEN QUESTION**

FSTB(Tsy)060

Head: 162 – Rating and Valuation Department Subhead (No. & title): 000 Operational expenses

Question Serial No.

2173

Programme:

Controlling Officer: Commissioner of Rating and Valuation

Director of Bureau: Secretary for Financial Services and the Treasury / Secretary for Transport and Housing

Question:

Please account for the reasons why Mandatory Provident Fund contribution and Civil Service Provident Fund contribution under “Personnel Related Expenses” are 5 times and 1.1 times more than the revised estimate for 2007-08 respectively.

Asked by: Hon. CHAN Kam-lam

Reply:

The “Mandatory Provident Fund (MPF) contribution” under “Personnel Related Expenses” is for meeting the Government’s contribution under the MPF Scheme for officers on civil service new probationary and new agreement terms. Increased provision is required in 2008-09 due to the recruitment of more officers to fill the vacancies in Valuation Surveyor and Valuation Officer Grades.

The “Civil Service Provident Fund (CSPF) contribution” under “Personnel Related Expenses” is for meeting the Government’s contribution under the CSPF Scheme for officers on civil service new permanent terms. Increased provision is required in 2008-09 as more officers, who joined the civil service on or after 1 June 2000 and are subsequently offered permanent terms of appointments, will become eligible for the CSPF scheme.

Signature _____

Name in block letters _____ MRS. MIMI BROWN

Post Title _____ Commissioner of Rating and Valuation

Date _____ 18.3.2008

**CONTROLLING OFFICER'S REPLY TO
INITIAL WRITTEN QUESTION**

FSTB(Tsy)061

Head: 162 – Rating and Valuation Department Subhead (No. & title): 000 Operational expenses

Question Serial No.

2174

Programme:

Controlling Officer: Commissioner of Rating and Valuation

Director of Bureau: Secretary for Financial Services and the Treasury / Secretary for Transport and Housing

Question:

The estimated expenditure of “Temporary Staff” under “Departmental Expenses” increases by 21.2% compared with that of 2007-08. Please explain.

Asked by: Hon. CHAN Kam-lam

Reply:

In 2008-09, the Department will incur a total of \$20.04 million (or \$3.51 million higher than the 2007-08 revised estimate) to engage temporary staff for various short-term projects. Such projects include enhancement and maintenance of various computer systems; assessment of the backlog of advertising signs and rural unassessed lots; expediting the review of established valuation patterns among properties so as to ensure valuation accuracy and equity and the creation of Geographical Information System records to facilitate the computerized valuation of village type houses.

Signature _____

Name in block letters _____ **MRS. MIMI BROWN**

Post Title _____ **Commissioner of Rating and Valuation**

Date _____ **20.3.2008**

**CONTROLLING OFFICER'S REPLY TO
INITIAL WRITTEN QUESTION**

FSTB(Tsy)062

Head: 162 - Rating and Valuation Department Subhead (No. & title):

Question Serial No.

1422

Programme:

Controlling Officer: Commissioner of Rating and Valuation

Director of Bureau: Secretary for Financial Services and the Treasury

Question:

Regarding the studies conducted for the purposes of formulating and assessing policies (including in-house studies or those entrusted to consultants), please provide the relevant information in the following format:

(a) In respect of provision made for conducting consultancy studies in 2007-08 -

Name of Consultant (if any)	Content	Revised Estimate (\$)	Progress of Studies (under planning / in progress / completed)	The follow-ups taken by the Administration on the study reports and their progress (if any)	If completed, have they been released to the public? If yes, through which channels? If no, what are the reasons?

(b) Is there any provision for conducting consultancy studies in 2008-09 -

Name of Consultant (if any)	Content	Expenditure (\$)	Progress of Studies (under planning / in progress / completed)	Will the studies be released to the public if they are expected to be completed in the 2008-09 financial year? If yes, through which channels? If no, what are the reasons?

Asked by: Hon. EU Yuet-mee, Audrey

Reply:

We have not earmarked any funds in the 2007-08 Revised Estimate or the 2008-09 draft Estimate for conducting studies for the purposes of formulating and assessing policies.

Signature _____

Name in block letters MRS. MIMI BROWN

Post Title Commissioner of Rating and Valuation

Date 14.3.2008

**CONTROLLING OFFICER'S REPLY TO
INITIAL WRITTEN QUESTION**

FSTB(Tsy)063

Question Serial No.

2020

Head: 162-Rating and Valuation Department Subhead (No. & title):

Programme: (3) Provision of Valuation and Property Information Services

Controlling Officer: Commissioner of Rating and Valuation

Director of Bureau: Secretary for Financial Services and the Treasury

Question:

In 2008-09, the Department is still required to handle about 3 000 valuations for estate duty purpose. Will the task be completed during the year? If so, how will the staff involved be redeployed?

Asked by: Hon. TO Kun-sun, James

Reply:

It is estimated that the 3 000 valuations required for estate duty purposes can be completed within 2008-09. When these valuations are completed, the staff resources will be redeployed to handle other areas of valuation.

Signature _____

Name in block letters MRS. MIMI BROWN

Post Title Commissioner of Rating and Valuation

Date 20.3.2008

**CONTROLLING OFFICER'S REPLY TO
INITIAL WRITTEN QUESTION**

FSTB(Tsy)065

Question Serial No.

2655

Head: 162-Rating and Valuation Subhead (No. & title):
Department

Programme: (3) Provision of Valuation and Property Information Services

Controlling Officer: Commissioner of Rating and Valuation

Director of Bureau: Secretary for Financial Services and the Treasury

Question:

The Government is planning to launch an online property information services in the second half of the year. Will the public be allowed to check the outstanding rates and Government rent of individual property online free of charge? Is it possible for the public to check the presence of any illegal structures of a property or any encumbrances on such property? If otherwise, will the Government consider deploying more resources in the system enhancement to achieve that purpose?

Asked by: Hon. TO Kun-sun, James

Reply:

The Rating and Valuation Department (RVD) will launch its new online Property Information System (PIS) in 2008. Upon launching the first phase of the PIS, information on floor area, age and permitted use of domestic properties will be made available to the public through Internet.

The RVD will consider the possibility of automating other manually run service items through the PIS, for example, online enquiry of rates and Government rent accounts. At present, the RVD provides a free online service for rates and Government rent payers to check the up-to-date payment position of their current accounts of rates and Government rent through Internet and a 24-hour telephone system. For enquiry of outstanding rates and Government rent of a property, the service is subject to a fee because more manual effort would be involved in searching the current and all previous accounts under the same property. We believe that the fee of the latter enquiry service can be reduced if such service is to be delivered through the PIS.

The existing scope of the PIS is confined to the alignment of address records and searching keys in RVD and the Land Registry (LR). Nevertheless, with the said address record alignment between RVD and LR, the PIS would help the public to search the corresponding land register records more easily, including any encumbrance in respect of outstanding enforcement action on illegal structures registered in LR.

Signature

Name in block letters

Post Title

Date

MRS. MIMI BROWN

Commissioner of Rating and Valuation

20.3.2008

**CONTROLLING OFFICER'S REPLY TO
INITIAL WRITTEN QUESTION**

FSTB(Tsy)066

Question Serial No.

1300

Head: 162 - Rating and Valuation Department Subhead (No. & title):

Programme: (1) Statutory Valuation and Assessments

Controlling Officer: Commissioner of Rating and Valuation

Director of Bureau: Secretary for Financial Services and the Treasury

Question:

Up to the present, what is the volume of the backlog in respect of unassessed lots? What is the reason for the backlog?

Asked by: Hon. WONG Ting-kwong

Reply:

With the introduction of Government rent in 1997, it is necessary to assess all lots in the New Territories to Government rent. There are currently about 28 000 unassessed rural lots. They are scattered all over the New Territories and most of them are complicated cases in remote areas. The work requires considerable labour input and entails long processing time. The Department will complete the assessment of these lots as soon as possible by engaging contract staff as well as outsourcing part of the assessment work.

Signature _____

Name in block letters MRS. MIMI BROWN

Post Title Commissioner of Rating and Valuation

Date 14.3.2008

Examination of Estimates of Expenditure 2008-09
**CONTROLLING OFFICER'S REPLY TO
INITIAL WRITTEN QUESTION**

Reply Serial No.

FSTB(Tsy)068

Question Serial No.

1425

Head : 188 Treasury Subhead (No. & title) :

Programme :

Controlling Officer : Director of Accounting Services

Director of Bureau : Secretary for Financial Services and the Treasury

Question :

Regarding the studies (including in-house studies or those entrusted to consultants) conducted by the Treasury for the purposes of formulating and assessing policies, please provide the relevant information in the following format :

(a) For the projects that have reserved funds for conducting consultancy studies in 2007-08, please provide information in the following format :

Name of Consultant (if any)	Content	Revised Estimate (\$)	Progress of Studies (under planning/ in progress / completed)	The follow-ups taken by the Administration on the study reports and their progress (if any)	If completed, have they been released to the public? If yes, through which channels? If no, what are the reasons?

(b) Is there any project that will reserve funds for conducting consultancy study in 2008-09? If yes, please provide the following information :

Name of Consultant (if any)	Content	Expenditure (\$)	Progress of Studies (under planning / in progress / completed)	Will the studies be released to the public if they are expected to be completed in the 2008-09 financial year? If yes, through which channels? If no, what are the reasons?

Asked by : Hon. EU Yuet-mee, Audrey

Reply :

We have not earmarked any funds in the 2007-08 Revised Estimate or the 2008-09 draft Estimate for conducting studies for the purposes of formulating and assessing policies.

Signature

Name in block letters

Post Title

Date

Mrs Lucia LI

Director of Accounting Services

17 March 2008

**CONTROLLING OFFICER'S REPLY TO
INITIAL WRITTEN QUESTION**

FSTB(Tsy)069

Question Serial No.

2163

Head: 188 Treasury Subhead (No. & title):

Programme: (3) Accounting and Financial Information Systems

Controlling Officer: Director of Accounting Services

Director of Bureau: Secretary for Financial Services and the Treasury

Question:

It is mentioned that 14 posts will be deleted in 2008-09. What are the posts and services to be cancelled? What is the amount of expenditure cut?

Asked by: Hon. WONG Ting-kwong

Reply:

The 14 posts earmarked for deletion in 2008-09 are 4 Analyst/Programmer I, 2 Computer Operator I, 3 Computer Operator II, 1 Clerical Officer and 4 Assistant Clerical Officer. They are responsible for the operation and maintenance of computer systems which will become obsolete upon completion of the Government Financial Management Information System project within 2008-09. The estimated annual savings arising from the deletion of these posts, in terms of notional annual mid-point salary value, are \$4 million.

Signature _____

Name in block letters _____ Mrs Lucia LI

Post Title _____ Director of Accounting Services

Date _____ 17 March 2008

Examination of Estimates of Expenditure 2008-09
**CONTROLLING OFFICER'S REPLY TO
INITIAL WRITTEN QUESTION**

Reply Serial No.

FSTB(Tsy)070

Question Serial No.

2732

Head : 51 Government Property Agency

Subhead (No. & title) : 000 Operational expenses

Programme :

Controlling Officer : Government Property Administrator

Director of Bureau : Secretary for Financial Services and the Treasury

Question :

What is the quantity of property assets currently owned by the government?

Asked by : Hon. CHOW LIANG Shuk-ye, Selina

Reply :

Various types of government properties, e.g. police/fire stations, prisons, sports centres, community halls, general offices, etc., are held by different government departments for the delivery of public services. In the case of the Government Property Agency, it is managing about 3 000 000m² of government properties, mainly office buildings for general use, quarters and leased out premises.

Signature

Name in block letters

Post Title

Date

K K Kwok

Government Property Administrator

18 March 2008