

**Replies to supplementary questions raised by Finance Committee Members in examining the
Estimates of Expenditure 2013-14**

**Director of Bureau : Secretary for Financial Services and the Treasury
Session No. : 4**

Reply Serial No.	Question Serial No.	Name of Member	Head	Programme
S-FSTB(Tsy)01	SV007	LEUNG Kwok-hung		
S-FSTB(Tsy)02	S030	MA Fung-kwok		
S-FSTB(Tsy)03	SV005	SIN Chung-kai		
S-FSTB(Tsy)04	S001	LEE Cheuk-yan	147	(2) Revenue and Financial Control
S-FSTB(Tsy)05	S135	MOK, Charles Peter	147, 148	
S-FSTB(Tsy)06	S018	TANG Ka-piu	147	(2) Revenue and Financial Control
S-FSTB(Tsy)07	S019	TANG Ka-piu	147	(2) Revenue and Financial Control
S-FSTB(Tsy)08	S020	TANG Ka-piu	147	(2) Revenue and Financial Control
S-FSTB(Tsy)09	S031	TSE Wai-chuen, Tony	147	(2) Revenue and Financial Control
S-FSTB(Tsy)10	S011	WONG Kwok-kin	147	(2) Revenue and Financial Control
S-FSTB(Tsy)11	S029	KWOK Wai-keung	31	(4) Revenue Protection and Collection
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S-FSTB(Tsy)17	S014	KWOK Wai-keung	59	(1) Procurement

**CONTROLLING OFFICER'S REPLY TO
SUPPLEMENTARY QUESTION**

S-FSTB(Tsy)01

Question Serial No.

SV007

Head: - Subhead (No. & title): -

Programme: -

Controlling Officer: -

Director of Bureau: -

Question:

The Administration is requested to respond to the suggestions of establishing a fund for implementing a comprehensive retirement protection scheme, and a fund for provision of free pre-primary education.

Asked by: Hon. LEUNG Kwok-hung

Reply:

The Labour and Welfare Bureau and Education Bureau (EDB) are responsible for matters relating to retirement protection and pre-primary education respectively. According to the information provided by the respective bureaux, the reply is as follows:

Retirement Protection

Retirement protection is a very complicated and controversial subject, involving issues such as affordability and sustainability. There are also diverse views in the community, and the Government must consider the matter very carefully. While the Administration will continue to reinforce and enhance the existing three pillars under the retirement protection system and study retirement protection in depth in an open, pragmatic and prudent manner, it will work towards a consensus in the community on how we should take forward retirement protection in Hong Kong.

The Social Security and Retirement Protection Task Force under Commission on Poverty will focus on policy matters related to the social security and retirement protection system. The Task Force agreed at its second meeting of 18 March to invite Professor Nelson Chow Wing-sun to conduct a study on retirement protection so as to form a basis for future deliberations. The study is expected to be completed within one year.

Pre-primary Education

Providing practicable 15-year free education and better quality kindergarten (KG) education is one of the priorities of the current-term Government. In view of the great diversity among KGs in various aspects and different views and expectations of the stakeholders on free KG education, the Government needs to consider prudently how to practicably implement free KG education. In this connection, the EDB has set up a committee in April 2013 to examine the various aspects of free KG education and recommend practicable proposals to take this forward. The committee will gauge views of stakeholders on the current policy of KG education, identify issues for possible improvements, consider various options including the funding arrangements, and make recommendations to EDB on the way forward. As details on the practicable implementation of free KG education are yet to be worked out, the Government has no plan to set up a fund for the purpose at this stage.

Name in block letters: Ms Elizabeth TSE
Post Title: Permanent Secretary for Financial
Services and the Treasury (Treasury)
Date: 16.4.2013

**CONTROLLING OFFICER'S REPLY TO
SUPPLEMENTARY QUESTION**

S-FSTB(Tsy)02

Question Serial No.

S030

Head: -

Subhead (No. & title): -

Programme: -

Controlling Officer: -

Director of Bureau: -

Question:

The Permanent Secretary mentioned the CreateSmart Initiative in her reply. Why was it not included in the written reply?

Asked by: Hon. MA Fung-kwok

Reply:

At the meeting held on 8 April, a question was raised on the general administration of funds. Like other resources managed by government departments, the relevant government bureaux and departments will regularly review the funds and funding projects under their management. I cited the CreateSmart Initiative (CSI) as an example to set out the measures implemented by the relevant bureau for enhancing the management. The CSI is a project funded under non-recurrent expenditure and is not named as "fund", and is therefore not included in the list of funds managed by the Government.

Name in block letters: Ms Elizabeth TSE

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

Date: 16.4.2013

**CONTROLLING OFFICER'S REPLY TO
SUPPLEMENTARY QUESTION**

S-FSTB(Tsy)03

Question Serial No.

SV005

Head: - Subhead (No. & title): -

Programme: -

Controlling Officer: -

Director of Bureau: -

Question:

Pursuant to reply nos. FSTB(Tsy)003, FSTB(Tsy)006 and FSTB(Tsy)007, the Administration is requested to provide information on the monitoring of investment performance of those funds which are managed by Boards (such as the Employees Retraining Board) where members do not generally have expertise on fund management or investment.

Asked by: Hon. SIN Chung-kai

Reply:

The relevant policy bureaux are responsible for the management and operation of funds. Generally speaking, the relevant policy bureaux, departments and fund monitoring/management committees will monitor the operation (including investment performance) of the funds under their purview through various means. For example, some statutory boards will set up financial or investment groups to advise and give recommendations on the investment targets, strategies and guidelines of the funds, while the relevant policy bureaux/departments will undertake the monitoring role through relevant ordinances, audit mechanisms, administrative arrangements in relation to financial management, participation at committee meetings, as well as examination of budgets and accounts.

Name in block letters: Ms Elizabeth TSE
Permanent Secretary for Financial
Post Title: Services and the Treasury (Treasury)
Date: 18.4.2013

**CONTROLLING OFFICER'S REPLY TO
SUPPLEMENTARY QUESTION**

S-FSTB(Tsy)04

Question Serial No.

S001

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

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:

With reference to Reply Serial No. FSTB (Tsy) 028, what are the respective increases in government expenditure, government revenue and nominal Gross Domestic Product (GDP) from 1998-99 to 2012-13?

Asked by: Hon. LEE Cheuk-yan

Reply:

1998-99 was the first financial year when the Government of the Special Administrative Region (the SAR Government) decided its budget and policies. For that year, even though our economy recorded a negative growth (-4.7%) and government revenue dropped by 23%, total expenditure for 1998-99 increased by 23% (the expenditure growth was 13% after discounting the one-off injection of \$20.5 billion to the Kowloon-Canton Railway Corporation for the construction of the West Rail). This reflects the SAR Government's commitment to enhancing services to the community in its first year of establishment. It is more appropriate to take 1997-98 as the base year for comparing the changes in expenditure and revenue of the SAR Government and our economic growth over the years. Between 1997-98 and 2013-14 (Estimate), government expenditure, government revenue and nominal GDP have increased by 126.4%, 54.7% and 56.7% respectively.

Name in block letters: Ms Elizabeth TSE

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

Date: 10.4.2013

**CONTROLLING OFFICER'S REPLY TO
SUPPLEMENTARY QUESTION**

S-FSTB(Tsy)05

Question Serial No.

S135

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

Programme:

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

Director of Bureau: Secretary for Financial Services and the Treasury

Question:

In connection with the provision of public information and gathering of public opinions by means of the Internet, please advise of the following:

- (a) the particulars, in tabulated forms (see Annex 1), regarding the social media platforms set up and operated by bureaux/departments/public bodies or their agents (such as out-sourced contractors or consultants) for the past 3 years (2010-11, 2011-12 and 2012-13).
- (b) Using the table below (see Annex 2), provide information on practical training received by Government officers in social media.
- (c) In respect of the setting up and operation of social media platforms, did the Administration provide Government officers with guidelines on the operation and use of social media and encourage Government agencies to strengthen communication with the public by means of social media? If yes, what are the details? If no, does the Government have any plan to formulate such guidelines? If there is no such a plan, what are the reasons?
- (d) In recent years, governments around the world have introduced systems through which citizens may hand in their online proposals. They have also undertaken that they would give a formal online response if a certain number of citizens have indicated their support of the proposals. Did the Administration look into ways to improve the existing channels for collecting public opinions on the Internet and evaluate the feasibility of collecting public opinions on the Internet through the above systems? If yes, what are the details? If no, what are the reasons?

Asked by: Hon. MOK, Charles Peter

Commencement of operation (Month/ Year)	Status (keeps on updating / ceased updating) (as at 28 February 2013)	Government agencies (including policy bureaux/ departments/ public bodies/ government consultants)	Name	Social media (Facebook/ Flickr/ Google+/ LinkedIn/ Sina Weibo/ Twitter/ YouTube)	Purpose of establishment and no. of updates (as at 28 February 2013)	No. of “Likes”/ subscribers/ average monthly visits (as at 28 February 2013)	Compilation of summary of comments and follow-up on a regular basis (Yes/ No)	Rank and No. of officers responsible for the operation (as at 28 February 2013)	Financial resources involved in the establishment and daily operation (as at 28 February 2013)
			(1) (2) (3)	(1) (2) (3)					

Date (Month/ Year)	Status (under progress/ completed) (as at 28 February 2013)	Government agencies (including policy bureaux/ departments/ public bodies/ government consultants)	Name of course provider	Course title	Course content (Facebook/ Flickr/ Google+/ LinkedIn/ Sina Weibo/ Twitter/ YouTube)	No. of officers participated and completed a course (as at 28 February 2013)	Total no. of training hours (as at 28 February 2013)	Rank and no. of officers participated in training (as at 28 February 2013)	Financial resources involved in training (as at 28 February 2013)
				(1) ... (2) ... (3) ...	(1) ... (2) ... (3) ...				

Reply:

- (a) The information on the social media platforms set up and operated by the Financial Services and the Treasury Bureau (FSTB) and the departments/public bodies under its purview in the past 3 years is tabulated in Annex 1.
- (b) The information on training in social media received by officers of the FSTB and the departments/public bodies under its purview is tabulated in Annex 2.
- (c) Guidelines on the Use of Social Media are available on the Government intranet for reference of all Government Bureaux and Departments.
- (d) At present, we mainly disseminate information to the public through our homepages where the public can also make enquiries and comments via its hyperlinks. For example, we have set up a dedicated website where the public can obtain relevant information and give their views. During the last Budget consultation, we have received a total of 2 766 responses, comprising 1 825 through e-mails. We consider the present approach appropriate for our operational needs.

Name in block letters: Ms Elizabeth TSE
Post Title: Permanent Secretary for Financial
Services and the Treasury (Treasury)
Date: 18.4.2013

Commencement of operation (Month/ Year)	Status (keeps on updating / ceased updating) (as at 28 February 2013)	Government agencies (including policy bureaux/ departments/ public bodies/ government consultants)	Name	Social media (Facebook/ Flickr/ Google+/ LinkedIn/ Sina Weibo/ Twitter/ YouTube)	Purpose of establishment and no. of updates (as at 28 February 2013)	No. of “Likes”/ subscribers/ average monthly visits (as at 28 February 2013)	Compilation of summary of comments and follow-up on a regular basis (Yes/ No)	Rank and no. of officers responsible for the operation (as at 28 February 2013)	Financial resources involved in the establishment and daily operation (as at 28 February 2013)
2/2011	Keeps updating	Mandatory Provident Fund Schemes Authority (MPFA)	(1) Rolling My Money	(1) Facebook Fan page	<u>Purpose:</u> To disseminate messages on money management, Mandatory Provident Fund System and investments to the young people <u>No. of updates:</u> 3 times a week	Fans: 9 357	Yes	Assistant Manager, Senior Officer, Officer 6 officers in total (Note: the operation of the fan page is only part of the duties of the staff members)	2011-12: \$456,000 2012-13: \$480,000 (Note: The above figures do not include staff costs)

Date (Month/Year)	Status (under progress/completed) (as at 28 February 2013)	Government agencies (including policy bureaux/ departments/ public bodies/ government consultants)	Name of course provider	Course title	Course content (Facebook/ Flickr/ Google+/ LinkedIn/ Sina Weibo/ Twitter/ YouTube)	No. of officers participated and completed a course (as at 28 February 2013)	Total no. of training hours (as at 28 February 2013)	Rank and no. of officers participated in training (as at 28 February 2013)	Financial resources involved in training (as at 28 February 2013)
12/8/2010	Completed	MPFA	Hong Kong Institute of Marketing	(1) Worldwide Winning e-Marketing Campaign	(1) Utilization of online social media for publicity promotion	6	3 hours	6 (Senior Manager, Manager, Senior Officer, Officer)	\$2,700
17/8/2010			Hong Kong Institute of Marketing	(2) Micro Blog Marketing	(2) Show case of successful examples to illustrate the essentials of online social media promotion	4	3 hours	4 (Senior Manager, Senior Officer)	\$2,440
19/8/2010			New World iMedia	(3) The "Identify new online consumption trends for effective online promotion strategy" Seminar	(3) Strategies of online media promotion campaign	1	3 hours	1 (Officer)	(Free)
10 & 17/11/2010			ET Business College	(4) Megatrends & Strategy of	(4) Updated trend of social media and	2	12 hours	2 (Manager, Senior Officer)	\$5,120

Date (Month/Year)	Status (under progress/completed) (as at 28 February 2013)	Government agencies (including policy bureaux/departments/public bodies/government consultants)	Name of course provider	Course title	Course content (Facebook/ Flickr/ Google+/ LinkedIn/ Sina Weibo/ Twitter/ YouTube)	No. of officers participated and completed a course (as at 28 February 2013)	Total no. of training hours (as at 28 February 2013)	Rank and no. of officers participated in training (as at 28 February 2013)	Financial resources involved in training (as at 28 February 2013)
8 & 15/12/2010				e-Marketing, e-business models and Social Media & Community Marketing	e-marketing promotion				
22 & 29/3/2011			Chinese University of Hong Kong (CUHK)	(5) The Essentials of Facebook Advertising	(5) Strategies for Facebook advertising	1	3 hours	1 (Senior Officer)	\$900
7, 14, 21, 28/4/2011, 5/5/2011			CUHK	(6) Modern Skills in Social Media Portals Marketing and Search Engine Positioning	(6) Practical skills in online social media promotion and related tools	2	15 hours	2 (Manager, Assistant Manager)	\$3,000
14/5/2011			Hong Kong Polytechnic University	(7) Mobile Marketing and Advertising	(7) Trend in mobile marketing	2	8 hours	2 (Manager, Assistant Manager)	\$3,160
8/10/2010	Completed	Government Logistics Department	AWTC (Lo & Lam) Consultancies Ltd: Mr. Charles Mok	(1) New forms of media	(1) Understanding and exploring new forms of media	64	3 hours	64 (Clerical staff from various ranks)	\$18,000
12/8/2010	Completed	Financial Services and the Treasury Bureau (The Treasury	General Grades Office, Civil Service	(1) IT Awareness Seminar on Social	(1) Understanding social network security	1	8 hours	1 (Executive Officer I (EO I))	The Treasury Branch has no

Date (Month/Year)	Status (under progress/completed) (as at 28 February 2013)	Government agencies (including policy bureaux/ departments/ public bodies/ government consultants)	Name of course provider	Course title	Course content (Facebook/ Flickr/ Google+/ LinkedIn/ Sina Weibo/ Twitter/ YouTube)	No. of officers participated and completed a course (as at 28 February 2013)	Total no. of training hours (as at 28 February 2013)	Rank and no. of officers participated in training (as at 28 February 2013)	Financial resources involved in training (as at 28 February 2013)
		Branch)	Bureau (CSB)	Networking and Security Risks					information in hand as the training was provided by CSB and/or OGCIO
13/12/2010			Office of the Government Chief Information Officer (OGCIO) as well as Civil Service Training and Development Institute, CSB	(2) Use of social media and internet tools to promote e-engagement	(2) Understanding and using social media and internet tools	1	3 hours	1 (EO I)	
23/3/2011			OGCIO	(3) Centralised Tool to create Facebook Applications	(3) Understanding and using Facebook	3	4 hours	3 (EO I, Assistant Information Technology Manager and Principal Information Officer (Treasury))	

**CONTROLLING OFFICER'S REPLY TO
SUPPLEMENTARY QUESTION**

S-FSTB(Tsy)06

Question Serial No.

S018

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:

According to Reply Serial No. FSTB(Tsy)039, the Government continued with the sale of civil servants' housing loans in the past 3 years, and fully disposed of its shareholding in Tradelink Electronic Commerce Limited on 25 October 2012. In this regard, will the Administration advise this Committee of the total revenue the Government derived from the sale of civil servants' housing loans in the past 3 years?

Asked by: Hon. TANG Ka-piu

Reply:

In the past 3 years (i.e. from 2010-11 to 2012-13), the Government received proceeds of \$154 million, \$118 million and \$127 million respectively from the sale of civil servants' housing loans.

Name in block letters: Ms Elizabeth TSE

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

Date: 11.4.2013

**CONTROLLING OFFICER'S REPLY TO
SUPPLEMENTARY QUESTION**

S-FSTB(Tsy)07

Question Serial No.

S019

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:

According to Reply Serial No. FSTB(Tsy)039, the Government continued with the sale of civil servants' housing loans in the past 3 years, and fully disposed of its shareholding in Tradelink Electronic Commerce Limited on 25 October 2012. In this regard, will the Administration advise this Committee of the revenue the Government derived from disposal of its shareholding in Tradelink Electronic Commerce Limited?

Asked by: Hon. TANG Ka-piu

Reply:

The Government received proceeds of \$119 million from full disposal of its shareholding in Tradelink Electronic Commerce Limited on 25 October 2012.

Name in block letters: Ms Elizabeth TSE

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

Date: 11.4.2013

**CONTROLLING OFFICER'S REPLY TO
SUPPLEMENTARY QUESTION**

S-FSTB(Tsy)08

Question Serial No.

S020

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:

According to Reply Serial No. FSTB (Tsy) 040, over 900 out of thousands of fees and charges have been revised in the past 5 years (i.e. from 2008-09 to mid-January of 2012-13). In this connection, will the Administration inform this Committee of, in the past 5 years (i.e. from 2008-09 to mid-January of 2012-13), the number of government services, including those revised ones, that satisfy the "user pays" principle; and the number of government services that do not satisfy the "user pays" principle?

Asked by: Hon. TANG Ka-piu

Reply:

1. The provision of government services is generally charged in accordance with the "user pays" principle. The cost recovery rates for these thousands of fees and charges vary, with some approaching full cost recovery and some at relatively low levels. We cannot generalise whether the individual fee items satisfy the "user pays" principle.
2. As the Financial Secretary points out in the 2013-14 Budget, the Government will conduct a systematic review. Policy bureaux and departments will review their respective fees and charges, and submit plans for their revision for the coming 1 or 2 years. We shall first deal with fees that have not been revised for years and do not directly affect people's livelihood, and items which have low cost recovery rates. The Government will make appropriate fee revisions as and when necessary. There will not be substantial revisions at one go to avoid affecting people's livelihood. In reviewing the fees and charges, policy bureaux and departments will take into account factors including considerations relevant to the specific services provided, public affordability and acceptability, and the views of Legislative Council Members before making proposals for fee revisions.

Name in block letters: Ms Elizabeth TSE
Permanent Secretary for Financial
Post Title: Services and the Treasury (Treasury)

Date: 19.4.2013

**CONTROLLING OFFICER'S REPLY TO
SUPPLEMENTARY QUESTION**

S-FSTB(Tsy)09

Question Serial No.

S031

Head: 147 Government Secretariat: Financial Subhead (No. & title):
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:

The Government will set up a working group to be led by the Treasury Branch. Although the membership of the working group has not been decided yet, will the Administration advise this Committee of the membership criteria, and whether it is a cross-departmental working group? If so, which departments are expected to be involved? Will non-governmental parties be invited to join the group? If so, what are the academic or professional fields and organisations in which its members are engaged? When will the working group be set up at the soonest and for how long will it be in operation?

Asked by: Hon. TSE Wai-chuen, Tony

Reply:

The working group aims to explore ways to make more comprehensive planning for our public finances to cope with the ageing population and the Government's other long-term commitments. The working group will analyse data to assess the long-term public expenditure needs and changes in government revenue under the existing policies, and will make reference to overseas experience. The working group will be led by the Permanent Secretary for Financial Services and the Treasury (Treasury). Its members will consist of Government officers as well as scholars and experts from relevant fields. The membership will be decided in due course.

The Treasury Branch will kick-start the work of the working group upon completion of the legislative proceedings of the Appropriation Bill 2013. The working group will report to the Financial Secretary by the end of this year.

Name in block letters: Ms Elizabeth TSE
Post Title: Permanent Secretary for Financial
Services and the Treasury (Treasury)

Date: 10.4.2013

**CONTROLLING OFFICER'S REPLY TO
SUPPLEMENTARY QUESTION**

S-FSTB(Tsy)10

Question Serial No.

S011

Head: 147 Government Secretariat: Financial Subhead (No. & title):
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:

According to Reply Serial No. FSTB(Tsy)050, the Treasury Branch does not have any plan to conduct a study on asset buy-back in 2013-14. However, there are quite a few proposals on buying back assets like tunnels, The Link and even railways, etc in the community at present. Why the Administration does not consider conducting a feasibility study on these proposals?

Asked by: Hon. WONG Kwok-kin

Reply:

We notice that there are various proposals on buying back assets. In general, buying back assets would involve substantial public funds. In considering whether to pursue such proposals, the Government has to examine carefully whether the proposals will achieve relevant policy objectives, and consider in detail the relevant factors, including buy-back approach, value of assets, market situation, financial implications to the Government and legal issues, etc.

In the coming year, the work priorities of the Treasury Branch are to complete the review to be conducted by the working group on long-term fiscal planning, to examine proposals for the review of Government fees and charges, and the legislative exercises relating to the Stamp Duty Ordinance and Inland Revenue Ordinance for the purpose of stabilising the property market and implementing the measures proposed in the Budget respectively. In case policy bureaux put forward proposals on buying back assets, the Treasury Branch will render necessary assistance.

Name in block letters: Ms Elizabeth TSE

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

Date: 16.4.2013

**CONTROLLING OFFICER'S REPLY TO
SUPPLEMENTARY QUESTION**

S-FSTB(Tsy)11

Question Serial No.

S029

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:

According to Reply Serial No. FSTB(Tsy)059, the Administration will create 30 posts in the coming year. The "restriction on the quantity of powdered formula" imposed by the Government earlier on, restricting each person to take a maximum of two cans of baby formula out of Hong Kong, has placed frontline Customs Officers under great pressure. Regarding this,

- (a) are the 30 posts created by the Administration in the coming year sufficient to handle the increasing workload, including the execution of the "restriction on the quantity of powdered formula" and other duties involving parallel goods?
- (b) will the Administration increase more manpower to cope with the workload? If yes, what are the manpower and amount of expenditure involved?
- (c) and does the Administration have any measure to prevent similar occurrences?

Asked by: Hon. KWOK Wai-keung

Reply:

The Customs and Excise Department (C&ED) will create 30 posts under Programme (4) in 2013-14, mainly for combating telephone ordering of illicit cigarettes and enhancing the capability of investigating cases of suspected contravention of the Motor Vehicles (First Registration Tax) Ordinance.

To exercise export control on powdered formula for infants imposed by the Government of the Special Administrative Region since 1 March 2013, C&ED has deployed 56 officers together with authorized non-civil service contract staff to provide support. Where necessary, C&ED will seek additional resources in accordance with the established resource allocation mechanism to cope with the relevant work.

Name in block letters: Clement CHEUNG

Post Title: Commissioner of Customs and Excise

Date: 16.4.2013

**CONTROLLING OFFICER'S REPLY TO
SUPPLEMENTARY QUESTION**

S-FSTB(Tsy)12

Question Serial No.

S026

Head: 51 Government Property Agency Subhead (No. & title):

Programme: (1) Acquisition and Allocation

Controlling Officer: Government Property Administrator

Director of Bureau: Secretary for Financial Services and the Treasury

Question:

It is stated under Programme (1) that an increased provision of \$62.8 million (8.9%) is mainly due to anticipated rise in office rentals and addition of four posts. In this regard, please inform this Committee the percentage of office rentals out of the total expenditure of the Government Property Agency and the rate of annual increase in the past five years.

Asked by: Hon. MAK Mei-kuen, Alice

Reply:

The percentage of office rentals^{Note 1} out of the total expenditure of the Government Property Agency and the percentage change of annual office rentals in the past five years are as follows:

Financial Year	Office rentals as a percentage of the total expenditure of the Agency	Percentage change of office rentals over the preceding financial year
2008-09	40.6%	Not applicable
2009-10	40.5%	-1.5%
2010-11	39.7%	-3.1%
2011-12	38.7%	-1.2%
2012-13	36.5%	-0.8%

Name in block letters: Alan Siu

Post Title: Government Property Administrator

Date: 15.4.2013

Note 1 Rental expenditures of the Agency include rents and the associated property management and air-conditioning charges.

**CONTROLLING OFFICER'S REPLY TO
SUPPLEMENTARY QUESTION**

S-FSTB(Tsy)13

Question Serial No.

S027

Head: 51 Government Property Agency Subhead (No. & title):

Programme: (1) Acquisition and Allocation

Controlling Officer: Government Property Administrator

Director of Bureau: Secretary for Financial Services and the Treasury

Question:

It is stated under Programme (1) that an increased provision of \$62.8 million (8.9%) is mainly due to anticipated rise in office rentals and addition of four posts. In this regard, please inform this Committee of the percentage of office rentals out of the total expenditure this year. Which properties were released?

Asked by: Hon. MAK Mei-kuen, Alice

Reply:

In 2013-14, office rentals of the Government Property Agency account for about 90% of the estimate under Programme (1) of the Controlling Officer's Report.

Having regard to the operational needs of the departments concerned and the terms of the relevant tenancy agreements, the Agency plans to release 28 tenancies for the properties mainly located in Hung Hom, Kwun Tong, Yuen Long and Chek Lap Kok in 2013. The rental saving is estimated at about \$55 million per annum. As we still need to discuss with the landlords on the releasing arrangements, it is not appropriate to provide the details of the user departments and the properties concerned at this stage.

Name in block letters: Alan Siu

Post Title: Government Property Administrator

Date: 19.4.2013

**CONTROLLING OFFICER'S REPLY TO
SUPPLEMENTARY QUESTION**

S-FSTB(Tsy)14

Question Serial No.

S028

Head: 51 Government Property Agency Subhead (No. & title):

Programme: (1) Acquisition and Allocation

Controlling Officer: Government Property Administrator

Director of Bureau: Secretary for Financial Services and the Treasury

Question:

It is stated under Programme (1) that an increased provision of \$62.8 million (8.9%) is mainly due to anticipated rise in office rentals and addition of four posts. In this regard, please inform this Committee if the Agency will explore ways to reduce the expenditure on office rentals.

Asked by: Hon. MAK Mei-kuen, Alice

Reply:

It is Government's policy to utilise as far as possible government-owned accommodation as offices and relocate those government offices with no specific location requirements out of high-value areas, including Central Business Districts. When implementing this policy, the Government will take into account operational needs of the departments and other relevant factors to decide whether the tenancies of the currently leased premises should be terminated to save rental expenditure. A recent example is that the Department of Justice (DoJ) plans to relocate its offices to the former Central Government Offices in phases starting from 2015. We will then re-allocate DoJ's accommodation in the Queensway Government Offices to other departments, including those currently occupying leased premises in Central and Admiralty and terminate the tenancies concerned. In addition, we will construct new government office buildings to reduce the need for leasing private properties. The Government is constructing the Trade and Industry Tower in the Kai Tak Development Area. Upon its completion by end 2014, we will arrange the relocation of some of the departments currently occupying leased premises in Kowloon to save rental expenditure.

Name in block letters: Alan Siu

Post Title: Government Property Administrator

Date: 15.4.2013

**CONTROLLING OFFICER'S REPLY TO
SUPPLEMENTARY QUESTION**

S-FSTB(Tsy)15

Question Serial No.

SV006

Head: 51 Government Property Agency Subhead (No. & title):

Programme: (1) Acquisition and Allocation

Controlling Officer: Government Property Administrator

Director of Bureau: Secretary for Financial Services and the Treasury

Question:

Pursuant to Reply Serial No. FSTB(Tsy)075, the Administration is requested to provide information on any plans to incorporate residential care homes for the elderly or people with disabilities in government quarters developments (such as the redevelopment of four ex-quarters sites of the Housing Department in Tsz Wan Shan, Wong Tai Sin, Kwun Tong and Tin Wan as disciplined services quarters).

Asked by: Hon. TANG Ka-piu

Reply:

When there are proposed new/redevelopment projects of government quarters, the Planning Department will assess the development potential of each project site for optimal development having regard to the zoning of the site, site area, statutory development restrictions, site conditions/constraints, compatibility with the surrounding environment, character of the area, infrastructure capacity, urban design and other relevant considerations. The Planning Department will consider, upon request of concerned departments, to incorporate compatible Government, Institution and Community facilities (such as social welfare facilities) in the proposed developments to meet the needs of the community. For government quarters projects under planning, there is no provision for residential care facilities for the elderly or the disabled.

Name in block letters: Alan Siu

Post Title: Government Property Administrator

Date: 16.4.2013

**CONTROLLING OFFICER'S REPLY TO
SUPPLEMENTARY QUESTION**

S-FSTB(Tsy)16

Question Serial No.

S021

Head: 51 Government Property Agency Subhead (No. & title):

Programme: (1) Acquisition and Allocation

Controlling Officer: Government Property Administrator

Director of Bureau: Secretary for Financial Services and the Treasury

Question:

According to Reply Serial No. FSTB(Tsy)075, the Administration estimates that the demand for non-departmental quarters (NDQs) will diminish progressively. Has the Administration planned to demolish the vacant NDQs for building public rental housing and Home Ownership Scheme flats to meet the increasing demand for housing in the society?

Asked by: Hon. TANG Ka-piu

Reply:

There are two main classes of government quarters, namely non-departmental quarters (NDQs) and departmental quarters (DQs), and the Civil Service Bureau and the concerned Heads of Department are responsible for their allocation respectively.

The Administration has been reviewing the demand and supply of NDQs regularly and where feasible, will use the surplus NDQs as DQs, or put them up for letting or sale. Besides, the Administration will demolish quarters that are not habitable or hand over the surplus sites to the Lands Department for long-term development. For example, after taking over the ex-NDQ site at 8-12 Deep Water Bay Drive, Shouson Hill, the Lands Department sold the land by tender last year to increase the supply of private domestic units.

In addition, the Government has used the following ex-DQ sites in recent years for constructing public housing:

- (1) Ex-Kwai Chung Police Married Quarters, Kwai Chung Road, Kwai Chung;
- (2) Ex-Shatin Police Married Quarters, Fung Shun Street, Sha Tin;
- (3) Ex-Shatin Fire Services Rank and File Quarters, Fung Shun Street, Sha Tin; and
- (4) Ex-Au Tau Departmental Quarters, Yau Shin Street, Yuen Long.

In general, the Planning Department will assess the redevelopment potential of vacant quarters sites for private or public housing to optimise land utilization, by taking into account relevant factors including the character of the locality, compatibility with the surrounding environment, transport and infrastructure capacity, etc.

Name in block letters: Alan Siu

Post Title: Government Property Administrator

Date: 19.4.2013

**CONTROLLING OFFICER'S REPLY TO
SUPPLEMENTARY QUESTION**

S-FSTB(Tsy)17

Question Serial No.

S014

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

Question:

According to the reply of Reply Serial No. FSTB(Tsy)084, it is not the Government's current procurement policy to give priority to purchase local recycled products. The local recycling industry is regarded as a priority industry. The Government also often actively promotes concepts on recycling and future measures such as collection and recycling of food waste. However, it is unlikely to have local consumption of these goods as the Government does not consume any of them. Therefore, the industry cannot survive. For example, in respect of the conversion of food waste into fertilisers, how can the local agricultural sector exhaust all these fertilisers without the consumption of them by government departments? Has the Government specified any clauses in tender documents that offers of local green or recycled products will be given higher scores and resulting in a higher chance of them being accepted?

Asked by: Hon. KWOK Wai-keung

Reply:

Hong Kong is a Party to the World Trade Organization Agreement on Government Procurement (WTO GPA). The WTO GPA requires its Parties to observe the two major principles of "non-discrimination" and "transparency" when conducting government procurement. In essence, the WTO GPA is to make sure that all companies, foreign or local, compete on a level playing field. The WTO GPA also prohibits Parties from including "local content" requirement in procurement. The Government has to fulfil its obligations under the WTO GPA. The Government's procurement policy follows the principles of open and fair competition and the value for money. Suppliers that can provide products meeting the required specifications will be allowed to bid on an equal basis irrespective of the place of origin of the products.

Name in block letters: Ms Maisie CHENG

Post Title: Director of Government Logistics

Date: 15.4.2013