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Replies to initial written questions raised by Finance Committee Members in examining the Estimates of Expenditure 2017-18

Director of Bureau : Secretary for Financial Services and the Treasury

Session No. : 8

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CONTROLLING OFFICER'S REPLY

(Question Serial No. 0932)

Head: (25) Architectural Services Department

Subhead (No. & title): (000) Operational Expenses

Programme: (2) Facilities Upkeep

Controlling Officer: Director of Architectural Services (K K LEUNG)

Director of Bureau: Secretary for Financial Services and the Treasury

Question:

Regarding the maintenance and repair for the official residences of the Chief Executive, the Chief Secretary for Administration, the Financial Secretary and the Secretary for Justice, what are the costs incurred and details of the works in the past 5 years? Generally speaking, is it necessary to go through tender procedures before commencement of the works? Or are the works undertaken by the Architectural Services Department?

Asked by: Hon LAU Ip-keung, Kenneth (Member Question No. 40)

Reply:

The costs incurred by the Architectural Services Department (ArchSD) for the facilities upkeep for the official residences of the Chief Executive, the Chief Secretary for Administration, the Financial Secretary and the Secretary for Justice from 2012-13 to 2016-17 are as follows:

Official Residences²	Financial Year (\$ 0,000)¹				
	2012-13	2013-14	2014-15	2015-16	2016-17 (as at February 2017)
Official Residence of Chief Executive Floor Area: 8 990m²	1 729	503	404	135	206
Official Residence of Chief Secretary for Administration Floor Area: 1 342m²	194	59	42	51	29
Official Residence of Financial Secretary Floor Area : 890m²	41	9	11	4	14³
Official Residence of Secretary for Justice Floor Area: 457m²	140	41	2	5	2

Note 1: Maintenance works for government buildings are funded under the Head 25 Subhead 000 while refurbishment and improvement works are funded under the Capital Works Reserve Fund. The cost figures shown in the table include the costs of all three categories of works. As the costs for most of the works projects are not settled within the same year, the figures shown in the table reflect the total costs in terms of cash flows of the relevant years.

Note 2: Apart from being the official residence of the Chief Executive, the Government House is also a declared monument of over 160 years old and enjoys protection under the Antiquities and Monuments Ordinance. The official residences of the Chief Secretary for Administration and the Financial Secretary are Grade 2 historic buildings with about 66 and 82 years of history respectively. Appropriate facilities upkeep is necessary for the proper conservation of these historic buildings.

Note 3: Apart from routine facilities upkeep, the last time a major maintenances works project was undertaken for the official residence of the Financial Secretary was back in 2007. As such, many building structures and facilities of this official residence show signs of wear and tear after years of use. In accordance with the established procedures, the relevant departments proposed to carry out necessary repair and restoration works for the official residence on the departure of the former Financial Secretary. These works are an integral part of necessary maintenance works for the official residence and, when completed, would not need to be carried out again on the assumption of the new Financial Secretary of the next term.

The cost estimate for repairing the wear and tear and replacing the worn out facilities of the official residence of the Financial Secretary in February 2017 totalled about \$830,000. The works undertaken by the ArchSD would account for about \$590,000 and would be funded under the Head 25 Subhead 000. As the cost is settled after February 2017, it is not reflected in the above table.

The major works projects undertaken at each of these official residences in the past 5 years (as at February 2017) are as follows:

Official Residences	Major Works Projects
Official Residence of the Chief Executive	Complete replacement of roof supports and tiles; waterproofing works for roof; renovation of a swimming pool; interior decoration and improvement works; painting and refurbishment works for fence walls and chain link fences; improvement works for air conditioning, ventilation and security systems; refurbishment works for a carpark; road resurfacing works; statutory tests for electrical installations and improvement works for electricity systems, etc.
Official Residence of Chief Secretary for Administration	Finishing works for internal and external walls; interior decoration works; improvement works for air conditioning, electrical and security systems; improvement works for garden floor and lighting systems, etc.
Official Residence of Financial Secretary	Repair the wear and tear of building structures and floor slabs, replace worn out carpets; repair the paint works of external walls, etc.
Official Residence of Secretary for Justice	Finishing works for internal and external walls; interior decoration works; improvement works for air conditioning, electrical and security systems, etc.

Apart from the above major works projects, the ArchSD also undertakes routine maintenance works including water pipes, woodwork, doors and windows, carpet, paint works, roofing, waterproofing, cement plastering and termite control for the official residences. The categories and number of works are too numerous to itemise in full. As for other government buildings, facilities upkeep works for official residences are also carried out as and when necessary. The facilities upkeep works are undertaken by contractors under term contracts, which are awarded by the ArchSD through tendering procedures. The ArchSD is also responsible for the contract management.

- End -

CONTROLLING OFFICER'S REPLY**FSTB(Tsy)001-2****(Question Serial No. 2377)**Head: (25) Architectural Services DepartmentSubhead (No. & title): (000) Operational expensesProgramme: (2) Facilities UpkeepControlling Officer: Director of Architectural Services (KK LEUNG)Director of Bureau: Secretary for Financial Services and the TreasuryQuestion:

Please provide information on the repair and refurbishment works carried out for the Government House and the official residences of the Secretaries in the past 5 years:

- (a) the number of repair and refurbishment works carried out to each of the official residences;
- (b) the items involved in and reasons for each repair and refurbishment works order; and
- (c) the expenditures incurred for each repair and refurbishment works order.

Asked by: Hon LAU Siu-lai (Member Question No. 3015)Reply:

The number of works projects undertaken and costs incurred by the Architectural Services Department (ArchSD) for the facilities upkeep of the Government House and the official residences of the Chief Secretary for Administration, the Financial Secretary and the Secretary for Justice from 2012-13 to 2016-17 are as follows:

Official Residences ²	Financial Year (\$ 0,000) ¹				
	2012-13	2013-14	2014-15	2015-16	2016-17 (as at February 2017)
Government House Floor Area: 8 990m² (No. of Works Order)	1 729 (202)	503 (387)	404 (232)	135 (195)	206 (239)
Official Residence of Chief Secretary for Administration Floor Area: 1 342m² (No. of Works Order)	194 (88)	59 (99)	42 (114)	51 (77)	29 (69)

Official Residences²	Financial Year (\$ 0,000)¹				
	2012-13	2013-14	2014-15	2015-16	2016-17 (as at February 2017)
Official Residence of Financial Secretary Floor Area : 890m² (No. of Works Order)	41 (39)	9 (33)	11 (52)	4 (50)	14³ (36)
Official Residence of Secretary for Justice Floor Area: 457m² (No. of Works Order)	140 (36)	41 (42)	2 (34)	5 (21)	2 (19)

Note 1: Maintenance works for government buildings are funded under the Head 25 Subhead 000 while refurbishment and improvement works are funded under the Capital Works Reserve Fund. The cost figures shown in the table include the costs of all three categories of works. As the costs for most of the works projects are not settled within the same year, the figures shown in the table reflect the total costs in terms of cash flows of the relevant years.

Note 2: Apart from being the official residence of the Chief Executive, the Government House is also a declared monument of over 160 years old and enjoys protection under the Antiquities and Monuments Ordinance. The official residences of the Chief Secretary for Administration and the Financial Secretary are Grade 2 historic buildings with about 66 and 82 years of history respectively. Appropriate facilities upkeep is necessary for the proper conservation of these historic buildings.

Note 3: Apart from routine facilities upkeep, the last time a major maintenances works project was undertaken for the official residence of the Financial Secretary was back in 2007. As such, many building structures and facilities of this official residence show signs of wear and tear after years of use. In accordance with the established procedures, the relevant departments proposed to carry out necessary repair and restoration works for the official residence on the departure of the former Financial Secretary. These works are an integral part of necessary maintenance works for the official residence and, when completed, would not need to be carried out again on the assumption of the new Financial Secretary of the next term.

The cost estimate for repairing the wear and tear and replacing the worn out facilities of the official residence of the Financial Secretary in February 2017 totalled about \$830,000. The works undertaken by the ArchSD would account for about \$590,000 and would be funded under the Head 25 Subhead 000. As the cost is settled after February 2017, it is not reflected in the above table.

The major works projects undertaken at each of these official residences in the past 5 years (as at February 2017) are as follows:

Official Residences	Major Works Projects
Government House	Complete replacement of roof supports and tiles; waterproofing works for roof; renovation of a swimming pool; interior decoration and improvement works; painting and refurbishment works for fence walls and chain link fences; improvement works for air conditioning, ventilation and security systems; refurbishment works for a carpark; road resurfacing works; statutory tests for electrical installations and improvement works for electricity systems, etc.
Official Residence of Chief Secretary for Administration	Finishing works for internal and external walls; interior decoration works; improvement works for air conditioning, electrical and security systems; improvement works for garden floor and lighting systems, etc.
Official Residence of Financial Secretary	Repair the wear and tear of building structures and floor slabs, replace worn out carpets; repair the paint works of external walls, etc.
Official Residence of Secretary for Justice	Finishing works for internal and external walls; interior decoration works; improvement works for air conditioning, electrical and security systems, etc.

Apart from the above major works projects, the ArchSD also undertakes routine maintenance works including water pipes, woodwork, doors and windows, carpet, paint works, roofing, waterproofing, cement plastering and termite control for the official residences. The categories and number of works are too numerous to itemise in full. As for other government buildings, facilities upkeep works for official residences are also carried out as and when necessary.

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CONTROLLING OFFICER'S REPLY

(Question Serial No. 2880)

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) (Ms Elizabeth TSE)

Director of Bureau: Secretary for Financial Services and the Treasury

Question:

Will the Government advise this Committee of the directorate and non-directorate establishment of the tax policy unit proposed to be set up in 2017-18 and the respective annual salary provisions involved?

Asked by: Hon CHAN Chi-chuen (Member Question No. 37)

Reply:

The Financial Secretary announced in the 2017-18 Budget that the Financial Services and the Treasury Bureau would set up a tax policy unit. On the one hand, we will seek to align our tax practices with international standards and actively study ways to foster the development of industries through tax measures including enhanced deduction for I&T expenditure, so as to ensure that Hong Kong remains competitive and can create wealth. On the other hand, we will enhance our tax regime and explore broadening the tax base and increasing revenue, so as to ensure that adequate resources are available to support the sustainable development of our society.

The Financial Services and the Treasury Bureau is actively making preparatory work for setting up the tax policy unit and aims to formulate the direction and study areas for the unit shortly. The Financial Services and the Treasury Bureau has included about \$3.5 million in its Estimates of Expenditure for 2017-18 to meet the expenditure for the additional manpower due to the creation of four non-directorate posts.

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CONTROLLING OFFICER'S REPLY

FSTB(Tsy)002-2

(Question Serial No. 3275)

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) (Ms Elizabeth TSE)

Director of Bureau: Secretary for Financial Services and the Treasury

Question:

It is announced in the Budget that a tax policy unit will be set up to explore enhanced tax deductions for innovation and technology expenditure. What are the staff establishment, expenditure and functions of the tax policy unit?

Asked by: Hon LAU Ip-keung, Kenneth (Member Question No.20)

Reply:

The Financial Secretary announced in the 2017-18 Budget that the Financial Services and the Treasury Bureau would set up a tax policy unit. On the one hand, we will seek to align our tax practices with international standards and actively study ways to foster the development of industries through tax measures including enhanced deduction for I&T expenditure, so as to ensure that Hong Kong remains competitive and can create wealth. On the other hand, we will enhance our tax regime and explore broadening the tax base and increasing revenue, so as to ensure that adequate resources are available to support the sustainable development of our society.

The Financial Services and the Treasury Bureau is actively making preparatory work for setting up the tax policy unit and aims to formulate the direction and study areas for the unit shortly. The Financial Services and the Treasury Bureau has included about \$3.5 million in its Estimates of Expenditure for 2017-18 to meet the expenditure for the additional manpower due to the creation of four non-directorate posts.

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CONTROLLING OFFICER'S REPLY

FSTB(Tsy)002-3

(Question Serial No. 3274)

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) (Ms Elizabeth TSE)

Director of Bureau: Secretary for Financial Services and the Treasury

Question:

It is mentioned in paragraph 122 of the Budget Speech that the Government will set up a tax policy unit to explore enhanced tax deductions for innovation and technology expenditure. In this connection, according to the Government's preliminary plan, what is the number of staff required for the tax policy unit? What is the estimated average operating expenditure per annum in the coming 3 years?

Asked by: Hon LIAO Cheung-kong, Martin (Member Question No.18)

Reply:

The Financial Secretary announced in the 2017-18 Budget that the Financial Services and the Treasury Bureau would set up a tax policy unit. On the one hand, we will seek to align our tax practices with international standards and actively study ways to foster the development of industries through tax measures including enhanced deduction for I&T expenditure, so as to ensure that Hong Kong remains competitive and can create wealth. On the other hand, we will enhance our tax regime and explore broadening the tax base and increasing revenue, so as to ensure that adequate resources are available to support the sustainable development of our society.

The Financial Services and the Treasury Bureau is actively making preparatory work for setting up the tax policy unit and aims to formulate the direction and study areas for the unit shortly. The Financial Services and the Treasury Bureau has included about \$3.5 million in its Estimates of Expenditure for 2017-18 to meet the expenditure for the additional manpower due to the creation of four non-directorate posts.

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CONTROLLING OFFICER'S REPLY

FSTB(Tsy)003

(Question Serial No. 2882)

Head: (25) Architectural Services Department

Subhead (No. & title): (000) Operational Expenses

Programme: (2) Facilities Upkeep

Controlling Officer: Director of Architectural Services (KK LEUNG)

Director of Bureau: Secretary for Financial Services and the Treasury

Question:

Under the Brief Description in this Programme, the Government mentioned that the Architectural Services Department (ArchSD) will be responsible for the refurbishment, fitting-out, alteration, addition and improvements and emergency repairs to all properties maintained by the Property Services Branch. Please inform this committee of:

- (1) the operational expenses incurred for the refurbishment, fitting-out and repair works of the official residence of the Financial Secretary (FS) in 2017-18;
- (2) the establishment of and payroll costs for the staff responsible for supervising the refurbishment, fitting-out and repair works of the official residence of the FS in 2017-18;
- (3) the estimated expenditures for the refurbishment, fitting-out and repair works of the official residence of the FS included under the Subhead 3004GX of Head 703 for the refurbishment of government buildings in 2017-18; and
- (4) the provision earmarked for the maintenance works of the official residence of the FS out of the \$657 million allocated for the maintenance works of government buildings under the breakdown of operational expenses in 2017-18.

Asked by: Hon CHAN Chi-chuen (Member Question No. 38)

Reply:

The estimate for maintenance of government buildings under the Head 25 Subhead 000 for 2017-18 is \$658 million. The estimate covers maintenance works for all government buildings and facilities, including the official residence of the Financial Secretary. The ArchSD will carry out refurbishment and improvement works as and when necessary. Currently, no new works project is planned for the official residence of the Financial Secretary under the Capital Works Reserve Fund in 2017-18.

The ArchSD has not assigned dedicated staff for the facilities upkeep for the official residence of the Financial Secretary. The concerned works are handled by existing regional maintenance staff of the Property Services Branch.

- End -

CONTROLLING OFFICER'S REPLY

FSTB(Tsy)004

(Question Serial No. 0806)

Head: (25) Architectural Services Department

Subhead (No. & title): (000) Operational expenses

Programme: (2) Facilities Upkeep

Controlling Officer: Director of Architectural Services (K K LEUNG)

Director of Bureau: Secretary for Financial Services and the Treasury

Question:

What are the results of promoting roof greening and vertical greening in government buildings in the past year? Does the collapse of the roof structure at Hu Fa Kuang Sports Centre of the City University of Hong Kong have any impact on the Architectural Services Department's efforts in promoting roof greening in existing buildings?

Asked by: Hon CHAN Hak-kan (Member Question No. 42)

Reply:

In 2016-17, the Architectural Services Department (ArchSD) has completed a total of 11 roof greening projects and 11 vertical greening projects for government buildings for which it is responsible for their construction and maintenance.

ArchSD would conduct feasibility studies for roof greening works, including the impact on building structures, before commencing the works in existing government buildings, and where practicable, roof greening and vertical greening works are incorporated into works projects. After the collapsed roof incident at the City University of Hong Kong, the ArchSD has completed inspection of green roofs in over 260 buildings in August 2016 for which it was responsible for their construction and maintenance and found their overall conditions to be normal.

- End -

CONTROLLING OFFICER'S REPLY

FSTB(Tsy)005

(Question Serial No. 2375)

Head: (25) Architectural Services Department

Subhead (No. & title): (000) Operational expenses

Programme: (2) Facilities Upkeep

Controlling Officer: Director of Architectural Services (KK LEUNG)

Director of Bureau: Secretary for Financial Services and the Treasury

Question:

It was reported that Paul CHAN, upon assuming the office of the Financial Secretary (FS), immediately requested refurbishment works for his official residence. In this connection, please inform this Committee of:

- (1) the proposed list of government buildings scheduled for refurbishment works in 2016-17;
- (2) the identity of the person(s) who made the request for refurbishment of the official residence of the FS;
- (3) the justifications for refurbishment of the official residence of the FS, the types of works and costs that incurred, and whether these costs are included in this Budget;
- (4) whether refurbishment of the official residence of a Secretary who will only serve in the office for four months is in line with the principle of “reducing the consumption of natural resources” as mentioned under Matters Requiring Special Attention in 2017-18?

Asked by: Hon LAU Siu-lai (Member Question No. 3012)

Reply:

The official residence of the Financial Secretary is a Grade 2 historic building with about 80 years of history. The last time a major maintenance works project was undertaken for the official residence was back in 2007. As such, many building structures and facilities of this official residence show signs of wear and tear after years of use. In accordance with the established procedures, the relevant departments proposed to carry out necessary repair and restoration works for the official residence on the departure of the former Financial Secretary. These works are an integral part of necessary maintenance works for the official residence and, when completed, would not need to be carried out again on the assumption of the new Financial Secretary of the next term.

The cost estimate for repairing the wear and tear and replacing the worn out facilities of the official residence of the Financial Secretary in February 2017 totalled about \$830,000. The works undertaken by the ArchSD included repairing the wear and tear to the building structures and floor slabs, replacing worn out carpets, re-painting works of external walls and project contingency costs. The estimated cost would account for about \$590,000 and would be funded under the Head 25 Subhead 000. These works did not involve refurbishment works funded under the Capital Works Reserve Fund.

In arranging the works, the ArchSD strives to minimise the consumption of natural resources as far as possible. For example, for the above-mentioned repairs for the floor slabs, paint coating was only applied to the areas of repaired cracks and uneven places instead of the whole concrete slab. For works for external walls, they were confined to rectification of defects and topcoat finishing. In the course of works, recyclable metal scaffoldings were used instead of bamboo ones to minimise the consumption of natural resources as far as possible.

- End -

CONTROLLING OFFICER'S REPLY

FSTB(Tsy)006

(Question Serial No. 2406)

Head: (25) Architectural Services Department

Subhead (No. & title): ()

Programme: (2) Facilities Upkeep

Controlling Officer: Director of Architectural Services (KK LEUNG)

Director of Bureau: Secretary for Financial Services and the Treasury

Question:

It was mentioned under Matters Requiring Special Attention in 2017-18 that the Administration will promote roof greening and incorporate green building features in existing buildings. In this connection, will the Administration inform this committee:-

1. whether the Administration has conducted any review on the current policy for promoting roof greening in light of the collapsed roof incident at the City University of Hong Kong last May and, if yes, of the details; and if not, of the reasons for that.
2. whether the Administration has conducted a territory-wide review of the buildings with completed roof greening works to identify potential safety hazards in light of the collapsed roof incident at the City University of Hong Kong and, if yes, of the details of the review and; if not, of the reasons for that.

Asked by: Hon LAM Kin-fung, Jeffrey (Member Question No. 28)

Reply:

The Architectural Services Department (ArchSD) would conduct feasibility studies for roof greening works, including the impact on building structures, before commencing the works in existing government buildings, and where practicable, roof greening and vertical greening works are incorporated into works projects.

After the collapsed roof incident at the City University of Hong Kong, the ArchSD has completed inspection of green roofs in over 260 buildings in August 2016 for which it is responsible for their construction and maintenance and found their overall conditions to be normal.

- End -

CONTROLLING OFFICER'S REPLY**FSTB(Tsy)007****(Question Serial No. 2484)**Head: (25) Architectural Services DepartmentSubhead (No. & title): (000) Operational ExpensesProgramme: (2) Facilities UpkeepControlling Officer: Director of Architectural Services (KK LEUNG)Director of Bureau: Secretary for Financial Services and the TreasuryQuestion:

1. Please list the actual, revised and estimated costs for the works carried out for the official residence of the Chief Secretary for Administration (CS) in 2015, 2016 and 2017 respectively.
2. Please list the items of works for the refurbishment, fitting-out, alteration, improvement and emergency repairs of the official residence of CS in 2017 and their respective estimated costs.
3. Please list the works that were initiated, but subsequently suspended, at the official residence of CS in 2017, their original estimated costs and the reasons for suspending the works.

Asked by: Hon WONG Pik-wan, Helena (Member Question No. 40)Reply:

The costs incurred by the Architectural Services Department (ArchSD) for the facilities upkeep of the official residence of the Chief Secretary for Administration in 2014-15, 2015-16 and 2016-17 are as follows:

	Financial Year (\$ 0,000)¹		
	2014-15	2015-16	2016-17 (as at February 2017)
Official Residence of Chief Secretary for Administration	42	51	29

Note 1: Maintenance works for government buildings are funded under the Head 25 Subhead 000 Operational Expenses while refurbishment and improvement works are funded under the Capital Works Reserve Fund. The cost figures shown in the table include the costs of all three categories of works. As the costs for most of the works projects are not settled within the same year, the figures shown in the table reflect the total costs in terms of cashflows of the relevant years.

The official residence of the Chief Secretary for Administration is a Grade 2 historic building with about 66 years of history. Appropriate routine maintenance, refurbishment and improvement works are necessary for the proper conservation of the historic building.

For 2016-17 (as at February 2017), the works undertaken at the official residence of the Chief Secretary for Administration by the ArchSD were maintenance works including water pipes, woodwork, doors and windows, carpet, paint works, roofing, waterproofing, cement plastering and termite control, etc. No works project was suspended after initiation.

The estimated operational expenses for maintenance of government buildings under the Head 25 Subhead 000 in 2017-18 are \$658 million. The estimated provision covers maintenance works of all government buildings and facilities, including the official residence of the Chief Secretary for Administration. The ArchSD will carry out refurbishment and improvement works as and when necessary. Currently, no new works project is planned for the official residence of the Chief Secretary for Administration under the Capital Works Reserve Fund in 2017-18.

- End -

CONTROLLING OFFICER'S REPLY**FSTB(Tsy)008****(Question Serial No. 2527)**Head: (25) Architectural Services DepartmentSubhead (No. & title): (000) Operational ExpensesProgramme: (2) Facilities UpkeepControlling Officer: Director of Architectural Services (KK LEUNG)Director of Bureau: Secretary for Financial Services and the TreasuryQuestion:

1. Please list the actual, revised and estimated costs for the works carried out for the Government House in 2015, 2016 and 2017 respectively.
2. Please list the items of works for the refurbishment, fitting-out, alteration, improvement and emergency repairs of the Government House in 2017 and their respective estimated costs.

Asked by: Hon WONG Pik-wan, Helena (Member Question No. 43)Reply:

The costs incurred by the Architectural Services Department (ArchSD) for the facilities upkeep of the Government House in 2014-15, 2015-16 and 2016-17 are as follows:

	Financial Year (\$ 0,000)¹		
	2014-15	2015-16	2016-17 (as at February 2017)
Government House	404	135	206

Note 1: Maintenance works for government buildings are funded under the Head 25 Subhead 000 Operational Expenses while refurbishment and improvement works are funded under the Capital Works Reserve Fund. The cost figures shown in the table include the costs of all three categories of works. As the costs for most of the works projects are not settled within the same year, the figures shown in the table reflect the total costs in terms of cashflows of the relevant years.

The Government House is the official residence of the Chief Executive with over 160 years of history. It is a declared monument and enjoys protection under the Antiquities and Monuments Ordinance. In addition to routine maintenance works, the works carried out in 2016-17 (as at February 2017) include roof waterproofing works, paint works for fence walls and chain link fences and refurbishment works.

The estimated operational expenses for maintenance of government buildings under Head 25 Subhead 000 for 2017-18 are \$658 million. The estimated provision covers maintenance works of all government buildings and facilities, including the Government House. The ArchSD will carry out refurbishment and improvement works as and when necessary. Currently, no new works project is planned for the Government House under the Capital Works Reserve Fund in 2017-18.

- End -

CONTROLLING OFFICER'S REPLY**FSTB(Tsy)009****(Question Serial No. 2783)**Head: (25) Architectural Services DepartmentSubhead (No. & title): (000) Operational ExpensesProgramme: (2) Facilities UpkeepControlling Officer: Director of Architectural Services (KK LEUNG)Director of Bureau: Secretary for Financial Services and the TreasuryQuestion:

1. Please list the actual, revised and estimated costs for the works carried out for the official residence of the Financial Secretary (FS) in 2015, 2016 and 2017 respectively.
2. Please list the items of works for the refurbishment, fitting-out, alteration, improvement and emergency repairs of the official residence of FS in 2017 and their respective estimated costs.
3. Please list the works that were initiated, but subsequently suspended, at the official residence of FS in 2017, their original estimated costs and the reasons for suspending the works.

Asked by: Hon WONG Pik-wan, Helena (Member Question No. 41)Reply:

The costs incurred by the Architectural Services Department (ArchSD) for the facilities upkeep of the official residence of the Financial Secretary in 2014-15, 2015-16 and 2016-17 are as follows:

	Financial Year (\$ 0,000)¹		
	2014-15	2015-16	2016-17 (as at February 2017)
Official Residence of the Financial Secretary	11	4	14

Note 1: Maintenance works for government buildings are funded under the Head 25 Subhead 000 Operational Expenses while refurbishment and improvement works are funded under the Capital Works Reserve Fund. The cost figures shown in the table include the costs of all three categories of works. As the costs for most of the works projects are not settled within the same year, the figures shown in the table reflect the total costs in terms of cashflows of the relevant years.

The official residence of the Financial Secretary is a Grade 2 historic building with about 80 years of history. Apart from routine facilities upkeep, the last time a major maintenance works project was undertaken for the official residence was back in 2007. As such, many building structures and facilities of this official residence show signs of wear and tear after years of use. In accordance with the established procedures, the relevant departments proposed to carry out necessary repair and restoration works for the official residence on the departure of the former Financial Secretary. The refurbishment works undertaken in February 2017 are an integral part of necessary maintenance works for the official residence and, when completed, would not need to be carried out again on the assumption of the new Financial Secretary of the next term.

The cost estimate for repairing the wear and tear and replacing the worn out facilities of the official residence of the Financial Secretary in February 2017 totalled about \$830,000. The works undertaken by the ArchSD included repairing the wear and tear to the building structures and floor slabs, replacing worn out carpets, re-painting works of external walls and project contingency costs. The estimated cost would account for about \$590,000 and would be funded under the Head 25 Subhead 000. As the cost is settled after February 2017, it is not reflected in the above table. No works project was suspended after initiation.

The estimated operational expenses for maintenance of government buildings under Head 25 Subhead 000 for 2017-18 are \$658 million. The estimated provision covers maintenance works of all government buildings and facilities, including the official residence of the Financial Secretary. The ArchSD will carry out refurbishment and improvement works as and when necessary. Currently, no new works project is planned for the official residence of the Financial Secretary under the Capital Works Reserve Fund in 2017-18.

- End -

CONTROLLING OFFICER'S REPLY**FSTB(Tsy)010****(Question Serial No. 0566)**Head: (28) Civil Aviation DepartmentSubhead (No. & title): (-) Not SpecifiedProgramme: (6) Air Passenger Departure Tax AdministrationControlling Officer: Director-General of Civil Aviation (Simon LI)Director of Bureau: Secretary for Financial Services and the TreasuryQuestion:

Regarding the duty of the Civil Aviation Department (CAD) in “ensuring effective administration of the Air Passenger Departure Tax (APDT) collection pursuant to the Air Passenger Departure Tax Ordinance (Cap. 140)”, will the Government inform this Committee of:

- (a) the total amount of APDT refunded by the Government and airlines in the past 3 years (set out in a table by years);
- (b) the specific measures taken by the CAD with regard to the matter of “continuing to monitor the collection and refund of the APDT” as mentioned in the Programme; and whether any measure is included to prevent airlines from imposing handling charges on passengers for such refund; and
- (c) whether the CAD has taken any measures to enhance the publicity on the APDT refund arrangement for passengers; if yes, of the details; if not, the reasons for that.

Asked by: Hon WONG Kwok-kin (Member Question No. 31)Reply:

- (a) The categories of passengers exempted from paying APDT¹ are set out in the Air Passenger Departure Tax Ordinance (the Ordinance). Applications for exemption/refund of APDT are handled by the Civil Aviation Department (CAD). In the past 3 years, the amounts of APDT refunded by the CAD are set out as follows:

Year	Amounts of APDT refunded (\$'000)
2014	2,107
2015	2,215
2016	2,684

¹ The categories of passengers exempted from paying APDT set out in Schedule 2 of the Ordinance include transit and transfer passengers, officials of international organizations, consuls, consular staff and members of their families forming part of their households, passengers under 12 years of age, as well as passengers departing from Hong Kong by aircraft being used for diplomatic or ceremonial, etc. purposes of the government of any country.

Regarding passengers who have paid APDT when purchasing the air tickets, some of them may not have departed by air from Hong Kong for various reasons. Under the Ordinance, the APDT so paid shall be refunded by the operator. The CAD has all along been reminding airlines that they are required to make a full refund of APDT to such passengers under the above circumstances, and that no handling charge shall be imposed.

In 2016, the CAD asked 24 airlines with operations in Hong Kong to furnish information on their APDT refund arrangements. With the exception of one airline with flights from Hong Kong suspended, all the other 23 have already replied to the CAD. Among them, 21 have confirmed that they have been making APDT refunds and have not imposed any handling charge for such refunds. As regards the other two airlines, they have indicated to CAD that they have stopped imposing handling charge, and will refund the passengers any such charge already paid. The CAD does not maintain any statistics on the number of cases of APDT refunds made by the airlines and the amounts involved.

- (b) To protect government revenue and ensure that APDT is collected from each departing passenger, the CAD has put in place an established mechanism to request airlines to report on the number of departing passengers carried on their flights and the amounts of APDT collected by the airlines and should be made payable to the Government, for auditing purpose. The CAD will verify whether the amounts of APDT revenue deposited by the airlines in the designated bank account tally with the amounts as reported in the APDT returns. To ensure reliability of the APDT returns filed by airlines, CAD would conduct random checks on the number of departing passengers on flights to see whether they are consistent with the information reported in the APDT returns. In the past 3 years, no non-compliance has been detected in the random checks.

As mentioned in part (a) above, the CAD has all along been reminding airlines that they are required to make a full refund of APDT to a passenger who does not depart by air from Hong Kong on the occasion in respect of which he has paid the tax, and that no handling charge shall be imposed. The CAD will continue to issue letters to the Board of Airline Representatives in Hong Kong (the Board) and individual airlines who are not members of the Board, reminding them of the requirements. Upon receipt of any enquiries from air passengers about APDT refunds, the CAD will definitely urge the airlines concerned to handle the refunds expeditiously. Based on the CAD's experience in handling past cases, the airlines will always make a full refund of the APDT to the passengers concerned and the arrangement is generally smooth. The CAD will continue to monitor the situation and liaise with airlines to draw up guidelines for airlines' reference.

- (c) The CAD has enhanced publicity by publishing information (as tips for travellers) on its website on the entitlement to APDT refund for passengers who do not depart by air from Hong Kong, and the relevant application and complaint channels. A number of airlines have clearly explained the procedures in applying for APDT refunds and other relevant information on their websites to improve the transparency of processing APDT refunds. Besides, the CAD will maintain communication with the tourism industry to explore the needs for publicity enhancement.

- End -

CONTROLLING OFFICER'S REPLY

FSTB(Tsy)011

(Question Serial No. 1101)

Head: (28) Civil Aviation Department

Subhead (No. & title): (-) Not specified

Programme: (6) Air Passenger Departure Tax Administration

Controlling Officer: Director-General of Civil Aviation (Simon LI)

Director of Bureau: Secretary for Financial Services and the Treasury

Question:

Please provide the number of applications for refund of the Air Passenger Departure Tax arising from failure to board the flight in the past 3 years.

Asked by: Hon YIU Si-wing (Member Question No. 44)

Reply:

Passengers will have paid the Air Passenger Departure Tax (APDT) when purchasing the air tickets, some of them may not have departed by air from Hong Kong for various reasons. Under the Air Passenger Departure Tax Ordinance, the APDT so paid shall be refunded by the operator. The Civil Aviation Department (CAD) has all along been reminding airlines that they are required to make a full refund of the APDT under the above circumstances, and that with no handling charge shall be imposed.

In 2016, the CAD asked 24 airlines with operations in Hong Kong to furnish information on their APDT refund arrangements. With the exception of one airline with flights from Hong Kong suspended, all the other 23 have already replied to the CAD. Among them, 21 have confirmed that they have been making APDT refunds to the passengers concerned, and have not imposed any handling charge for such refunds. As regards the other two airlines, they have indicated to the CAD that they have stopped imposing handling charge, and will refund the passengers any such charge already paid. The CAD does not maintain any statistics on the number of cases of APDT refunds made by airlines and the amounts involved.

- End -

CONTROLLING OFFICER'S REPLY**FSTB(Tsy)012****(Question Serial No. 3174)**Head: (31) Customs and Excise DepartmentSubhead (No. & title): (000) Operational expensesProgramme: (4) Revenue Protection and CollectionControlling Officer: Commissioner of Customs and Excise (Roy TANG)Director of Bureau: Secretary for Financial Services and the TreasuryQuestion:

Please set out in tabular form the sales figures of the duty-free cigarette, tobacco and cigar in duty free shops at the entry and exit points in Hong Kong in the past 3 years, and the sales values of each of the above duty-free tobacco products.

Asked by: Hon CHAN Chi-chuen (Member Question No. 21)Reply:

The sales figures of the duty-free cigarette, tobacco and cigar in duty free shops at the entry and exit points in Hong Kong in the past 3 years are as follows:

	2014	2015	2016
Cigarettes (million sticks)	4 331	4 459	4 138
Tobaccos (kg)	13 295	13 369	13 006
Cigars (kg)	25 380	22 368	23 580

The Customs and Excise Department does not maintain data on the sales values of the above duty-free tobacco products.

- End -

CONTROLLING OFFICER'S REPLY**FSTB(Tsy)013****(Question Serial No. 2478)**Head: (31) Customs and Excise DepartmentSubhead (No. & title): ()Programme: (4) Revenue Protection and CollectionControlling Officer: Commissioner of Customs and Excise (Roy TANG)Director of Bureau: Secretary for Financial Services and the TreasuryQuestion:

Would the Government please provide:

- 1) details on establishment of staff responsible for combating smuggling and distribution of illicit cigarettes, including the staff's rank, number and salary point;
- 2) the number of reports received on illicit cigarettes and the quantity of illicit cigarettes seized in the past 3 years; and
- 3) prosecution information for the past 3 years in the following table.

	Number of cases		
	2014	2015	2016
Penalties on convicted persons			
Not Convicted			
Community service order			
Fines of \$5,000 or less			
Fines ranging from \$5,001 to \$10,000			
Fines ranging from \$10,001 to \$50,000			
Fines over \$50,000			
Imprisonment for 6 months or less, subject to suspension			
Imprisonment for over 6 months, subject to suspension			
Imprisonment for less than 30 days			
Imprisonment for 30 to 89 days			
Imprisonment for 90 to 179 days			
Imprisonment for 180 days to 1 year			
Imprisonment for over 1 year			
Other penalties			

Asked by: Hon LAM Kin-fung, Jeffrey (Member Question No. 5)

Reply:

1. The Customs and Excise Department (C&ED) has an establishment of 61 officers dedicated to combating illicit cigarette activities. Their rank, number and salary point are as follows:

Rank	Assistant Superintendent	Senior Inspector	Inspector	Chief Customs Officer	Senior Customs Officer	Customs Officer
Number	1	4	6	2	9	39
Pay scale	General Disciplined Services (Officer) Pay Scale			General Disciplined Services (Rank and File) Pay Scale		
Salary point	27-32	22-26	5-21	24-29	15-24	2-14

2. The number of reports received by C&ED on illicit cigarette activities and the quantity of illicit cigarettes seized by C&ED from local illegal activities in the past 3 years are as follows:

	2014	2015	2016
Number of reports received on illicit cigarette activities	1 657	1 835	1 669
Quantity of illicit cigarettes seized from local illegal activities (million sticks)	52	52	62

3. Information on prosecution against illicit cigarette activities for the past 3 years is as follows:

	Number of cases		
	2014	2015	2016
Not convicted	38	39	20
Penalties on convicted persons			
Community service order	27	24	28
Fines of \$5,000 or less	1 814	1 571	1 223
Fines ranging from \$5,001 to \$10,000	132	80	93
Fines ranging from \$10,001 to \$50,000	70	68	37
Fines over \$50,000	1	1	2
Imprisonment for 6 months or less, subject to suspension	236	256	272
Imprisonment for over 6 months, subject to suspension	2	3	-
Imprisonment for less than 30 days	401	435	377
Imprisonment for 30 to 89 days	179	131	123
Imprisonment for 90 to 179 days	75	69	59
Imprisonment for 180 days to 1 year	52	40	49
Imprisonment for over 1 year	7	1	4
Other penalties	41	52	44

Note: The figures in the above table include all cases under Programmes (1) and (4).

For cases where multiple penalties are imposed (say, the convicted person is fined and sentenced to imprisonment at the same time), such cases are counted once under every relevant category.

- End -

CONTROLLING OFFICER'S REPLY

FSTB(Tsy)014

(Question Serial No. 2410)

Head: (51) Government Property Agency

Subhead (No. & title):

Programme: (3) Estate Utilisation

Controlling Officer: Government Property Administrator (Tommy Yuen)

Director of Bureau: Secretary for Financial Services and the Treasury

Question:

Please provide the address, site area, floor area, management expenses and plans in respect of the vacant government buildings, offices and quarters.

Asked by: Hon CHU Hoi-dick (Member Question No. 62)

Reply:

The relevant information on government properties under the management of Government Property Agency as at 31 March 2017 is as follows:

- (i) Joint-user office buildings: there is no vacancy in all the 46 buildings.
- (ii) Government quarters: there are 35 quarters pending allocation to eligible officers and hence temporarily vacant.
- (iii) Domestic premises: there are 15 premises under preparation for leasing and hence temporarily vacant.

The above properties which are temporarily vacant for the reasons mentioned above have had designated uses. They are mainly situated in Eastern District, Tai Hang and the Peak. Areas of these properties range from about 100m² to 380m². These properties do not include domestic premises pending sale. The Agency has met the related expenses with its existing resources.

Information on the surplus properties without designated use which are under the management of other policy bureaux / departments has been uploaded to the Agency's website. Members of the public may browse <http://www.gpa.gov.hk/english/let/let.html> for details and the application procedure for using these properties.

The government will endeavour to identify suitable alternative uses for surplus government properties with a view to optimizing their utilization. Since these properties are under the management of their respective bureaux / departments, the Agency has no information on the related management expenses.

- End -

CONTROLLING OFFICER'S REPLY

FSTB(Tsy)015

(Question Serial No. 2453)

Head: (51) Government Property Agency

Subhead (No. & title):

Programme: (3) Estate Utilisation

Controlling Officer: Government Property Administrator (Tommy Yuen)

Director of Bureau: Secretary for Financial Services and the Treasury

Question:

1) Please provide the details (including use, area, rental and tenure) in respect of the domestic and non-domestic premises currently let out by the Government.

2) Has the Government reviewed which government properties can be released for redevelopment with a view to providing land for domestic and office uses?

Asked by: Hon LAM Kin-fung, Jeffrey (Member Question No. 6)

Reply:

1) The floor areas of domestic premises currently leased out by the Government Property Agency ("Agency") range from about 60m² to 480m². The tenure of these tenancies is generally 2 years. The total rental income in 2016 was about \$160 million.

As regards the leased-out non-domestic premises, they are mainly used for operating automatic vending machines, shops, canteens, advertising space and car parks, etc. The floor areas range from about 2m² to 25 000m². The tenure of these tenancies is generally 3 years. The total rental income in 2016 was about \$570 million.

2) The Government Property Agency regularly reviews sites used by policy bureaux and departments with a view to optimising the use of land resources and, whenever feasible, makes available suitable government properties/sites for sale and redevelopment to release their development potential. In the past two years, the properties/sites handed over through the Agency to the Lands Department for sale and redevelopment included ex-Gordon Hard Camp Site and a portion of ex-Perowne Barracks, both in Tuen Mun and intended for residential use.

- End -

CONTROLLING OFFICER'S REPLY**FSTB(Tsy)016****(Question Serial No. 1939)**Head: (51) Government Property AgencySubhead (No. & title):Programme: (1) Acquisition and AllocationControlling Officer: Government Property Administrator (Tommy Yuen)Director of Bureau: Secretary for Financial Services and the TreasuryQuestion:

Please provide information on the following:

- a) the total number of domestic premises managed by Government Property Agency (GPA) for leasing in the past 5 years;
- b) tabulate details of the vacant domestic premises and government quarters managed by GPA in 2016-17, including their respective number, address, size and future use; and
- c) the number of domestic premises managed by GPA for leasing in 2016-17, broken down in annual rateable value (0-29,999, 30,000-59,999, 60,000-89,999, 90,000-119,999, 120,000-149,999, 150,000-179,999, 180,000-209,999, 210,000-239,999, 240,000-299,999, 300,000-359,999, 360,000-419,999, 420,000-479,999, \geq 480,000).

Asked by: Hon TIEN Puk-sun, Michael (Member Question No. 64)Reply:

- a) The total numbers of domestic premises for leasing by Government Property Agency (GPA) in the past 5 years are as follows:

Year	Number of domestic premises for leasing
2012	312
2013	317
2014	332
2015	297
2016	285

- b) As at 31 March 2017, there are 35 government quarters pending allocation to eligible officers and hence temporarily vacant. Regarding the domestic premises for leasing by GPA, 15 are under preparation for leasing and hence temporarily vacant. These two types of temporarily vacant properties are mainly situated in Eastern District, Tai Hang and the Peak. Areas of these properties range from about 100m² to 380m². These properties will continue to be used for domestic purpose. The above properties do not include domestic premises pending sale.
- c) According to the information of Rating and Valuation Department, the numbers of domestic premises for leasing by GPA as categorised by the 2016-17 rateable values are as follows:

2016-17 Rateable value	Number of domestic premises for leasing
\$0-149,999	0
\$150,000-179,999	33
\$180,000-209,999	51
\$210,000-239,999	0
\$240,000-299,999	17
\$300,000-359,999	6
\$360,000-419,999	7
\$420,000-479,999	2
\$480,000 or above	149

Remarks: The above domestic premises do not include 20 odd premises under preparation for leasing or newly let out pending rateable value assessment.

- End -

CONTROLLING OFFICER'S REPLY**FSTB(Tsy)017****(Question Serial No. 3024)**Head: (59) Government Logistics DepartmentSubhead (No. & title): (000) Operational ExpensesProgramme: ()Controlling Officer: Director of Government Logistics (Miss Mary CHOW)Director of Bureau: Secretary for Financial Services and the TreasuryQuestion:

As regards the 7 directorate posts under the Government Logistics Department this year, please advise the respective rank, pay point, amount of emoluments and amount of benefits of each of them.

Asked by: Hon LEUNG Kwok-hung (Member Question No. 22)Reply:

Information on each of the 7 directorate posts currently under the Government Logistics Department is provided as follows:

Post	Number	Pay point	Total amount of annual emoluments* (\$)	Total amount of annual benefits* (\$)
Director of Government Logistics	1	Directorate Pay Scale Point D5	2,796,000	1,258,200
Deputy Director of Government Logistics	1	Directorate Pay Scale Point D3	2,386,800	1,074,060
Controller (Supplies Management), Controller (Procurement), Controller (Land Transport), Controller (Printing Services) and Departmental Secretary	5	Directorate Pay Scale Point D1	8,664,000 in total	3,898,800 in total

* Calculated on the basis of notional annual mid-point salary value and full annual staff cost at mid-point

- End -

CONTROLLING OFFICER'S REPLY**FSTB(Tsy)018****(Question Serial No. 1112)**Head: (59) Government Logistics DepartmentSubhead (No. & title): ()Programme: (2) Supplies ManagementControlling Officer: Director of Government Logistics (Miss Mary CHOW)Director of Bureau: Secretary for Financial Services and the TreasuryQuestion:

Please advise the condition and the value of the confiscated, unserviceable, technically obsolete and unclaimed stores handled by the Government Logistics Department in each of the past 3 years.

Asked by: Hon YIU Si-wing (Member Question No. 48)Reply:

The Government Logistics Department (GLD) conducts auctions on a regular basis to help government departments to deal with confiscated, used/surplus and unclaimed stores. Information on the auction proceeds and the total number of lots (Note 1) involved in the auctions held by GLD in the past 3 years is provided as follows:

Year	Proceeds from confiscated items (\$m) [Total number of lots]	Proceeds from used/surplus stores (Note 2) (\$m) [Total number of lots]	Proceeds from unclaimed items (\$m) [Total number of lots]	Total proceeds (\$m) [Total number of lots]
2014	26.44 [478]	5.31 [1 416]	3.57 [489]	35.32 [2 383]
2015	37.79 [359]	3.47 [1 228]	3.22 [456]	44.48 [2 043]
2016	23.87 [244]	2.77 [1 065]	1.79 [359]	28.43 [1 668]

Notes:

- As the items auctioned are of a wide variety and are quantified in different denominations, all items are recorded by lot numbers instead of the quantity of individual items.
- Used/Surplus stores include unserviceable and technically obsolete stores.

- End -

CONTROLLING OFFICER'S REPLY**FSTB(Tsy)019****(Question Serial No. 1209)**Head: (76) Inland Revenue DepartmentSubhead (No. & title): ()Programme: (1) Assessing FunctionsControlling Officer: Commissioner of Inland Revenue (WONG Kuen Fai)Director of Bureau: Secretary for Financial Services and the TreasuryQuestion:

In respect of eTAX, would the Government please inform the Committee of the following: the respective percentages of taxpayers who submitted tax returns for each type of tax by means of e-Tax in the past 3 years; and the staff establishment and expenditure involved?

Asked by: Hon KWOK Wai-keung (Member Question No. 33)Reply:

The numbers and percentage shares of tax returns filed electronically via eTAX from 2014-15 to 2016-17 financial years are as follows-

Financial Year	Total number of tax returns filed online (% of the respective total tax returns)			
	Individual Tax Return	Property Tax Return	Profits Tax Return	Employer's Return
2014-15	462 000 (18.1%)	8 000 (5.1%)	2 100 (0.6%)	10 300 (2.7%)
2015-16	512 500 (19.6%)	8 600 (5.5%)	4 500 (1.0%)	12 200 (3.0%)
2016-17 (As at 28 February 2017)	554 000 (20.7%)	8 000 (5.2%)	4 600 (1.1%)	13 500 (3.5%)

All computer systems of the Inland Revenue Department (IRD), including the eTAX System, are monitored and operated by the staff of the information systems section. In the financial year 2016-17, the section has 160 staff and the related expenditure is about \$69 million. The IRD does not have staff dedicated for managing the eTAX System.

- End -

CONTROLLING OFFICER'S REPLY**FSTB(Tsy)020****(Question Serial No. 2543)**Head: (76) Inland Revenue DepartmentSubhead (No. & title): ()Programme: (1) Assessing FunctionsControlling Officer: Commissioner of Inland Revenue (WONG Kuen Fai)Director of Bureau: Secretary for Financial Services and the TreasuryQuestion:

A) Please provide the details of the ad valorem stamp duty (AVD) collected in the past 3 years in the table below:

2014-15			
Consideration or value of the property (whichever is the higher)	Number of cases	Average amount of AVD	The average percentage of AVD out of the consideration of the property
\$2,000,000 or below			
\$2,000,001 to \$3,000,000			
\$3,000,001 to \$4,000,000			
\$4,000,001 to \$6,000,000			
\$6,000,001 to \$20,000,000			
\$20,000,001 or above			

2015-16			
Consideration or value of the property (whichever is the higher)	Number of cases	Average amount of AVD	The average percentage of AVD out of the consideration of the property
\$2,000,000 or below			
\$2,000,001 to \$3,000,000			
\$3,000,001 to \$4,000,000			
\$4,000,001 to \$6,000,000			
\$6,000,001 to \$20,000,000			
\$20,000,001 or above			

2016-17			
Consideration or value of the property (whichever is the higher)	Number of cases	Average amount of AVD	The average percentage of AVD out of the consideration of the property
\$2,000,000 or below			
\$2,000,001 to \$3,000,000			
\$3,000,001 to \$4,000,000			
\$4,000,001 to \$6,000,000			
\$6,000,001 to \$20,000,000			
\$20,000,001 or above			

B) Please provide the information regarding the levy of AVD under Scale 1 and Scale 2 respectively after the introduction of the double stamp duty in the table below:

2014-15				
Consideration or value of the property (whichever is the higher)	Number of transactions charged with stamp duty at Scale 1 rates (i.e. double stamp duty rates)	Average amount of AVD levied on transactions charged with stamp duty at Scale 1 rates	Number of transactions charged with stamp duty at Scale 2 rates (i.e. the original AVD rates)	Average amount of AVD levied on transactions charged with stamp duty at Scale 2 rates
\$2,000,000 or below				
\$2,000,001 to \$3,000,000				
\$3,000,001 to \$4,000,000				
\$4,000,001 to \$6,000,000				
\$6,000,001 to \$20,000,000				
\$20,000,001 or above				

2015-16				
Consideration or value of the property (whichever is the higher)	Number of transactions charged with stamp duty at Scale 1 rates (i.e. double stamp duty rates)	Average amount of AVD levied on transactions charged with stamp duty at Scale 1 rates	Number of transactions charged with stamp duty at Scale 2 rates (i.e. the original AVD rates)	Average amount of AVD levied on transactions charged with stamp duty at Scale 2 rates
\$2,000,000 or below				
\$2,000,001 to \$3,000,000				
\$3,000,001 to \$4,000,000				
\$4,000,001 to \$6,000,000				
\$6,000,001 to \$20,000,000				
\$20,000,001 or above				

2016-17				
Consideration or value of the property (whichever is the higher)	Number of transactions charged with stamp duty at Scale 1 rates (i.e. double stamp duty rates)	Average amount of AVD levied on transactions charged with stamp duty at Scale 1 rates	Number of transactions charged with stamp duty at Scale 2 rates (i.e. the original AVD rates)	Average amount of AVD levied on transactions charged with stamp duty at Scale 2 rates
\$2,000,000 or below				
\$2,000,001 to \$3,000,000				
\$3,000,001 to \$4,000,000				
\$4,000,001 to \$6,000,000				
\$6,000,001 to \$20,000,000				
\$20,000,001 or above				

Asked by: Hon LAM Kin-fung, Jeffrey (Member Question No. 8)

Reply:

A) Details on the ad valorem stamp duty (AVD) collected by the Inland Revenue Department (IRD) in the past three years are set out as follows:

2014-15			
Consideration or value of the property	Number of cases (Note 1)	Average AVD (\$) (Note 2)	Average proportion of AVD paid over consideration of the property
\$2,000,000 or below	32 107	7,269	0.73%
\$2,000,001 to \$3,000,000	13 472	48,658	1.86%
\$3,000,001 to \$4,000,000	16 414	92,045	2.61%
\$4,000,001 to \$6,000,000	20 717	174,275	3.52%
\$6,000,001 to \$20,000,000	25 351	452,317	4.83%
\$20,000,001 or above	3 926	3,633,311	6.74%

2015-16			
Consideration or value of the property	Number of cases (Note 1)	Average AVD (\$) (Note 2)	Average proportion of AVD paid over consideration of the property
\$2,000,000 or below	21 897	11,561	1.08%
\$2,000,001 to \$3,000,000	6 712	55,608	2.13%
\$3,000,001 to \$4,000,000	9 478	104,203	2.90%
\$4,000,001 to \$6,000,000	14 690	189,660	3.81%
\$6,000,001 to \$20,000,000	18 187	498,529	5.33%
\$20,000,001 or above	2 835	4,048,450	7.10%

2016-17 (As at 28 February 2017)			
Consideration or value of the property	Number of cases (Note 1)	Average AVD (\$) (Note 2)	Average proportion of AVD paid over consideration of the property
\$2,000,000 or below	20 064	11,478	1.03%
\$2,000,001 to \$3,000,000	7 511	53,966	2.06%
\$3,000,001 to \$4,000,000	11 828	97,751	2.74%
\$4,000,001 to \$6,000,000	18 796	179,149	3.60%
\$6,000,001 to \$20,000,000	22 094	491,539	5.14%
\$20,000,001 or above	3 507	3,598,020	6.77%

Note 1 : Each instrument stamped is counted as one separate case.

Note 2 : The analysis above is based on AVD collected at the time of initial stamping, which represents the stated consideration in the instrument or the market value provided by the Rating and Valuation Department (RVD) (where no consideration was stated). The amount involved does not include any subsequent adjustment such as payment arising from further stamping (in case the stated consideration is below the market value of the property), refund (because of cancellation of the property transaction), or partial refund (for acquisitions of residential properties followed by disposal of original ones, or acquisitions of properties for redevelopment).

B) The Stamp Duty (Amendment) (No.2) Ordinance 2014 (Amendment Ordinance) was published in the Gazette on 25 July 2014. Instruments dealing with immovable property executed and presented for stamping between 23 February 2013 and 24 July 2014 (transitional period) were originally subject to the previous rates as stipulated in the legislation at that time. As such, the Stamp Office had no record showing whether these instruments were to be subject to Scale 1 or Scale 2 rates. After gazettal of the Amendment Ordinance, the Stamp Office collected the additional stamp duty for all the instruments executed during the transitional period that were chargeable to AVD at Scale 1 rates, and processed applications for AVD that should be charged at Scale 2 rates. Having regard to this transitional arrangement and the constraints of the computer system involved, the Stamp Office cannot provide the breakdown by value band as set out in the question for property transactions carried out during the transitional period.

Regarding property transaction (residential and non-residential) instruments executed after the transitional period, the number of cases chargeable to Scale 1 and Scale 2 rates and the average amount of AVD collected are set out below:

2014-15 (from 25 July 2014 to 31 March 2015)				
Consideration or value of the property	Transactions charged with AVD at Scale 1 rates (i.e. double stamp duty rates)		Transactions charged with AVD at Scale 2 rates (i.e. the original AVD rates)	
	Number of transactions involved (Note 1)	Average amount of AVD levied (\$) (Note 2)	Number of transactions involved	Average amount of AVD levied (\$) (Note 1 and Note 3)
\$2,000,000 or below	13 908	13,099	4 010	119
\$2,000,001 to \$3,000,000	3 291	78,972	3 873	37,561
\$3,000,001 to \$4,000,000	3 034	159,236	6 784	77,783
\$4,000,001 to \$6,000,000	3 759	321,601	9 289	144,562
\$6,000,001 to \$20,000,000	6 581	754,546	9 593	329,520
\$20,000,001 or above	1 481	4,771,650	859	1,699,706

2015-16				
Consideration or value of the property	Transactions charged with AVD at Scale 1 rates (i.e. double stamp duty rates)		Transactions charged with AVD at Scale 2 rates (i.e. the original AVD rates)	
	Number of transactions involved (Note 1)	Average amount of AVD levied (\$) (Note 2)	Number of transactions involved	Average amount of AVD levied (\$) (Note 1 and Note 3)
\$2,000,000 or below	17 303	14,599	4 594	117
\$2,000,001 to \$3,000,000	3 131	76,144	3 581	37,654
\$3,000,001 to \$4,000,000	3 075	156,343	6 403	79,163
\$4,000,001 to \$6,000,000	4 403	293,426	10 287	145,246
\$6,000,001 to \$20,000,000	7 583	726,797	10 604	335,293
\$20,000,001 or above	1 665	5,553,806	1 170	1,906,213

2016-17 (As at 28 February 2017)				
Consideration or value of the property	Transactions charged with AVD at Scale 1 rates (i.e. double stamp duty rates)		Transactions charged with AVD at Scale 2 rates (i.e. the original AVD rates)	
	Number of transactions involved (Note 1 and Note 4)	Average amount of AVD levied (\$) (Note 2 and Note 4)	Number of transactions involved	Average amount of AVD levied (\$) (Note 1 and Note 3)
\$2,000,000 or below	15 376	14,939	4 688	126
\$2,000,001 to \$3,000,000	3 187	75,931	4 324	37,777
\$3,000,001 to \$4,000,000	3 044	153,692	8 784	78,365
\$4,000,001 to \$6,000,000	4 222	294,643	14 574	145,691
\$6,000,001 to \$20,000,000	8 030	750,056	14 064	343,936
\$20,000,001 or above	1 829	5,158,501	1 678	1,897,114

Note 1: Each instrument stamped is counted as one separate case.

Note 2: The analysis above is based on AVD collected at the time of initial stamping, which represents the stated consideration in the instrument or the market value provided by RVD (where no consideration was stated). The amount involved does not include any subsequent adjustment such as payment arising from further stamping (in case the stated consideration is below the market value of the property), refund (because of cancellation of the property transaction), or partial refund (for acquisitions of residential properties followed by disposal of original ones, or acquisitions of properties for redevelopment).

Note 3: The above transactions include some cases where residential property and non-residential property were acquired under a single instrument. The relevant instrument concerned was partly charged with stamp duty at Scale 2 rates in respect of the residential property and partly at Scale 1 rates in respect of the non-residential property. These cases are categorized as “transactions charged with stamp duty at Scale 2 rates” for the purpose of compiling the above details.

Note 4: The Government introduced a new round of demand-side management measure to increase the AVD rate for residential property transactions to a flat rate of 15% with effect from 5 November 2016. To implement the measure, the Government has introduced the Stamp Duty (Amendment) Bill 2017 (Amendment Bill) into the Legislative Council (LegCo). The 2016-17 figures may include the cases which are subject to AVD at the new flat rate. Nevertheless, since the Amendment Bill is pending passage by the LegCo, the amounts of stamp duty shown in the above table only reflect AVD collected at the existing Scale 1 rates (but not the new flat rate of 15%). IRD will record all the residential property transactions between 5 November 2016 and the date on which the Stamp Duty Amendment Ordinance (after passage of the Amendment Bill) is published in the Gazette, which have been stamped with AVD at the existing Scale 1 rates. Demand notes for the payment of additional stamp duty (i.e. difference between AVD computed at 15% and AVD at the existing Scale 1 rates) will be issued to the duty payers after the gazettal of the Stamp Duty Amendment Ordinance.

- End -

CONTROLLING OFFICER'S REPLY**FSTB(Tsy)021****(Question Serial No. 2548)**Head: (76) Inland Revenue DepartmentSubhead (No. & title): ()Programme: (2) CollectionControlling Officer: Commissioner of Inland Revenue (WONG Kuen Fai)Director of Bureau: Secretary for Financial Services and the TreasuryQuestion:

Will the Government please inform this Committee of:

- (A) the number of tax recovery cases with recovery actions not yet completed up till now, and the main reasons for not having completed the actions;
- (B) the details of the recovery cases for the financial years 2015-16 and 2016-17 as requested in the table below:

Amount of tax involved in recovery cases	No. of cases				
	Salaries Tax	Profits Tax	Property Tax	Personal Assessment	Stamp Duty
below \$100					
\$100 – \$500					
\$501 – \$1,000					
\$1,001 – \$5,000					
\$5,001 – \$10,000					
\$10,001 – \$50,000					
\$50,001 – \$100,000					
\$100,001 – \$500,000					
\$500,001 – \$1,000,000					
\$1,000,001 – \$5,000,000					
Over \$5,000,000					

- (C) the details of the staff establishment for taking recovery actions, including the ranks (with salary points specified), the number of staff deployed, and the total expenditure involved on personal emoluments;

- (D) the flow of the recovery process, and the time generally required for completion of each case for different categories of tax, such as salaries tax and profits tax.

Asked by: Hon LAM Kin-fung Jeffrey (Member Question No. 9)

Reply:

- (A) If a taxpayer defaults on tax payment, the Inland Revenue Department (IRD) will take recovery actions including imposition of surcharge, issuance of warning letter, recovery notices to third parties (such as employers and banks), and initiation of court proceedings. The number of tax recovery cases to be completed in financial year 2016-17 is estimated to be 268 000.

As at 28 February 2017, there were 141 602 tax demand notes with payment overdue. For some taxpayers who encountered financial difficulties in paying their tax on time, they might have applied to IRD for making tax payment by instalments. As for other cases, the tax recovery work is underway. Where a case involves legal proceedings, the process would usually take a longer time, and could hardly be completed within a short period. IRD will continue to take appropriate actions to recover tax in default so as to protect government tax revenue.

- (B) The following table sets out the statistics on the surcharge notices issued by IRD for different tax types in financial years 2015-16 and 2016-17 (as at 28 February 2017):

Types	5% surcharge			10% surcharge		
	No. of charges involved^	Amount of surcharge involved (\$million)	Amount of tax involved (\$million)	No. of charges involved^	Amount of surcharge involved (\$million)	Amount of tax involved (\$million)
2015-16 financial year						
Profits Tax	16 400	95.44	1,909	4 100	65.88	627
Salaries Tax	192 700	135.08	2,702	12 200	40.91	390
Property Tax	19 600	18.05	361	2 500	6.24	59
Personal Assessment	14 400	6.63	132	900	3.24	31
Total	243 100	255.20	5,104	19 700	116.27	1,107
2016-17 financial year						
Profits Tax	16 400	98.99	1,980	4 500	74.35	708
Salaries Tax	172 500	141.33	2,827	13 700	43.55	415
Property Tax	17 900	17.10	342	2 800	7.17	68
Personal Assessment	14 400	6.77	135	1 000	3.51	33
Total	221 200	264.19	5,284	22 000	128.58	1,224

^ Rounded to nearest hundred

As for stamp duty, there were 13 328 and 12 078 late stamping cases in financial years 2015-16 and 2016-17 (as at 28 February 2017) respectively. The late penalty involved amounted to \$30 million and \$100 million respectively. The significant increase in the amount of late penalty collected in 2016-17 was mainly caused by one case involving a large sum of penalty (the case is related to stock borrowing and lending transactions).

IRD has no breakdown on the tax default cases by the amount of tax in default.

- (C) The Enforcement Section is headed by an Assistant Commissioner of IRD and has an establishment of 217 staff, comprising 32 Assessor grade staff, 141 Taxation Officer grade staff, 42 clerical grade staff and 2 Common grade staff. The revised estimate of funding provision in financial year 2016-17 for the section is \$127.2 million.
- (D) The time required for tax recovery depends very much on the circumstances of individual cases and hence cannot be generalized. IRD does not maintain statistics in this regard. Regarding the flow of the recovery process, as mentioned in Part (A) above, the recovery actions which may be taken by IRD generally include imposition of surcharge, issue of warning letter, recovery from employer or other third parties, initiation of court proceedings, etc.

- End -

CONTROLLING OFFICER'S REPLY

FSTB(Tsy)022

(Question Serial No. 2588)

Head: (76) Inland Revenue Department

Subhead (No. & title): (204) Investigation Expenses

Programme: (3) Investigation and Field Audit

Controlling Officer: Commissioner of Inland Revenue (WONG Kuen Fai)

Director of Bureau: Secretary for Financial Services and the Treasury

Question:

Regarding the measures being taken to combat the strategies employed by enterprises which lead to base erosion and profit shifting, please inform the Committee of:

- (A) The details of the staff establishment deployed for combating the strategies employed by enterprises which lead to base erosion and profit shifting, including the ranks (with salary points specified), the number of staff deployed, and the total cost of personal emolument involved;
- (B) The procedures required for taking actions against the strategies employed by enterprises which lead to base erosion and profit shifting; the time required for the implementation of "Country-by-Country Reporting" and the other measures.

Asked by: Hon LAM Kin-fung, Jeffrey (Member Question No. 29)

Reply:

Hong Kong indicated to the Organisation for Economic Co-operation and Development (OECD) in June last year its commitment to the implementation of the package to tackle base erosion and profit shifting (BEPS). Hong Kong is also an Associate in the inclusive framework established by the OECD for implementing the BEPS package. To take forward Hong Kong's commitment, the Financial Services and the Treasury Bureau (FSTB) and the Inland Revenue Department (IRD) conducted a consultation exercise from October to December last year to gauge stakeholders' views on the implementation of the BEPS package in Hong Kong. We plan to submit the implementation strategy and the amendment bill to the Legislative Council in the second half of this year.

As mentioned in the consultation paper published by the Government in October last year, Hong Kong's priority is to put in place the necessary legislative framework for the four minimum standards of the BEPS package and the measures of direct relevance to their implementation, including the transfer pricing rules covering OECD's latest guidance, country-by-country (CbC) reporting requirement, cross-border dispute resolution mechanism and Multilateral Instrument.

The timetable for implementing the BEPS package is very tight. Members/Associates of the BEPS inclusive framework will develop a monitoring process for the four minimum standards and set up review mechanisms for other elements of the BEPS package. As regards CbC reporting, we plan to require relevant multinational enterprises to gather the information from 2018 onwards and file their first CbC reports to the IRD in 2019, so as to tie in with the OECD's global review in 2020.

At present, a Deputy Commissioner of the IRD is responsible for coordinating the implementation of the BEPS package and guiding the Tax Treaty Section under the IRD to perform the relevant duties. Since such duties are part of the day-to-day work of the Tax Treaty Section, the number of staff specifically deployed for the duties, their respective ranks and costs of emoluments involved and other relevant breakdowns are not available. The IRD will create 16 non-directorate posts (2 of which are time-limited posts for 5 years) in 2016-17 and 2017-18 to strengthen the relevant support for coping with the increasing workload arising from handling various initiatives on international tax cooperation (including the implementation of the Automatic Exchange of Financial Account Information in Tax Matters and the BEPS package, and the negotiation on comprehensive agreements for the avoidance of double taxation).

- End -

CONTROLLING OFFICER'S REPLY

FSTB(Tsy)023

(Question Serial No. 2079)

Head: (76) Inland Revenue Department

Subhead (No. & title): ()

Programme: (1) Assessing Functions

Controlling Officer: Commissioner of Inland Revenue (WONG Kuen Fai)

Director of Bureau: Secretary for Financial Services and the Treasury

Question:

There will be an increase of 12 posts in the Inland Revenue Department in 2017-18. What is the cost for creating such posts? Are there any plans for further increase of posts? It is mentioned in the Budget that the Government plans to offer tax concession to attract aircraft leasing companies to develop their business in Hong Kong. In this regard, please inform this Committee of whether the aforesaid additional posts are to be deployed for handling such tax concession. If yes, what are the details? If no, what are the reasons? Has the Government assessed the number of aircraft leasing companies that will be attracted to develop their business in Hong Kong after the introduction of the tax concession? If yes, please provide the details of the assessment results. If no, what are the reasons?

Asked by: Hon NG Wing-ka, Jimmy (Member Question No. 11)

Reply:

To cope with the increasing workload, the Inland Revenue Department (IRD) will create 12 permanent non-directorate posts in the financial year 2017-18 and the additional salary expenditure involved is about \$6.02 million. As in the past, IRD would review its staff establishment from time to time having regard to the operational need.

As mentioned in the 2017-18 Budget, aircraft financing is a very promising global business. The Government introduced a bill to the Legislative Council in March this year to amend the Inland Revenue Ordinance, with a view to enhancing Hong Kong's competitiveness on development of aircraft leasing business by way of tax concessions. The Transport and Housing Bureau (THB), the Financial Services and the Treasury Bureau, the Inland Revenue Department and other relevant government departments (such as Invest Hong Kong) will continue to take forward this project with existing resources. Meanwhile, THB has initially touched base with some local and overseas aircraft leasing enterprises. They have all indicated interest in using Hong Kong's platform to enter the Mainland and Asian markets. However, it is difficult to estimate the number of aircraft leasing enterprises willing to develop their businesses in Hong Kong at this stage.

- End -

CONTROLLING OFFICER'S REPLY**FSTB(Tsy)024****(Question Serial No. 2931)**Head: (76) Inland Revenue DepartmentSubhead (No. & title): ()Programme: (1) Assessing FunctionsControlling Officer: Commissioner of Inland Revenue (WONG Kuen Fai)Director of Bureau: Secretary for Financial Services and the TreasuryQuestion:

Regarding the Inland Revenue Department's work on tax assessment, please set out in the table below the number and the total profits tax assessed for companies chargeable to profits tax for the past five years of assessment.

Company's assessable profits (\$)	Number of companies	Percentage to the total number of companies chargeable to profits tax	Total profits tax assessed for the year (\$million)	Percentage to the total amount of profits tax assessed
Below 2,000,000				
2,000,001-5,000,000				
5,000,001-10,000,000				
10,000,001 or above				
Total				

Asked by: Hon OR Chong-shing Wilson (Member Question No. 22)Reply:

The following tables set out the numbers of companies (excluding sole proprietorship and partnership businesses) with assessable profits and the total profits tax assessed for the past five years of assessment (as at 28 February 2017):

Year of Assessment 2011-12 (mainly assessed in the financial year 2012-13)

Company's assessable profits # (\$)	No. of companies^	Percentage to the total number of companies chargeable to profits tax	Total profits tax assessed for the year (\$million)	Percentage to the total amount of profits tax assessed
Below 2,000,000	90 604	81.55%	47.30	4.38%
2,000,001-5,000,000	9 611	8.65%	48.86	4.52%
5,000,001- 10,000,000	4 564	4.11%	52.43	4.86%
10,000,001& above	6 321	5.69%	931.57	86.24%
Total	111 100	100%	1,080.16	100%

Year of Assessment 2012-13 (mainly assessed in the financial year 2013-14)

Company's assessable profits # (\$)	No. of companies^	Percentage to the total number of companies chargeable to profits tax	Total profits tax assessed for the year (\$million)	Percentage to the total amount of profits tax assessed
Below 2,000,000	94 477	81.85%	50.24	4.47%
2,000,001-5,000,000	9 785	8.47%	49.99	4.45%
5,000,001- 10,000,000	4 603	3.99%	52.75	4.70%
10,000,001& above	6 565	5.69%	970.54	86.38%
Total	115 430	100%	1,123.52	100%

Year of Assessment 2013-14 (mainly assessed in the financial year 2014-15)

Company's assessable profits # (\$)	No. of companies^	Percentage to the total number of companies chargeable to profits tax	Total profits tax assessed for the year (\$million)	Percentage to the total amount of profits tax assessed
Below 2,000,000	95 135	81.59%	50.44	4.20%
2,000,001-5,000,000	9 972	8.55%	50.90	4.24%
5,000,001- 10,000,000	4 664	4.00%	53.55	4.46%
10,000,001& above	6 832	5.86%	1,045.86	87.10%
Total	116 603	100%	1,200.75	100%

Year of Assessment 2014-15 (mainly assessed in the financial year 2015-16)

Company's assessable profits # (\$)	No. of companies^	Percentage to the total number of companies chargeable to profits tax	Total profits tax assessed for the year (\$million)	Percentage to the total amount of profits tax assessed
Below 2,000,000	93 827	81.14%	45.08	3.56%
2,000,001-5,000,000	9 945	8.60%	49.48	3.90%
5,000,001- 10,000,000	4 778	4.13%	54.60	4.30%
10,000,001& above	7 088	6.13%	1,119.02	88.24%
Total	115 638	100%	1,268.18	100%

Year of Assessment 2015-16 (mainly assessed in the financial year 2016-17; the following table only reflects the number of assessments completed as at 28 February 2017, but not the number for the whole year of assessment)

Company's assessable profits # (\$)	No. of companies^	Percentage to the total number of companies chargeable to profits tax	Total profits tax assessed for the year (\$million)	Percentage to the total amount of profits tax assessed
Below 2,000,000	80 079	79.17%	41.70	3.27%
2,000,001-5,000,000	9 415	9.31%	47.31	3.71%
5,000,001- 10,000,000	4 676	4.62%	53.13	4.17%
10,000,001& above	6 981	6.90%	1,132.84	88.85%
Total	101 151	100%	1,274.98	100%

Refer to net assessable profits after setting off losses from previous years.

^ The number of companies may change depending on the outcome of outstanding assessments for each year of assessment.

- End -

CONTROLLING OFFICER'S REPLY**FSTB(Tsy)025****(Question Serial No. 2932)**Head: (76) Inland Revenue DepartmentSubhead (No. & title): ()Programme: (1) Assessing FunctionsControlling Officer: Commissioner of Inland Revenue (WONG Kuen Fai)Director of Bureau: UnspecifiedQuestion:

What are the respective numbers of cases and total amounts of tax paid for Special Stamp Duty, Buyer's Stamp Duty and Double Stamp Duty in the past three years? (Please set out in the table below.)

Year	Special Stamp Duty		Buyer's Stamp Duty		Double Stamp Duty	
	Number of cases	Total amount of tax paid	Number of cases	Total amount of tax paid	Number of cases	Total amount of tax paid
2014						
2015						
2016						

Asked by: Hon OR Chong-shing, Wilson (Member Question No. 25)Reply:

The total numbers of cases and amounts of duty collected in respect of Special Stamp Duty (SSD), Buyer's Stamp Duty (BSD) and Ad Valorem Stamp Duty (AVD) at Scale 1 rates (i.e. Doubled Stamp Duty) from the financial years 2014-15 to 2016-17 are as follows:

Financial Year	SSD		BSD		AVD at Scale 1 rates (Note)	
	No. of cases	Total amount collected (\$million)	No. of cases	Total amount collected (\$million)	No. of cases	Total amount collected (\$million)
2014-15	589	203	4 966	9,627	32 045	13,872
2015-16	550	220	2 191	4,812	37 160	17,022
2016-17 (As at 28 February 2017)	519	226	2 498	6,621	35 688	17,641

Note:

AVD at Scale 1 rates

The Stamp Duty (Amendment) (No.2) Ordinance 2014 (Amendment Ordinance) was published in the Gazette on 25 July 2014. The figures in the above table represent the number of cases and the amount of stamp duty collected in respect of the property sale and purchase instruments executed on or after 25 July 2014 that are chargeable to AVD at Scale 1 rates.

Besides, the Government introduced a new round of demand-side management measure to increase the AVD rate for residential property transactions to a flat rate of 15% with effect from 5 November 2016. To implement the measure, the Government has introduced the Stamp Duty (Amendment) Bill 2017 (Amendment Bill) into the Legislative Council (LegCo). The 2016-17 figures may include the cases which are subject to AVD at the new flat rate. Nevertheless, since the Amendment Bill is pending passage by LegCo, the amounts of stamp duty shown in the above table only reflect AVD collected at the existing Scale 1 rates (but not the new flat rate of 15%). The Inland Revenue Department will record all the residential property transactions between 5 November 2016 and the date on which the Stamp Duty Amendment Ordinance (after passage of the Amendment Bill) is published in the Gazette, which have been stamped with AVD at the existing Scale 1 rates. Demand notes for the payment of additional stamp duty (i.e. difference between AVD computed at 15% and AVD at the existing Scale 1 rates) will be issued to the duty payers after the gazettal of the Stamp Duty Amendment Ordinance.

- End -

CONTROLLING OFFICER'S REPLY**FSTB(Tsy)026****(Question Serial No.1766)**

Head: (76) Inland Revenue Department

Subhead (No. & title): ()

Programme: (1) Assessing Functions

Controlling Officer: Commissioner of Inland Revenue (WONG Kuen Fai)

Director of Bureau: Secretary for Financial Services and the Treasury

Question:

Regarding the handling of the collection of stamp duty by the Government between 2012 and 2016, how much resource has been used each year for handling the stamping of new instruments regarding the collection of Special Stamp Duty (SSD) and Buyer's Stamp Duty (BSD)? For each of the above years, what were the numbers of instruments stamped respectively for the collection of the SSD and the BSD, including the number of instruments stamped for the payment of the BSD by people or companies from the Mainland? For each of the above years, please provide the information of: the number of instruments handled regarding the acquisition of property by persons under the age of 18; the resources used for vetting the applications for stamping of instruments submitted by applicants claimed to be first-time property buyers; and the number of instruments involved regarding the stamping of instruments for first-time property buyers. Did the Government verify the buyers' claims by vetting all the applications submitted by applicants claimed to be first-time buyers or verify the claims by random checks? If it was in the latter case, please state the number of random checks conducted each year and their respective results.

Asked by: Hon TO Kun-sun, James (Member Question No.18)

Reply:

When submitting a stamping request, the applicant is only required to declare whether the buyer is a Hong Kong identity card holder (local individual) or a company established in Hong Kong (local company). In cases where the buyer is a non-local individual or non-local company, the applicant is not required to state the country or region the individual comes from or where the company was established. Therefore, the Inland Revenue Department (IRD) does not have statistics on non-local individual buyers or non-local company buyers by countries or regions (including Mainland buyers). In addition, unless the residential property is acquired by the guardian on behalf of a Hong Kong permanent resident (HKPR) who is a minor and the buyer applies for charging ad valorem stamp duty (AVD) at Scale 2 rates on the instrument, IRD is not required to verify the age of the buyer. As such, IRD does not have statistics on property buyers who are under the age of 18.

For the financial years 2012-13 to 2016-17 (as at 28 February 2017), the breakdown of the cases of special stamp duty (SSD), buyer's stamp duty (BSD), acquisition of residential property by non-local individuals or non-Hong Kong companies, and acquisition of residential property by guardians on behalf of HKPR minor by year is tabulated below:

Financial Year	SSD (No. of case)	BSD (No. of case)	Acquisition of residential property by non-local individuals or non-local companies (No. of case)	Acquisition of residential property by guardian on behalf of a HKPR minor* (No. of case)
2012-13	2 115	-	3 505	-
2013-14	1 133	1 827	1 144	21
2014-15	589	4 966	1 270	1
2015-16	550	2 191	812	-
2016-17 (as at 28.2.2017)	519	2 498	1 142	-

*Only cases where the buyers applied for charging the instruments at Scale 2 rates are included.

All along, IRD has been allocating resources according to service needs and work priorities for the delivery of its various responsibilities. To cope with the increasing workload and handle policy initiatives in relation to stamp duty, including various demand-side management measures (i.e. SSD, BSD and double stamp duty), IRD created 8 permanent posts and 1 three-year supernumerary directorate post under the stamp office in the financial year 2014-15. The three-year supernumerary Chief Assessor post will be lapsed on 1 April 2017. In order to provide continuous directorate support, we have proposed to create 1 Chief Assessor permanent post in stamp office. The proposal has been submitted to the Establishment Subcommittee of the Legislative Council for consideration.

Under the Stamp Duty Ordinance, irrespective of whether the buyer is a first-time home buyer or not, if he or she is a HKPR acting on his or her own behalf in acquiring a residential property and on the date of acquisition, he or she is not a beneficial owner of any other residential property in Hong Kong, the instrument for acquiring the residential property is chargeable with AVD at Scale 2 rates. IRD is only required to verify whether the HKPR is acting on his or her own behalf in acquiring the residential property and holds any other residential property in Hong Kong when he or she acquires the new residential property but is not required to ascertain whether he or she is the first-time home buyer. In all cases, IRD will vet the applications for charging AVD at Scale 2 rates. The assessment of stamp duty payable (be it AVD at Scale 1 or Scale 2 rates, SSD or BSD) and verification of buyer's identity form part and parcel of the whole process of handling a stamping request. Hence, the IRD does not specifically maintain statistics on the resources used to process a particular type of the stamp duty cases.

- End -

CONTROLLING OFFICER'S REPLY

FSTB(Tsy)027

(Question Serial No. 0879)

Head: (76) Inland Revenue Department

Subhead (No. & title): ()

Programme: (1) Assessing Functions (2) Collection

Controlling Officer: Commissioner of Inland Revenue (WONG Kuen Fai)

Director of Bureau: Secretary for Financial Services and the Treasury

Question:

What are the specific plans and relevant expenditure for the Government to promote the use of e-government services in the next three years? Has the Government planned to allow taxpayers to pay taxes and government fees through electronic payment and even mobile payment, hence facilitating the use and promotion of e-services? If yes, what are the details, schedules and expenditure of such plans? If no, what are the reasons?

Asked by: Hon WONG Ting-kwong (Member Question No. 27)

Reply:

IRD organises promotional activities annually to encourage taxpayers to make use of its e-services. The relevant promotional activities include seminar, poster, publicity leaflet, newspaper advertisement, electronic media advertisement, "GovHK Notifications" messages issued through smartphones, Internet publicity, promotional messages as well as e-mails to civil servants and other organisations to promote eTAX services. The estimated expenditure for the promotional activities in 2017-18 is about \$400,000.

At present, taxpayers can pay tax, business registration fee, stamp duty or purchase tax reserve certificates by electronic means including telephone, Internet or bank Automatic Teller Machine (ATM). Taxpayers can also use their mobile devices to make payment via phone or online payment services. Payments by electronic means have been well received by taxpayers and the utilisation rate is relatively stable. In the financial year 2016-17 (as at 28 February 2017), there were around 1 730 000 electronic payments for "earnings and profits tax", representing 56% of the total tax payments. In the light of the technology development, with effect from 7 December 2015, IRD accepts e-Cheque for payment. In the financial year 2016-17 (as at 28 February 2017), there were 1 341 e-Cheque payment transactions.

- End -

CONTROLLING OFFICER'S REPLY**FSTB(Tsy)028****(Question Serial No. 1585)**Head: (76) Inland Revenue DepartmentSubhead (No. & title): ()Programme: (1) Assessing FunctionsControlling Officer: Commissioner of Inland Revenue (WONG Kuen Fai)Director of Bureau: Secretary for Financial Services and the TreasuryQuestion:

Regarding the Inland Revenue Department's work on tax assessment, please set out in the table below the number and the total profits tax assessed for companies chargeable to profits tax for the past three years of assessment.

Company's assessable profits (\$)	Number of companies	Percentage to the total number of companies chargeable to profits tax	Total profits tax for the year (\$million)	Percentage to the total amount of profits tax
Below 5,000,000				
5,000,001-10,000,000				
10,000,001 or above				
Total				

Asked by: Hon WONG Ting-kwong (Member Question No. 64)Reply:

The following table sets out the numbers of companies (excluding sole proprietorship and partnership businesses) with assessable profits for the past three years of assessment:

Year of Assessment 2013-14 (mainly assessed in the financial year 2014-15)

Company's assessable profits # (\$)	No. of companies^	Percentage to the total number of companies chargeable to profits tax	Total profits tax for the year (\$million)	Percentage to the total amount of profits tax
Below 5,000,000	105 107	90.14%	101.34	8.44%
5,000,001- 10,000,000	4 664	4.00%	53.55	4.46%
10,000,001 or above	6 832	5.86%	1,045.86	87.10%
Total	116 603	100%	1,200.75	100%

Year of Assessment 2014-15 (mainly assessed in the financial year 2015-16)

Company's assessable profits # (\$)	No. of companies^	Percentage to the total number of companies chargeable to profits tax	Total profits tax for the year (\$million)	Percentage to the total amount of profits tax
Below 5,000,000	103 772	89.74%	94.56	7.46%
5,000,001- 10,000,000	4 778	4.13%	54.60	4.30%
10,000,001 or above	7 088	6.13%	1,119.02	88.24%
Total	115 638	100%	1,268.18	100%

Year of Assessment 2015-16 (mainly assessed in the financial year 2016-17; the following table only reflects the number of assessments completed as at 28 February 2017, but not the number for the whole year of assessment)

Company's assessable profits # (\$)	No. of companies^	Percentage to the total number of companies chargeable to profits tax	Total profits tax for the year (\$million)	Percentage to the total amount of profits tax
Below 5,000,000	89 494	88.48%	89.01	6.98%
5,000,001- 10,000,000	4 676	4.62%	53.13	4.17%
10,000,001 or above	6 981	6.90%	1,132.84	88.85%
Total	101 151	100%	1,274.98	100%

Refer to net assessable profits after setting off losses from previous years.

^ The number of companies may change depending on the outcome of outstanding assessments for each year of assessment.

- End -

CONTROLLING OFFICER'S REPLY**FSTB(Tsy)029****(Question Serial No. 3136)**Head: (76) Inland Revenue DepartmentSubhead (No. & title): ()Programme: (1) Assessing FunctionsControlling Officer: Commissioner of Inland Revenue (WONG Kuen Fai)Director of Bureau: Secretary for Financial Services and the TreasuryQuestion:

Please provide the numbers of all tax-exempt charities by the legal forms (corporations, societies, trusts and others) they take in each of the past 3 years.

Asked by: Hon YIU Chung-yim (Member Question No. 82)Reply:

According to the statistics of Inland Revenue Department for the last three financial years, the distribution of charities by legal forms is as follows –

Form	2013-14	2014-15	2015-16
Corporation	5,898	6,192	6,469
Society	857	868	814
Trust	454	489	481
Others*	835	941	1,067
Total	8,044	8,490	8,831

*“Others” comprise mostly incorporated management committees established under the Education Ordinance. The rest are statutory bodies, ad hoc special committees and overseas companies registered under the Companies Ordinance.

- End -

CONTROLLING OFFICER'S REPLY

FSTB(Tsy)030

(Question Serial No. 3137)

Head: (76) Inland Revenue Department

Subhead (No. & title): ()

Programme: (1) Assessing Functions

Controlling Officer: Commissioner of Inland Revenue (WONG Kuen Fai)

Director of Bureau: Secretary for Financial Services and the Treasury

Question:

In performing assessing functions, the Inland Revenue Department (IRD) says it will “prepare for the implementation of country-by-country reporting and other measures required by the Organisation for Economic Co-operation and Development to tackle base erosion and profit shifting of enterprises.” Regarding this aspect of work, would the Government please inform the Committee of: the operating expenses and projected costs on personal emoluments of the IRD in the estimates of 2017-18; the staff establishment and the ranks of the officers to be deployed for the work; the specific measures for launching the initiatives, and the planned progress and timetable for implementing such initiatives in 2017-18?

Asked by: Hon YIU Chung-yim (Member Question No. 88)

Reply:

Hong Kong indicated to the Organisation for Economic Co-operation and Development (OECD) in June last year its commitment to the implementation of the package to tackle base erosion and profit shifting (BEPS). Hong Kong is also an Associate in the inclusive framework established by the OECD for implementing the BEPS package. To take forward Hong Kong's commitment, the Financial Services and the Treasury Bureau (FSTB) and the Inland Revenue Department (IRD) conducted a consultation exercise from October to December last year to gauge stakeholders' views on the implementation of the BEPS package in Hong Kong. We plan to submit the implementation strategy and the amendment bill to the Legislative Council in the second half of this year.

As mentioned in the consultation paper published by the Government in October last year, Hong Kong's priority is to put in place the necessary legislative framework for the four minimum standards of the BEPS package and the measures of direct relevance to their implementation, including the transfer pricing rules covering OECD's latest guidance, country-by-country (CbC) reporting requirement, cross-border dispute resolution mechanism and Multilateral Instrument.

The timetable for implementing the BEPS package is very tight. Members/Associates of the BEPS inclusive framework will develop a monitoring process for the four minimum standards and set up review mechanisms for other elements of the BEPS package. As regards CbC reporting, we plan to require relevant multinational enterprises to gather the information from 2018 onwards and file their first CbC reports to the IRD in 2019, so as to tie in with the OECD's global review in 2020.

At present, a Deputy Commissioner of the IRD is responsible for coordinating the implementation of the BEPS package and guiding the Tax Treaty Section under the IRD to perform the relevant duties. Since such duties are part of the day-to-day work of the Tax Treaty Section, the number of staff specifically deployed for the duties, their respective ranks and costs of emoluments involved and other relevant breakdowns are not available. The IRD will create 16 non-directorate posts (2 of which are time-limited posts for 5 years) in 2016-17 and 2017-18 to strengthen the relevant support for coping with the increasing workload arising from handling various initiatives on international tax cooperation (including the implementation of the Automatic Exchange of Financial Account Information in Tax Matters and the BEPS package, and the negotiation on comprehensive agreements for the avoidance of double taxation).

- End -

CONTROLLING OFFICER'S REPLY**FSTB(Tsy)031****(Question Serial No. 2408)**Head: (162) Rating and Valuation DepartmentSubhead (No. & title): ()Programme: (3) Provision of Valuation and Property Information ServicesControlling Officer: Commissioner of Rating and Valuation (TANG Ping Kwong)Director of Bureau: Secretary for Financial Services and the TreasuryQuestion:

Please describe the contents, modes of survey, targets of surveys, staff establishment and expenditure of the vacancy survey on residential units in the past five years.

Asked by: Hon CHU Hoi-dick (Member Question No. 61)Reply:

The Rating and Valuation Department (RVD) conducts vacancy survey at the end of each year to provide a snapshot of the vacancy position of various types of private properties. Properties which are not physically occupied or which are under decoration at the time of survey would be treated as vacant. The vacancy survey includes a full survey on residential units completed within three calendar years at the time of the survey, and a random sample survey covering 3% of the remaining residential units.

After collating the data collected from building management offices, owners and occupants, as well as the information obtained through inspection by property inspectors, RVD comes up with the relevant vacancy data for incorporation into its Hong Kong Property Review. Public housing, village houses, quarters, subsidised home ownership flats and subsidised flats that can be traded in the open market are not included in the category of private domestic properties in the Hong Kong Property Review.

RVD's vacancy survey is undertaken by outsourced contractor selected through established tender mechanism. Total expenditure on the relevant survey in the past five years is as follows:

Financial Year	Expenditure (\$ million)
2012-13	1.38
2013-14	1.61
2014-15	1.76
2015-16	1.72
2016-17	1.68

- End -

CONTROLLING OFFICER'S REPLY**FSTB(Tsy)032****(Question Serial No. 2914)**Head: (162) Rating and Valuation DepartmentSubhead (No. & title): ()Programme: (2) Collection and Billing of Rates and Government RentControlling Officer: Commissioner of Rating and Valuation (TANG Ping Kwong)Director of Bureau: Secretary for Financial Services and the TreasuryQuestion:

Regarding the rates concession announced in the Budget in the past five years, please provide information on the top 100 ratepayers (ratepayers 1-10, 11-50, 51-100) that received the largest estimated amounts of rates concession (including the total amount of rates concession enjoyed and the total number of rateable properties held by the ratepayers in each category).

Asked by: Hon LAW Kwun-chung, Nathan (Member Question No. 2)Reply:

The Rating and Valuation Department (RVD) does not maintain information on the top 100 ratepayers that were estimated to receive the highest amounts of rates concession in 2013-14 and the years before. The following table sets out the relevant information for 2014-15 to 2016-17 -

Ratepayers (excluding organisations providing subsidised housing)	2014-15		2015-16		2016-17	
	Amount of Rates Concession (\$ million)	Number of Rateable Tenements	Amount of Rates Concession (\$ million)	Number of Rateable Tenements	Amount of Rates Concession (\$ million)	Number of Rateable Tenements
1-10	86.4	40 946	126.9	40 333	124.2	39 865
11 – 100 *	85.4	37 787	124.5	36 637	122.3	37 930
Total	171.8	78 733	251.4	76 970	246.5	77 795

* RVD does not have the breakdown on tenement figures in respect of the ratepayers ranked from the 11th to 50th or 51st to 100th.

- End -

CONTROLLING OFFICER'S REPLY**FSTB(Tsy)033****(Question Serial No. 3178)**Head: (162) Rating and Valuation DepartmentSubhead (No. & title): ()Programme: ()Controlling Officer: Commissioner of Rating and Valuation (TANG Ping Kwong)Director of Bureau: Secretary for Financial Services and the TreasuryQuestion:

Please provide the number of flats aged 30 or above by rateable value in the table below in the past 3 years:

Rateable Value	2014	2015	2016
0-2500			
2501-5000			
5001-7500			
7501-10000			
10001-12500			
12501-15000			
15001-17500			
17501-20000			
20001-25000			
25001-30000			
30001-35000			
35001-40000			
>40000			

Asked by: Hon LEUNG Yiu-chung (Member Question No. 82)Reply:

The Rating and Valuation Department does not compile statistics on rateable values by the age of properties. The number of properties on the valuation list of the past three financial years, sorted by rateable value, is tabulated below:

Rateable Value (\$)		As at 1 April 2016	As at 1 April 2015	As at 1 April 2014
3 001 -	29 999	262 128	276 635	288 610
30 000 -	59 999	247 904	276 280	346 892
60 000 -	89 999	429 687	493 238	536 614
90 000 -	119 999	433 896	416 126	383 359
120 000 -	199 999	593 993	532 866	467 857
200 000 -	299 999	221 347	192 336	166 279
300 000 -	399 999	82 602	74 321	68 234
400 000 -	499 999	46 857	44 408	41 740
500 000	or above	136 036	128 416	119 307
Total		2 454 450	2 434 626	2 418 892

- End -

CONTROLLING OFFICER'S REPLY**FSTB(Tsy)034****(Question Serial No. 2327)**Head: (162) Rating and Valuation DepartmentSubhead (No. & title): ()Programme: (1) Statutory Valuation and AssessmentsControlling Officer: Commissioner of Rating and Valuation (TANG Ping Kwong)Director of Bureau: Secretary for Financial Services and the TreasuryQuestion:

Please inform the Committee of:

The number of objections to the Rating and Valuation Department's statutory valuation and assessments, and the number of processed cases with valuations readjusted in each of the 18 districts in 2013-14, 2014-15, 2015-16 and 2016-17.

Asked by: Hon TAM Man-ho, Jeremy (Member Question No. 15)Reply:

The number of objection cases processed and those with valuations altered for Financial Years from 2013-14 to 2016-2017 are tabulated below:

(1) Proposals for Alteration of Valuation List

Financial Year	Number of Cases Processed	Number of Valuations Altered
2013-14	51 254	1 006
2014-15	52 781	1 242
2015-16	50 304	1 417
2016-17	48 688	1 386

(2) Objections to Interim Valuation, Deletion from the Valuation List or Correction to the Valuation List

Financial Year	Number of Cases Processed	Number of Valuations Altered
2013-14	3 415	159
2014-15	3 324	307
2015-16	3 572	289
2016-17*	4 317	92

* Figures up to 28 February 2017

The Rating and Valuation Department does not compile statistics on the above cases by District Council district.

- End -

CONTROLLING OFFICER'S REPLY**FSTB(Tsy)035****(Question Serial No. 2328)**Head: (162) Rating and Valuation DepartmentSubhead (No. & title): ()Programme: (1) Statutory Valuation and AssessmentsControlling Officer: Commissioner of Rating and Valuation (TANG Ping Kwong)Director of Bureau: Secretary for Financial Services and the TreasuryQuestion:

Please inform the Committee of:

The number of new buildings with building numbers allocated in each of the 18 districts in 2013-14, 2014-15, 2015-16 and 2016-17.

Asked by: Hon TAM Man-ho, Jeremy (Member Question No. 16)Reply:

For the 2013-14, 2014-15 and 2015-16 financial years, the number of property developments with building numbers allocated by the Rating and Valuation Department (RVD) is as follows:

Financial Year	Urban Area	Rural Area	Total
2013-14	82	1,258	1,340
2014-15	122	942	1,064
2015-16	82	1,154	1,236

The full-year figure for 2016-17 financial year is not yet available as the financial year has yet to come to an end.

RVD does not compile statistics based on District Council district.

- End -

CONTROLLING OFFICER'S REPLY

FSTB(Tsy)036

(Question Serial No. 3291)

Head: (162) Rating and Valuation Department

Subhead (No. & title): ()

Programme: (1) Statutory Valuation and Assessments

Controlling Officer: Commissioner of Rating and Valuation (TANG Ping Kwong)

Director of Bureau: Secretary for Financial Services and the Treasury

Question:

a) The number of flats aged 30 years or above by annual rateable value (0-29,999, 30,000-59,999, 60,000-89,999, 90,000-119,999, 120,000-149,999, 150,000-179,999, 180,000-209,999, 210,000-239,999, 240,000-299,999, 300,000-359,999, 360,000-419,999, 420,000-479,999, $\geq 480,000$) in 2016-17;

b) The number of assessments in the Valuation List at year end by annual rateable value (0-29,999, 30,000-59,999, 60,000-89,999, 90,000-119,999, 120,000-149,999, 150,000-179,999, 180,000-209,999, 210,000-239,999, 240,000-299,999, 300,000-359,999, 360,000-419,999, 420,000-479,999, $\geq 480,000$) in the last 5 years (2012-2013, 2013-2014, 2014-2015, 2015-2016 and 2016-2017); and

c) The number of assessments in the Valuation List at year end by number of assessments (1-5, 6-10, 11-15, 16-20, 21-25, 26-30, 31-35, ...) held by the same property owner or the same company in the last 5 years (2012-2013, 2013-2014, 2014-2015, 2015-2016 and 2016-2017).

Asked by: Hon TIEN Puk-sun, Michael (Member Question No. 64)

Reply:

(a) & (c) The Rating and Valuation Department does not compile statistics on rateable properties by the age of properties or maintain records on ownership information in respect of rateable properties.

(b) The number of properties on the valuation list of the past five financial years, sorted by rateable value, is tabulated below:

Rateable Value (\$)	As at 1 April 2016	As at 1 April 2015	As at 1 April 2014	As at 1 April 2013	As at 1 April 2012
3 001 - 29 999	262 128	276 635	288 610	304 553	322 758
30 000 - 59 999	247 904	276 280	346 892	410 765	535 909
60 000 - 89 999	429 687	493 238	536 614	569 468	567 549
90 000 - 119 999	433 896	416 126	383 359	353 771	311 627
120 000 - 199 999	593 993	532 866	467 857	403 085	332 264
200 000 - 299 999	221 347	192 336	166 279	146 867	126 371
300 000 - 399 999	82 602	74 321	68 234	63 245	56 034
400 000 - 499 999	46 857	44 408	41 740	38 300	32 858
500 000 or above	136 036	128 416	119 307	110 476	99 918
Total	2 454 450	2 434 626	2 418 892	2 400 530	2 385 288

- End -

CONTROLLING OFFICER'S REPLY**FSTB(Tsy)037****(Question Serial No. 3135)**Head: (188) TreasurySubhead (No. & title): ()Programme: (4) Management of FundsControlling Officer: Director of Accounting Services (Martin M. T. SIU)Director of Bureau: Secretary for Financial Services and the TreasuryQuestion:

On management of funds, the Treasury “manages the investment portfolios of the Grant and Subsidized Schools Provident Funds, the Quality Education Fund, the Sir David Trench Fund for Recreation, the Beat Drugs Fund, the AIDS Trust Fund, the HKSAR Government Scholarship Fund and the Self-financing Post-secondary Education Fund”. Please advise this Committee of the administration costs for management of these funds in the past 5 years.

Asked by: Hon YIU Chung-yim (Member Question No. 79)Reply:

The expenditure incurred by the Treasury for managing the investments of the above funds for the past 5 years was as follows:

	2011-12	2012-13	2013-14	2014-15	2015-16
Actual expenditure (\$ million)	6.0	6.0	6.6	7.3	7.5

The above amount did not include the actual expenditure on investment and management fees paid out of the funds (including investment manager fees, asset custodian fees and investment transaction costs, which were equivalent to about 0.23% of the total net asset value of the funds per year).

- End -

CONTROLLING OFFICER'S REPLY**FSTB(Tsy)038****(Question Serial No. 3165)**Head: (106) Miscellaneous ServicesSubhead (No. & title): (825) Contribution to the 11th replenishment of the Asian Development FundProgramme: ()Controlling Officer: Permanent Secretary for Financial Services and the Treasury (Treasury) (Ms Elizabeth TSE)Director of Bureau: Secretary for Financial Services and the TreasuryQuestion:

As funding for the following new item is sought from the Legislative Council (LegCo) in the context of the Appropriation Bill 2017, would the Government advise this Committee of the estimate for 2017-18:

Head	Account	Subhead (Code)	Subhead	Item (Code)	Ambit
106	Operating Account	825	Contribution to the 11th replenishment of the Asian Development Fund	801	Contribution to the 11th replenishment of the Asian Development Fund

Asked by: Hon CHEUNG Chiu-hung, Fernando (Member Question No. 3004)Reply:

In 2017-18, a provision of \$21.814 million is budgeted for contribution to the 11th replenishment of the Asian Development Fund. On 3 January 2017, the Legislative Council Panel on Financial Affairs was briefed on the details of the replenishment. The hyperlink of the relevant document is as follows:

<http://www.legco.gov.hk/yr16-17/english/panels/fa/papers/fa20170103cb1-363-7-e.pdf>

- End -

CONTROLLING OFFICER'S REPLY

FSTB(Tsy)039

(Question Serial No. 2897)

Head: (184) Transfers To Funds

Subhead (No. & title): ()

Programme: Not Specified

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

Director of Bureau: Secretary for Financial Services and the Treasury

Question:

Under Head 184, the estimate of the amount required in 2017-18 in respect of transfers from the General Revenue Account to the various Funds is \$8,850 million, which includes the transfers of \$4,500 million to the Capital Works Reserve Fund and \$2,300 million to the Civil Service Pension Reserve Fund. Please advise us of the following:

- (a) What criteria does the Financial Services and the Treasury Bureau adopt in deciding the transfers and the amounts?
- (b) With far higher-than-expected land revenue, the Capital Works Reserve Fund should have sufficient cash flow to meet the expenses. Why does it still require provision from the General Revenue Account?
- (c) Please account for the sum of \$4,500 million and specify the works or projects involved.

Asked by: Hon LAW Kwun-chung, Nathan (Member Question No. 1)

Reply:

- (a) The level of transfers to funds is assessed with regard to the commitments in the budget year of each Fund and its forecast cash flow after deducting the opening fund balance.
- (b)&(c) Provision of \$4,500 million under Subhead 984 Payment to the Capital Works Reserve Fund (CWRF) is to reserve additional funds for the CWRF to meet the estimated expenditure during 2017-18. As the 2017-18 estimated expenditure for CWRF cannot be fully offset by its existing fund balance, there is a need to transfer funds from the General Revenue Account to CWRF.

- End -

CONTROLLING OFFICER'S REPLY

FSTB(Tsy)040

(Question Serial No. 0197)

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) (Ms Elizabeth TSE)

Director of Bureau: Secretary for Financial Services and the Treasury

Question:

It is mentioned in paragraph 54 of the Budget Speech that the Government plans to set up a tax policy unit in the Financial Services and the Treasury Bureau to, among others, enhance our tax regime and explore broadening the tax base and increasing revenue. Regarding the above proposal,

- a) what specific objectives has the Bureau formulated and is there any work schedule?
- b) what are the manpower and expenditure involved?

Asked by: Hon CHAN Chun-ying (Member Question No. 22)

Reply:

The Financial Secretary announced in the 2017-18 Budget that the Financial Services and the Treasury Bureau would set up a tax policy unit. On the one hand, we will seek to align our tax practices with international standards and actively study ways to foster the development of industries through tax measures including enhanced deduction for I&T expenditure, so as to ensure that Hong Kong remains competitive and can create wealth. On the other hand, we will enhance our tax regime and explore broadening the tax base and increasing revenue, so as to ensure that adequate resources are available to support the sustainable development of our society.

The Financial Services and the Treasury Bureau is actively making preparatory work for setting up the tax policy unit and aims to formulate the direction and study areas for the unit shortly. The Financial Services and the Treasury Bureau has included about \$3.5 million in its Estimates of Expenditure for 2017-18 to meet the expenditure for the additional manpower required.

- End -

CONTROLLING OFFICER'S REPLY

FSTB(Tsy)041

(Question Serial No. 2648)

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) (Ms Elizabeth TSE)

Director of Bureau: Secretary for Financial Services and the Treasury

Question:

Mr John TSEUNG had made seriously wrong estimates of the fiscal surplus for a number of times when he was the Financial Secretary. Will the Government put in place any measures to increase the accuracy of its estimation in the future?

Asked by: Hon CHEUNG Kwok-kwan (Member Question No. 8)

Reply:

Hong Kong is a small and open economy, and our tax base is narrow. Government revenue is highly susceptible to economic fluctuations. Among our major sources of revenue, revenue from profits tax is affected mainly by corporate earnings rendering it difficult for us to make an accurate estimate. As regards revenues from stamp duties and land premium, they are subject to fluctuations of the property market. Hence, despite our efforts to make the best forecasts based on the information available at the time of preparing the revenue estimates, variances between the actual revenue figures and the original estimates can hardly be avoided. Besides, as government expenditure involves a wide range of policy areas and measures, slight variance between the actual and estimated expenditure is also inevitable.

- End -

CONTROLLING OFFICER'S REPLY

FSTB(Tsy)042

(Question Serial No. 1120)

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

Subhead (No. & title): (001) Salaries

Programme: (2) Revenue and Financial Control

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

Director of Bureau: Secretary for Financial Services and the Treasury

Question:

The estimated provision for 2017-18 under the Programme of “Revenue and Financial Control” is increased by 7.4% to \$166 million, which is said to be mainly due to an increase of 10 posts. Please provide a breakdown of the ranks and duties of the additional staff.

Asked by: Hon CHEUNG Wah-fung, Christopher (Member Question No. 6)

Reply:

FSTB(TsyB) plans to set up a new team in 2017-18 to handle the increasing workload in policy and legislative matters, among others, relating to Hong Kong's cooperation with the international community on tax issues. We plan to create five permanent posts, one each in the ranks of Administrative Officer Staff Grade C (AOSGC), Administrative Officer, Executive Officer I, Personal Secretary I and Assistant Clerical Officer. The proposed creation of AOSGC post is subject to approval by the Finance Committee of the Legislative Council. In addition, we plan to create one Analyst/ Programmer II post in 2017-18 to assist our branch in the development of information technology (IT) and the provision of IT support services.

The Financial Secretary announced in the 2017-18 Budget that a tax policy unit is planned to be set up in FSTB. In this regard, we have also earmarked the required resources for the creation of four non-directorate posts in the FSTB(TsyB)'s estimates of expenditure for 2017-18.

- End -

CONTROLLING OFFICER'S REPLY**FSTB(Tsy)043****(Question Serial No. 1802)**

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) (Ms Elizabeth TSE)

Director of Bureau: Secretary for Financial Services and the Treasury

Question:

The Treasury Branch's work under this Programme is to, among others, combat tax evasion and minimise opportunities for tax avoidance. Please advise this Committee whether the cases of tax evasion are on the rise and how effective the work of combating tax evasion was in 2016-17. Are there any performance indicators for 2017-18? Is additional funding and manpower required for this purpose?

Asked by: Hon CHUNG Kwok-pan (Member Question No. 27)

Reply:

It is one of the responsibilities of the Treasury Branch to formulate, co-ordinate and support policies to combat tax evasion, whereas the relevant law enforcement work is taken up by the Inland Revenue Department (IRD).

All along, the IRD has been implementing various measures to combat tax evasion and preserve tax revenue. The number of field audit and investigation cases anticipated to be completed and the associated amount of back tax and penalty assessed by IRD in the financial year 2016-17 are as follows:

	<u>2016-17</u> (Revised Estimate)
Cases completed	1 800
Total back tax and penalty assessed (\$m)	2,500

In the financial year 2017-18, the estimated number of field audit and investigation cases to be completed and the amount of back tax and penalty involved will be similar to those of 2016-17. While the manpower required for processing the above cases will be the same as in 2016-17, the financial provision is higher than the revised estimate for 2016-17 by 2.3%, amounting to \$234 million.

- End -

CONTROLLING OFFICER'S REPLY**FSTB(Tsy)044****(Question Serial No. 2039)**

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

Subhead (No. & title): (661) Minor plant, vehicles and equipment (block vote)

Programme: Not Specified

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

Director of Bureau: Secretary for Financial Services and the Treasury

Question:

(a) Last year, the ambit of *Subhead 661 Minor plant, vehicles and equipment (block vote)* under the *Capital Account* has been revised to cover “minor capital expenditure on plant and equipment (except administrative computer systems)” with the cost of individual items above \$200,000 but not exceeding \$10 million (updated from the previous range of above \$150,000 but not exceeding \$2 million), and “specialised vehicles, dinghies and launches with unit cost of \$10 million or less” (updated from the previous maximum of \$2 million). Is there any change to the arrangement this year?

(b) Recently, a number of Members have enquired about the block allocations arrangement of various accounts. Please set out the names of accounts under block allocations arrangement at present as well as the amounts allocated for each account under the revised estimate for 2016-17 and estimate for 2017-18.

(c) When did the block allocations arrangement begin? What is the legal basis?

Asked by: Hon LAW Kwun-chung, Nathan (Member Question No. 5)

Reply:

(a) The arrangement for 2017-18 is same as that of last year without any changes.

(b) In the General Revenue Account, all subheads under block allocations arrangement have the words “block vote” in brackets shown immediately after the titles such as :

- Head 37 Department of Health Subhead 661 Minor plant, vehicles and equipment (block vote)
- Head 45 Fire Services Department Subhead 690 Town ambulances (block vote)
- Head 186 Transport Department Subhead 927 Hong Kong Society for Rehabilitation – rehabuses (block vote)

These subheads span various heads and the relevant details (including the amounts of provision under the revised estimate for 2016-17 and the estimate for 2017-18) are set out in subhead analysis pages of the relevant heads of the Estimates (Volume I).

- (c) The block allocations arrangement in the General Revenue Account was implemented for relevant subheads since 1979-80. The ambits of these subheads are set out in the Introduction and the controlling officer's reports of the relevant heads of the Estimates (Volume I) and are tabled at the Legislative Council in the context of the Appropriation Bill.

- End -

CONTROLLING OFFICER'S REPLY

FSTB(Tsy)045

(Question Serial No. 0605)

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

Subhead (No. & title): ()

Programme: Not Specified

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

Director of Bureau: Secretary for Financial Services and the Treasury

Question:

It is mentioned in paragraph 16 (sic) of the Budget that “I plan to set up a tax policy unit in the Financial Services and the Treasury Bureau to comprehensively examine these tax issues from a macro perspective ...”. Does this proposal involve additional manpower? What is the estimated time for setting up this policy unit? Who will be invited to participate as industry members? When will the study report(s) be submitted to the Government for consideration?

Asked by: Hon LEE Wai-king, Starry (Member Question No. 25)

Reply:

The Financial Secretary announced in the 2017-18 Budget that the Financial Services and the Treasury Bureau would set up a tax policy unit. On the one hand, we will seek to align our tax practices with international standards and actively study ways to foster the development of industries through tax measures including enhanced deduction for I&T expenditure, so as to ensure that Hong Kong remains competitive and can create wealth. On the other hand, we will enhance our tax regime and explore broadening the tax base and increasing revenue, so as to ensure that adequate resources are available to support the sustainable development of our society.

The Financial Services and the Treasury Bureau is actively making preparatory work for setting up the tax policy unit and aims to formulate the direction and study areas for the unit shortly. The Financial Services and the Treasury Bureau has included about \$3.5 million in its Estimates of Expenditure for 2017-18 to meet the expenditure for the additional manpower required.

- End -

CONTROLLING OFFICER'S REPLY

FSTB(Tsy)046

(Question Serial No. 2948)

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

Subhead (No. & title): (000) Operational Expenses

Programme: (-) Not Specified

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

Director of Bureau: Secretary for Financial Services and the Treasury

Question:

The number of civil servant directorate posts of the Treasury Branch has increased by 1 post from 18 last year to 19 this year. Please advise on:

1. the scope of work of the additional directorate civil servant; and
2. the respective rank and remuneration of each of the 19 directorate civil servants.

Asked by: Hon LEUNG Kwok-hung (Member Question No. 32)

Reply:

1. The Treasury Branch of the Financial Services and the Treasury Bureau plans to create one new directorate post in 2017-18, leading a new team to handle the increasing workload in policy and legislative matters, among others, relating to Hong Kong's cooperation with the international community on tax issues. The proposed creation of the Administrative Officer Staff Grade C (AOSGC) post is subject to approval by the Finance Committee of the Legislative Council.
2. There will be 19 directorate posts on the establishment of the Treasury Branch in 2017-18, including one Administrative Officer Staff Grade A1, two Administrative Officer Staff Grade B1, one Administrative Officer Staff Grade B, nine AOSGC, two Assistant Directors of Accounting Services, two Principal Executive Officers and two Chief Treasury Accountants. The salary provisions earmarked for the above 19 directorate posts in 2017-18 are about \$40.49 million.

- End -

CONTROLLING OFFICER'S REPLY

FSTB(Tsy)047

(Question Serial No. 3151)

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) (Ms Elizabeth TSE)

Director of Bureau: Secretary for Financial Services and the Treasury

Question:

The Housing Reserve, which was established in 2014 to support large-scale public housing development projects, now stands at \$77 billion and the sum is retained within the Exchange Fund. The Housing Reserve is kept outside the Government's accounts and does not form part of the fiscal reserves.

It is known that the investment incomes for 2014-15 and 2015-16 on the balance of the Civil Service Pension Reserve Fund placed with the Exchange Fund are \$973,038,000 and \$1,487,958,000 respectively. These, along with the investment income on other parts of the fiscal reserves, have been set aside and retained within the Exchange Fund for the Housing Reserve. In this regard, please inform this Committee of the following:

1. How is the Housing Reserve accounted for as it is kept outside both the Government's accounts and the fiscal reserves? How do we know the exact amount of the Government's income, expenditure and reserve in this respect?
2. Which subhead of the Exchange Fund does the Housing Reserve fall into?
3. What are the justifications for transferring the investment income of the Civil Service Pension Reserve Fund to the Housing Reserve?
4. The provision from the Civil Service Pension Reserve Fund increased from \$100 million in 2015 to \$3.8 billion in 2016. Does the increase relate to the loss of investment income for 2 years?

Asked by: Hon LEUNG Kwok-hung (Member Question No. 25)

Reply:

This question is not directly relevant to Head 147.

The Government established a Housing Reserve to meet the 10-year public housing supply target. Given the huge financial commitment, the Government sees the need for advance planning in order to reduce fiscal volatility.

Investment incomes of \$27.5 billion and \$45.1 billion were set aside as injections into the Housing Reserve in 2014 and 2015 respectively. Taking these provisions together with the accumulated investment returns, the balance now stands at about \$77 billion. The balance of the Housing Reserve and its interest accrued are reported in the annual financial statements of the Exchange Fund published in April/May each year and in the Government's annual accounts tabled at the Legislative Council in November each year for disclosure purpose.

Housing Reserve is a receivable. When the Government and the Housing Authority (HA) agree on a need for an injection after discussion in the future, the Government will first "transfer" the receivable back into the 9 different accounts/funds of the fiscal reserves and then seek the Finance Committee's approval of the "injection" into the HA. The Civil Service Pension Reserve Fund (CSPRF) is one of the funds of the entire fiscal reserves.

The objective of transferring funds from the General Revenue Account to the CSPRF is to maintain a fund balance of not less than the estimated pension expenditure of the budget year. Whether it is necessary to transfer funds from the General Revenue Account to the Reserve Fund in individual years depends largely on the estimated pension expenditure for the year. The estimated pension expenditure is determined by various factors including the number of new pensioners and the life expectancy of eligible pensioners.

- End -

CONTROLLING OFFICER'S REPLY

FSTB(Tsy)048

(Question Serial No. 1539)

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) (Ms Elizabeth TSE)

Director of Bureau: Secretary for Financial Services and the Treasury

Question:

Regarding the work to “continue to expand the treaty network of comprehensive avoidance of double taxation agreements with trading partners”, the number of avoidance of double taxation agreements entered into by Singapore with various countries/regions is 84 while that of Hong Kong is 36.

1. What are the establishment responsible for the above work and the expenditure involved?
2. As shown in the information available on the Inland Revenue Department (IRD)’s website, the Government is now having negotiations with 13 countries. When will the negotiations with these 13 countries be expected to complete?
3. Apart from these 13 countries, will the IRD commence negotiations with other countries in 2017-18? If yes, what are the details?
4. Does the Government have any plans to expedite the conclusion of avoidance of double taxation agreements with other countries?

Asked by: Hon TO Kun-sun, James (Member Question No. 30)

Reply:

We are committed to expanding Hong Kong’s network of Comprehensive Avoidance of Double Taxation Agreements (CDTAs) with our trading partners. So far, we have signed 37 CDTAs, including the latest two signed with Belarus and Pakistan in January and February this year respectively. At present, Hong Kong’s CDTA network covers 12 of its first 20 trading partners.

We are now pursuing CDTA negotiations with more than 10 jurisdictions, including Germany, Finland, India, Israel, Nigeria and Turkey. We will strive for early conclusion of the negotiations and early signing of the relevant agreements, while continuing to lobby other our trading partners for pursuing CDTA negotiations with us.

The negotiation work is mainly coordinated by a Deputy Commissioner of the Inland Revenue Department who leads the Tax Treaty Section to take up the relevant tasks. Since such work forms part of the day-to-day duties of the officers concerned, information on the number of officers dedicated to the related work (and their respective ranks) or the estimated expenditure for such work is not available.

- End -

CONTROLLING OFFICER'S REPLY

FSTB(Tsy)049

(Question Serial No. 1544)

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) (Ms Elizabeth TSE)

Director of Bureau: Secretary for Financial Services and the Treasury

Question:

To review the tax policy of Hong Kong, the Financial Secretary mentioned in paragraph 54 of the Budget Speech the “plan to set up a tax policy unit in the Financial Services and the Treasury Bureau to comprehensively examine these tax issues from a macro perspective.”

1. When will the above policy unit be established? How many members will there be? Besides the Financial Services and the Treasury Bureau, will the unit include members from other policy bureaux or non-official members?
2. Are there any preliminary work plans or issues of higher priority for review? What is the earliest time expected for releasing the preliminary study and soliciting the public opinions?
3. What are the estimated staff establishment and expenditure of the policy unit?

Asked by: Hon TO Kun-sun, James (Member Question No. 31)

Reply:

The Financial Secretary announced in the 2017-18 Budget that the Financial Services and the Treasury Bureau would set up a tax policy unit. On the one hand, we will seek to align our tax practices with international standards and actively study ways to foster the development of industries through tax measures including enhanced deduction for I&T expenditure, so as to ensure that Hong Kong remains competitive and can create wealth. On the other hand, we will enhance our tax regime and explore broadening the tax base and increasing revenue, so as to ensure that adequate resources are available to support the sustainable development of our society.

The Financial Services and the Treasury Bureau is actively making preparatory work for setting up the tax policy unit and aims to formulate the direction and study areas for the unit shortly. The issue of deduction for I&T expenditure will be among the first batch of study areas. The Financial Services and the Treasury Bureau has included about \$3.5 million in its Estimates of Expenditure for 2017-18 to meet the expenditure for the additional manpower required.

- End -

CONTROLLING OFFICER'S REPLY

FSTB(Tsy)050

(Question Serial No. 0883)

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) (Ms Elizabeth TSE)

Director of Bureau: Secretary for Financial Services and the Treasury

Question:

In the 2017-18 Budget Speech, the Financial Secretary Mr Paul CHAN has proposed to set up a tax policy unit to enhance our tax regime. In this connection, what are the specific operating expenses for setting up the tax policy unit in the coming 3 years?

Asked by: Hon WONG Ting-kwong (Member Question No. 28)

Reply:

The Financial Secretary announced in the 2017-18 Budget that the Financial Services and the Treasury Bureau would set up a tax policy unit. On the one hand, we will seek to align our tax practices with international standards and actively study ways to foster the development of industries through tax measures including enhanced deduction for I&T expenditure, so as to ensure that Hong Kong remains competitive and can create wealth. On the other hand, we will enhance our tax regime and explore broadening the tax base and increasing revenue, so as to ensure that adequate resources are available to support the sustainable development of our society.

The Financial Services and the Treasury Bureau is actively making preparatory work for setting up the tax policy unit and aims to formulate the direction and study areas for the unit shortly. The issue of deduction for I&T expenditure will be among the first batch of study areas. The Financial Services and the Treasury Bureau has included about \$3.5 million in its Estimates of Expenditure for 2017-18 to meet the expenditure for the additional manpower required.

- End -

CONTROLLING OFFICER'S REPLY

FSTB(Tsy)051

(Question Serial No. 1020)

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) (Ms Elizabeth TSE)

Director of Bureau: Secretary for Financial Services and the Treasury

Question:

Who are the trading partners with whom the Government will commence communication and negotiation on comprehensive avoidance of double taxation agreements and exchange of information agreements in the next 3 years? What are the specific work and expenditure involved?

Asked by: Hon WONG Ting-kwong (Member Question No. 38)

Reply:

We are committed to expanding Hong Kong's network of Comprehensive Avoidance of Double Taxation Agreements (CDTAs) with our trading partners. So far, we have signed 37 CDTAs, including the latest two signed with Belarus and Pakistan in January and February this year respectively. At present, Hong Kong's CDTA network covers 12 of its first 20 trading partners. For jurisdictions with no interest to pursue CDTAs with Hong Kong for the time being, Hong Kong may need to sign Tax Information Exchange Agreements (TIEAs) with them instead. So far, we have signed 7 TIEAs.

We are now pursuing CDTA negotiations with more than 10 jurisdictions, including Germany, Finland, India, Israel, Nigeria and Turkey. We will strive for early conclusion of the negotiations and early signing of the relevant agreements, while continuing to lobby other trading partners for pursuing CDTA negotiations with us.

The negotiation work is mainly coordinated by a Deputy Commissioner of the Inland Revenue Department who leads the Tax Treaty Section to take up the relevant tasks. Since such work forms part of the day-to-day duties of the officers concerned, information on the number of officers dedicated to the related work (and their respective ranks) or the estimated expenditure for such work is not available.

- End -

CONTROLLING OFFICER'S REPLY

FSTB(Tsy)052

(Question Serial No. 1026)

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) (Ms Elizabeth TSE)

Director of Bureau: Secretary for Financial Services and the Treasury

Question:

What is the specific work of the Government in streamlining financial regulations within the Government and in streamlining and expediting tendering procedures for the coming 3 years? What is the estimated amount of government savings arising from such work? How can such work enhance the efficiency of tendering procedures in the Government?

Asked by: Hon WONG Ting-kwong (Member Question No. 39)

Reply:

The Government from time to time reviews the financial regulations and improves the procurement processes, and streamlines the tendering procedures and modus operandi in compliance with the obligations under the Agreement on Government Procurement of the World Trade Organization. In the past few years, the Government has implemented certain measures to streamline and expedite the procurement procedures. These include –

- (a) delegating the approving authority from the relevant tender boards to Controlling Officers for the procurement of low-value goods, services and revenue contracts to streamline the approval procedures;
- (b) encouraging procuring departments to simplify tender invitation documents, and consider limiting the length of tender submissions to reduce the workload of both the procuring departments and the tenderers;
- (c) encouraging procuring departments to adopt standard terms and conditions in procuring IT-related contracts to save time in preparing tender invitation documents, thereby speeding up the procurement process;
- (d) dispensing with the need to conduct financial vetting for low-value and/or low risk procurements to expedite the procurement process; and

- (e) relaxing the financial thresholds for adopting quotation procedures, so that the simplified procedures can be applied to more consultancies and minor works procurement.

The Government will examine the effectiveness of the measures on the basis of departments' feedback and data collated by the Government Logistics Department, and will continue to review and improve the internal financial regulations and procurement processes. We are unable to provide an objective and concrete estimate on the cost benefits brought to the departments by implementing such measures.

- End -

CONTROLLING OFFICER'S REPLY

FSTB(Tsy)053

(Question Serial No. 1598)

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

Subhead (No. & title): ()

Programme: Not Specified

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

Director of Bureau: Secretary for Financial Services and the Treasury

Question:

1. Regarding the Future Fund established in 2016, please advise us of the latest financial position and investment portfolio performance of the fund, and provide a breakdown of its investment placed with the Exchange Fund.

2. What are the estimated expenditure and manpower required for administering the fund this year?

Asked by: Hon WONG Ting-kwong (Member Question No. 65)

Reply:

1. The Future Fund was set up on 1 January 2016 with an initial endowment of \$219.7 billion. As from 1 July 2016, it also includes \$4.8 billion, being one-third of the surplus in 2015-16 as top up. It is an integral part of the fiscal reserves and is placed with the Exchange Fund for an initial 10-year investment period.

About 50 per cent of the Future Fund will be set aside for incremental placement with the Exchange Fund's Long-Term Growth Portfolio to be built up gradually over a period of around three years, which includes private equities and investments in properties outside Hong Kong. The rest will be placed with the Exchange Fund's Investment Portfolio or other investment assets.

In line with the long-term savings and investment objectives, the investment returns arising from the Future Fund during the course of the placement shall be retained by the Exchange Fund for reinvestment. Interests on the Future Fund placement with the Exchange Fund shall be due for payment to Government upon completion of the placement period, or on a date as directed by the Financial Secretary. For disclosure purposes, the balance of Future Fund and its composite rate of return will be reported in the annual financial statements of the Exchange Fund published in April / May each year and in Government's annual accounts tabled at the Legislative Council in November each year.

2. The expenditure and manpower involved in the Future Fund will be absorbed within the existing resources of the Financial Services and the Treasury Bureau (The Treasury Branch).

- End -

CONTROLLING OFFICER'S REPLY

FSTB(Tsy)054

(Question Serial No. 3217)

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) (Ms Elizabeth TSE)

Director of Bureau: Secretary for Financial Services and the Treasury

Question:

It is mentioned in the Budget that government departments will continue to review their fees and charges in accordance with the “cost recovery” and “user pays” principles to ensure the effective use of public financial resources. Please provide details of the fees and charges under review in 2017-18, and the number of fees and charges to be adjusted upward.

Asked by: Hon YEUNG Alvin (Member Question No. 55)

Reply:

Unless otherwise stated in policies, government services are generally charged in accordance with the “user pays” principle to achieve full cost recovery for the services provided. This is a long-established fee charging principle and an important measure of fiscal discipline.

Policy bureaux and departments will review their respective fees and charges in a timely manner in accordance with the “cost recovery” and “user pays” principles, and make fee revision proposals based on the review findings. In reviewing the fees and charges, policy bureaux and departments will take into account factors including policy considerations relevant to the specific services provided, fiscal discipline, public affordability and acceptability, and the views of stakeholders before making fee revision proposals. Government departments will also keep costs under strict control and reduce the need for increasing fees and charges as far as possible.

There are altogether several thousand government fees and charges. The review details are in the hands of the relevant departments.

- End -

CONTROLLING OFFICER'S REPLY

FSTB(Tsy)055

(Question Serial No. 3124)

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) (Ms Elizabeth TSE)

Director of Bureau: Secretary for Financial Services and the Treasury

Question:

The Government has set aside part of the fiscal reserves to the Future Fund since January 2016. What is the current performance of the Fund?

Asked by: Hon YIU Chung-yim (Member Question No. 111)

Reply:

The Future Fund was set up on 1 January 2016 with an initial endowment of \$219.7 billion. As from 1 July 2016, it also includes \$4.8 billion, being one-third of the surplus in 2015-16 as top up. It is an integral part of the fiscal reserves and is placed with the Exchange Fund for an initial 10-year investment period.

About 50 per cent of the Future Fund will be set aside for incremental placement with the Exchange Fund's Long-Term Growth Portfolio to be built up gradually over a period of around three years, which includes private equities and investments in properties outside Hong Kong. The rest will be placed with the Exchange Fund's Investment Portfolio or other investment assets.

In line with the long-term savings and investment objectives, the investment returns arising from the Future Fund during the course of the placement shall be retained by the Exchange Fund for reinvestment. Interests on the Future Fund placement with the Exchange Fund shall be due for payment to Government upon completion of the placement period, or on a date as directed by the Financial Secretary. For disclosure purposes, the balance of Future Fund and its composite rate of return will be reported in the annual financial statements of the Exchange Fund published in April / May each year and in Government's annual accounts tabled at the Legislative Council in November each year.

- End -

CONTROLLING OFFICER'S REPLY**FSTB(Tsy)056-1****(Question Serial No. 6449)**

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

Subhead (No. & title): (000) Operational expenses

Programme: (1) Director of Bureau's Office

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

Director of Bureau: Secretary for Financial Services and the Treasury

Question:

1. Regarding the expenses on entertainment and gifts of your bureau and the departments under its purview over the past two years, please provide details using the table below:

Bureau/branch/department and year	Estimated expenses on entertainment and gifts in the year	Actual expenses on entertainment and gifts in the year	Cap on entertainment expenses (including beverages) per head for the year	Cap on gift expenses per guest for the year	Number of receptions held and total number of guests entertained in the year

2. Regarding the expenses on entertainment and gifts of your bureau and the departments under its purview this year, please provide details using the table below:

Bureau/branch/department	Date of reception (day/month/year)	Departments/organisations and titles of the guests entertained (grouped by department/organisation and indicating the number of guests)	Food expenses incurred in the reception	Beverage and gift expenses incurred in the reception	Venue of the reception (department office/ restaurant in government facilities/ private restaurant/ others (please specify))

3. Please provide the estimated expenses on entertainment and gifts for next year using the table below:

Bureau/branch/ Department	Estimated provision for expenses on entertainment and gifts	Cap on entertainment expenses per guest	Cap on gift expenses per guest

Asked by: Hon CHEUNG Chiu-hung, Fernando (Member Question No.1901)

Reply:

As a general rule, all politically appointed officials and civil servants should observe the same principles in the provision of official meals. They are required to exercise prudent judgement and economy in order to avoid any public perception of extravagance and act in accordance with the relevant regulations and administrative guidelines. According to the existing guidelines, the expenditure limits on entertainment in the form of official meals should not exceed \$450 per person for lunch or \$600 per person for dinner, inclusive of all expenses incurred on food and beverages consumed on the occasion, service charges and tips. Official entertainment provided by the Office of the Secretary for Financial Services and the Treasury (SFST), the Treasury Branch and departments under its purview is also subject to the same principles and guidelines. In 2014-15, 2015-16 and 2016-17 (as at 28.2.2017), the actual expenses on official entertainment incurred by the Office of the SFST, the Treasury Branch and departments under its purview are \$180,000, 230,000 and \$110,000 respectively. The estimated expenditure for 2017-18 is \$220,000.

In line with the Government's green policy, public officers should as far as possible refrain from bestowing gifts/souvenirs to others during the conduct of official activities. According to the existing guidelines, where bestowal of gifts/souvenirs is necessary or unavoidable due to operational, protocol or other reasons, the gift/souvenir items should not be lavish or extravagant and the number should be kept to a minimum. Also, the exchange of gifts/souvenirs should only be made from organisation to organisation. As we do not maintain separate accounts for the expenses on the procurement of gifts and souvenirs, relevant statistics are not available.

- End -

CONTROLLING OFFICER'S REPLY

FSTB(Tsy)056-2

(Question Serial No. 5372)

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

Subhead (No. & title): ()

Programme: (1) Director of Bureau's Office, (2) Revenue and Financial Control, (3) Service Departments

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

Director of Bureau: Secretary for Financial Services and the Treasury

Question:

Regarding the expenditure on entertainment and gifts of your bureau and the departments under your purview in the past two years, please provide details of the following: the office of the Secretary of Department or Director of Bureau/bureau/branch/department and the year concerned; the estimated expenditure on entertainment and gifts; the actual expenditure on entertainment and gifts; the expenditure limit for entertainment (including beverages) per head; the expenditure limit for gift per guest; and the number of receptions held and total number of guests entertained.

Regarding the expenditure on entertainment and gifts of your bureau and the departments under your purview incurred on each occasion in the past year, please provide details of the following: the office of the Secretary of Department or Director of Bureau/bureau/branch/department concerned; the date of reception; the departments/organisations and titles of the guests entertained (grouped by department/organisation and indicating the number of guests); the food expenses incurred; the beverage expenses incurred; the gift expenses incurred; and the venue of the reception (department office/restaurant in government facilities/private restaurant/others (please specify)).

Please provide the estimated expenditure on entertainment and gifts for the coming year, with details of the following: the office of the Secretary of Department or Director of Bureau/bureau/branch/department concerned; the estimated expenditure on entertainment and gifts; the expenditure limit for entertainment per guest; and the expenditure limit for entertainment per guest.

Asked by: Hon YIU Chung-yim (Member Question No. 185)

Reply:

As a general rule, all politically appointed officials and civil servants should observe the same principles in the provision of official meals. They are required to exercise prudent judgement and economy in order to avoid any public perception of extravagance and act in accordance with the relevant regulations and administrative guidelines. According to the existing guidelines, the expenditure limits on entertainment in the form of official meals should not exceed \$450 per person for lunch or \$600 per person for dinner, inclusive of all expenses incurred on food and beverages consumed on the occasion, service charges and tips. Official entertainment provided by the Office of the Secretary for Financial Services and the Treasury (SFST), the Treasury Branch and departments under its purview is also subject to the same principles and guidelines. In 2014-15, 2015-16 and 2016-17 (as at 28.2.2017), the actual expenses on official entertainment incurred by the Office of the SFST, the Treasury Branch and departments under its purview are \$180,000, 230,000 and \$110,000 respectively. The estimated expenditure for 2017-18 is \$220,000.

In line with the Government's green policy, public officers should as far as possible refrain from bestowing gifts/souvenirs to others during the conduct of official activities. According to the existing guidelines, where bestowal of gifts/souvenirs is necessary or unavoidable due to operational, protocol or other reasons, the gift/souvenir items should not be lavish or extravagant and the number should be kept to a minimum. Also, the exchange of gifts/souvenirs should only be made from organisation to organisation. As we do not maintain separate accounts for the expenses on the procurement of gifts and souvenirs, relevant statistics are not available.

- End -

CONTROLLING OFFICER'S REPLY**FSTB(Tsy)057****(Question Serial No. 6822)**Head: (25) Architectural Services DepartmentSubhead (No. & title): (000) Operational ExpensesProgramme: (2) Facilities UpkeepControlling Officer: Director of Architectural Services (KK LEUNG)Director of Bureau: Secretary for Financial Services and the TreasuryQuestion:

Please list the costs and scope of repair and maintenance works undertaken for each official residence in each of the past 5 financial years.

Asked by: Hon CHAN Tanya (Member Question No. 140)Reply:

The costs incurred by the Architectural Services Department (ArchSD) for the facilities upkeep of the official residences of the Principal Officials under the accountability system from 2012-13 to 2016-17 are as follows:

Official Residences²	Financial Year (\$ 0,000)¹				
	2012-13	2013-14	2014-15	2015-16	2016-17 (as at February 2017)
Official Residence of Chief Executive Floor Area: 8 990m ²	1 729	503	404	135	206
Official Residence of Chief Secretary for Administration Floor Area: 1 342m ²	194	59	42	51	29
Official Residence of Financial Secretary Floor Area : 890m ²	41	9	11	4	14 ³
Official Residence of Secretary for Justice Floor Area: 457m ²	140	41	2	5	2

Note 1: Maintenance works for government buildings are funded under the Head 25 Subhead 000 while refurbishment and improvement works are funded under the Capital Works Reserve Fund. The cost figures shown in the table include the costs of all three categories of works. As the costs for most of the works projects are not settled within the same year, the figures shown in the table reflect the total costs in terms of cash flows of the relevant years.

Note 2: Apart from being the official residence of the Chief Executive, the Government House is also a declared monument of over 160 years old and enjoys protection under the Antiquities and Monuments Ordinance. The official residences of the Chief Secretary for Administration and the Financial Secretary are Grade 2 historic buildings with about 66 and 82 years of history respectively. Appropriate facilities upkeep is necessary for the proper conservation of these historic buildings.

Note 3: Apart from routine facilities upkeep, the last time a major maintenance works project was undertaken for the official residence of the Financial Secretary was back in 2007. As such, many building structures and facilities of this official residence show signs of wear and tear after years of use. In accordance with the established procedures, the relevant departments proposed to carry out necessary repair and restoration works for the official residence on the departure of the former Financial Secretary. These works are an integral part of necessary maintenance works for the official residence and, when completed, would not need to be carried out again on the assumption of the new Financial Secretary of the next term.

The cost estimate for repairing the wear and tear and replacing the worn out facilities of the official residence of the Financial Secretary in February 2017 totalled about \$830,000. The works undertaken by the ArchSD would account for about \$590,000 and would be funded under the Head 25 Subhead 000. As the cost is settled after February 2017, it is not reflected in the above table.

The major works projects undertaken at each of these official residences in the past 5 years (as at February 2017) are as follows:

Official Residences	Major Works Projects
Official Residence of the Chief Executive	Complete replacement of roof supports and tiles; waterproofing works for roof; renovation of a swimming pool; interior decoration and improvement works; painting and refurbishment works for fence walls and chain link fences; improvement works for air conditioning, ventilation and security systems; refurbishment works for a carpark; road resurfacing works; statutory tests for electrical installations and improvement works for electricity systems, etc.

Official Residence	Major Works Projects
Official Residence of Chief Secretary for Administration	Finishing works for internal and external walls; interior decoration works; improvement works for air conditioning, electrical and security systems; improvement works for garden floor and lighting systems, etc.
Official Residence of Financial Secretary	Repair the wear and tear of building structures and floor slabs, replace worn out carpets; repair the paint works of external walls, etc.
Official Residence of Secretary for Justice	Finishing works for internal and external walls; interior decoration works; improvement works for air conditioning, electrical and security systems, etc.

Apart from the above major works projects, the ArchSD also undertakes routine maintenance works including water pipes, woodwork, doors and windows, carpet, paint works, roofing, waterproofing, cement plastering and termite control for the official residences. The categories and number of works are too numerous to itemise in full. As for other government buildings, facilities upkeep works for official residences are also carried out as and when necessary.

- End -

CONTROLLING OFFICER'S REPLY**FSTB(Tsy)058****(Question Serial No. 3908)**Head: (25) Architectural Services DepartmentSubhead (No. & title): ()Programme: (2) Facilities UpkeepControlling Officer: Director of Architectural Services (KK LEUNG)Director of Bureau: Secretary for DevelopmentQuestion:

Regarding facilities upkeep under this Programme, please provide this Committee with the following:

- 1) the number and types (e.g. potholes, burst water pipes) of emergency repair works undertaken in the past 2 years with breakdown by the 18 administrative districts and types of works;
- 2) the number and values of works orders issued by the Architectural Services Department to contractors in 2015-16 and 2016-17 with breakdown by the types of repairs; and
- 3) the application of enhanced term contract arrangement in the work of facilities upkeep, if any, over the past 3 financial years since the launch of such arrangement to entrust the responsibility for managing routine facility maintenance to contractors on a trial basis in 2008.

Asked by: Hon WU Chi-wai (Member Question No. 61)Reply:

1. The number of emergency repair works undertaken by the Architectural Services Department (ArchSD) in the past 2 financial years, for example burst water pipes in government buildings, is listed below:

Financial year	
2015-16	2016-17 (as at the end of January 2017)
16 864 cases	14 130 cases

- Note:
1. As the ArchSD does not award maintenance contracts by the 18 administrative districts, a breakdown by districts is not available.
 2. Emergency repair works means works of urgent nature that has to be attended to within one hour of notification.

2. The number and expenditure of works orders issued by the ArchSD on maintenance and repair works in the past 2 financial years are listed below:

Financial year			
2015 – 16		2016 – 17 (as at the end of January 2017)	
Number of works orders	Expenditure (\$ million)	Number of works orders	Expenditure (\$ million)
370 604	221.7	342 668	188.8

3. In the past 3 financial years, the ArchSD has applied enhanced term contracts for the maintenance of slopes. According to the terms of the enhanced term contracts, the responsibility for routine facility maintenance is entrusted to the contractors. The details of the term contracts are listed below:

Contracts	Contract period	Duties entrusted to contractors for managing routine facility maintenance
Term contract for the maintenance of slopes (Hong Kong Island and Outlying Islands (South))	April 2011 to March 2013	<ul style="list-style-type: none"> • Routine slope inspection and maintenance works • Vegetation inspection and risk mitigation measure • Anti-mosquito inspection and mosquito control work • Regular inspection and maintenance of buried water-carrying services
	April 2013 to September 2017	
Term contract for the maintenance of slopes (Kowloon and Lantau Island)	April 2011 to March 2013	
	April 2013 to September 2017	
Term contract for the maintenance of slopes (New Territories and Outlying Islands (North))	April 2012 to March 2016	
	April 2016 to September 2019	

- End -

CONTROLLING OFFICER'S REPLY**FSTB(Tsy)059****(Question Serial No. 4153)**Head: (31) Customs and Excise DepartmentSubhead (No. & title): (000) Operational expensesProgramme: (4) Revenue Protection and CollectionControlling Officer: Commissioner of Customs and Excise (Roy TANG)Director of Bureau: Secretary for Financial Services and the TreasuryQuestion:

Please set out in tabular form the amount of the illicit cigarette, tobacco and cigar seized; the number of cases detected; and the number of persons arrested by the Customs and Excise Department for the past 3 years, and the total market values and total dutiable values of each of the above illicit tobacco products.

Asked by: Hon CHAN Chi-chuen (Member Question No. 111)Reply:

Details of cases involving illicit cigarette, tobacco and cigar seized from local illegal activities by the Customs and Excise Department in the past 3 years are as follows:

Illicit cigarette

	2014	2015	2016
Number of cases	11 532	10 231	8 286
Number of persons arrested	11 618	10 285	8 355
Amount of illicit cigarettes (million sticks)	52	52	62
Total value (million dollars)	130	140	170
Total dutiable value (thousand dollars)	95,000	99,000	119,000

Illicit tobacco

	2014	2015	2016
Number of cases	72	58	50
Number of persons arrested	72	63	42
Amount of illicit tobacco (kg)	11 800	1 200	110
Total value (thousand dollars)	200	470	35
Total dutiable value (thousand dollars)	30	2,600	160

Illicit cigar

	2014	2015	2016
Number of cases	74	91	71
Number of persons arrested	76	88	70
Amount of illicit cigar (kg)	11	20	13
Total value (thousand dollars)	40	85	81
Total dutiable value (thousand dollars)	25	49	31

- End -

CONTROLLING OFFICER'S REPLY**FSTB(Tsy)060****(Question Serial No. 4181)**Head: (31) Customs and Excise DepartmentSubhead (No. & title): (000) Operational expensesProgramme: (4) Revenue Protection and CollectionControlling Officer: Commissioner of Customs and Excise (Roy TANG)Director of Bureau: Secretary for Financial Services and the TreasuryQuestion:

Please set out in tabular form the amounts, total sales values and total dutiable values of the duty-paid cigarette, tobacco and cigar sold within Hong Kong for the past 3 years.

Asked by: Hon CHAN Chi-chuen (Member Question No. 4181)Reply:

In the past 3 years, the amounts of duty-paid cigarette, tobacco and cigar and the total amount of duty collected by the Customs and Excise Department (C&ED) from dutiable tobacco are as follows:

	2014	2015	2016
Cigarettes (million sticks)	3 149	3 270	3 334
Tobaccos (kg)	22 859	20 763	18 027
Cigars (kg)	9 189	10 088	8 612
Total amount of duty collected from dutiable tobacco (\$ million)	5,841	6,302	6,413

C&ED does not maintain sales data on duty-paid tobacco products.

- End -

CONTROLLING OFFICER'S REPLY**FSTB(Tsy)061****(Question Serial No. 7210)**Head: (31) Customs and Excise DepartmentSubhead (No. & title): (000) Operational expensesProgramme: (1) Control and EnforcementControlling Officer: Commissioner of Customs and Excise (Roy TANG)Director of Bureau: Secretary for Financial Services and the TreasuryQuestion:

1. What are the number of officers to be deployed by the Customs and Excise Department (C&ED) at various control points to intercept dutiable commodities and the estimated provision involved in 2017-2018?
2. What were the actual amount of illicit cigarettes seized by C&ED at various control points, the number of staff and the actual expenditure involved in the past 5 years? What will be the number of staff to be deployed by the Department for combating illicit cigarette activities and the actual expenditure in 2017-2018?

Asked by: Hon CHAN Tanya (Member Question No. 533)Reply:

1. In 2017-18, the expenditure for the work under Programme (1) Control and Enforcement by the Customs and Excise Department (C&ED) is estimated to be about \$2,706.8 million, involving 5 050 posts. Since interception of dutiable goods at control points in Hong Kong is part of the enforcement work of C&ED, it would be difficult for C&ED to separately quantify the number of officers and the breakdown of expenditure involved.

2. The amount of illicit cigarettes seized by C&ED at various control points in the past 5 years is as follows –

	2012	2013	2014	2015	2016
Amount of illicit cigarettes (million sticks)	33.1	47.2	38.3	38.4	50.9

Since interception of illicit cigarettes at control points is part of the enforcement work of C&ED, it would be difficult to separately quantify the number of officers and the expenditure involved.

Apart from intercepting illicit cigarettes at control points, C&ED will also keep up its efforts to combat the storage, distribution and peddling (including telephone ordering) of illicit cigarettes. In 2017-18, C&ED will continue to deploy 61 officers to combat illicit cigarette activities on these fronts, involving an expenditure of approximately \$23.29 million.

- End -

CONTROLLING OFFICER'S REPLY**FSTB(Tsy)062****(Question Serial No. 3706)**Head: (31) Customs and Excise DepartmentSubhead (No. & title): (000) Operational expensesProgramme: (4) Revenue Protection and CollectionControlling Officer: Commissioner of Customs and Excise (Roy TANG)Director of Bureau: Secretary for Financial Services and the TreasuryQuestion:

What were the number of cases of selling illicit cigarettes through telephone ordering detected, amount of illicit cigarettes seized and number of persons arrested by the Customs and Excise Department (C&ED) in the past 5 years? What are the estimated provision and the number of staff to be deployed for combating telephone ordering of illicit cigarettes by C&ED in 2017-2018?

Asked by: Hon CHAN Tanya (Member Question No. 536)Reply:

Details of the cases of telephone ordering of illicit cigarettes detected by C&ED in the past 5 years are as follows:

	2012	2013	2014	2015	2016
Number of cases	134	195	318	452	428
Amount of illicit cigarettes seized (million sticks)	3.4	2	3	1.4	3.8
Number of persons arrested	167	225	329	465	441

In 2017-18, C&ED will dedicate a total of 26 officers to take enforcement actions against telephone ordering of illicit cigarettes, involving an expenditure of about \$9.94 million.

- End -

CONTROLLING OFFICER'S REPLY

FSTB(Tsy)063

(Question Serial No. 4201)

Head: (51) Government Property Agency

Subhead (No. & title):

Programme: (1) Acquisition and Allocation

Controlling Officer: Government Property Administrator (Tommy Yuen)

Director of Bureau: Secretary for Financial Services and the Treasury

Question:

Would the Government advise this Committee the amount of rents out of the provision for rents and management fees for properties in the 2017-18 estimates? Please list the locations of the leased-in properties and their rents in 2017-18.

Asked by: Hon CHAN Chi-chuen (Member Question No. 170)

Reply:

The estimated rental expenditure (excluding management fees and air-conditioning charges) for 2017-18 under Programme (1) is about \$500 million. The locations of properties concerned and the estimated amounts of rents are tabulated as follows:

Locations of Properties (by District)	Estimated Rental Expenditure for 2017-18 (\$million) (approx.)
Central and Western	19
Eastern	20
Southern	18
Wan Chai	76
Kowloon City	7
Kwun Tong	79
Sham Shui Po	21
Wong Tai Sin	19
Yau Tsim Mong	111
Islands	3
Kwai Tsing	10
North	15
Sai Kung	7
Sha Tin	32
Tai Po	4
Tsuen Wan	20
Tuen Mun	20
Yuen Long	19

- End -

CONTROLLING OFFICER'S REPLY**FSTB(Tsy)064****(Question Serial No. 6855)**Head: (51) Government Property AgencySubhead (No. & title):Programme: (3) Estate UtilisationControlling Officer: Government Property Administrator (Tommy Yuen)Director of Bureau: Secretary for Financial Services and the TreasuryQuestion:

1. What expenditure did Government Property Agency spend on reviewing under-utilised sites managed by government bureaux and departments over the past 5 years?
2. Please tabulate the exact locations, areas, idle periods, current land uses and planned uses in respect of all under-utilised sites currently managed by government bureaux and departments:

Bureaux / Departments	Site Location	Site Area	Idle Period	Current Land Use	Planned Use

Asked by: Hon CHAN Tanya (Member Question No. 90)Reply:

1. Government Property Agency ("GPA") has been reviewing sites of government bureaux and departments with existing manpower and has met the related expenses from its existing resources. We do not have the statistics on the breakdown of expenditure for this task.
2. In 2016, GPA handed over 2 government sites which were found suitable for alternative uses or disposal to Lands Department for its handling in accordance with the established mechanism. Details of the sites are as follows:

Location of Site	Site area (m ²)(approx.)	Idle Period	Original Use	Planned Use
Tuen Mun Town Lot No. 547 Ex-Perowne Barracks (Part)	15 400	Relevant information not available	Military site	Residential use
Ex-Victoria Road Detention Centre (Part)	6 430	Relevant information not available	Detention Centre	Educational use

- End -

CONTROLLING OFFICER'S REPLY

FSTB(Tsy)065

(Question Serial No. 6914)

Head: (51) Government Property Agency

Subhead (No. & title):

Programme: (2) Property Management

Controlling Officer: Government Property Administrator (Tommy Yuen)

Director of Bureau: Secretary for Financial Services and the Treasury

Question:

Regarding outsourcing of services by the Government, please provide the following information:

- a. to tabulate by 18 districts the number of outsourced cleansing contracts which are due to expire within 3 years, including names of the contractors and the facilities concerned, contract sum, number of workers and the total amount of salary, and the contract expiry dates;
- b. to tabulate by 18 districts the number of outsourced security services contracts which are due to expire within 3 years, including names of the contractors and the facilities concerned, contract sum, number of workers and the total amount of salary, and the contract expiry dates;
- c. to tabulate the employment details of outsourced workers, including the distribution of their monthly salaries and length of service, the number of workers whose severance payments/long service payments have been offset by the employer's MPF contributions, and the amount of payments involved, broken down by cleansing contract and security contract.

Asked by: Hon KWOK Wai-keung (Member Question No. 50)

Reply:

- a. While the Government Property Agency ("GPA") does not have any outsourced cleansing contract, it has 6 outsourced property management services contracts ("PMSCs") which provide day-to-day cleaning and property management services to joint-user government office buildings, quarters developments and other government properties. The tenure of these 6 contracts is four years, covering the period from 1 April 2015 to 31 March 2019. Information of these contracts is summarised in the following table:

	Region	Name of Contractor	Contract Sum (Hong Kong Dollars)
1	Hong Kong 1 ¹	Urban Property Management Limited	\$217,408,280
2	Hong Kong 2 ²	Savills Property Management Limited	\$244,264,000
3	Kowloon 1 ³	Guardian Property Management Limited	\$175,154,960
4	Kowloon 2 ⁴	Urban Property Management Limited	\$193,851,128
5	New Territories 1 ⁵	ISS EastPoint Property Management Limited	\$176,543,704
6	New Territories 2 ⁶	Guardian Property Management Limited	\$220,085,744

About 1 860 cleaners and security guards were involved in the above 6 PMSCs (position as at October 2016). GPA does not have information on the total amount of salaries involved.

- b. GPA has two outsourced security services contracts (“SSCs”) which provide security services to official residences in Central & Western District and Southern District. The tenure of these 2 contracts is 3 years, covering the period from 4 March 2016 to 3 March 2019. Information of these contracts is summarised in the following table:

	Name of Contractor	Contract Sum (Hong Kong Dollars)
1	G4S Gurkha Services Limited	\$13,132,800
2	ISS Adams Secuforce Limited	\$11,750,400

About 32 security guards are involved in the above 2 contracts. GPA does not have information on the total amount of salaries of the staff concerned.

- c. As regards the 8 outsourced services contracts mentioned above, GPA does not have the information as set out at part c. of the question.

- End -

Notes

¹ Hong Kong 1: Includes Central & Western and Southern

² Hong Kong 2: Includes Eastern and Wan Chai

³ Kowloon 1: Includes Kowloon City (part), Kwun Tong and Wong Tai Sin

⁴ Kowloon 2: Includes Kowloon City (part), Sham Shui Po and Yau Tsim Mong

⁵ New Territories 1: Includes North District, Sai Kung, Shatin and Tai Po

⁶ New Territories 2: Includes Kwai Tsing, Tsuen Wan, Tuen Mun, Yuen Long and Islands

CONTROLLING OFFICER'S REPLY

FSTB(Tsy)066

(Question Serial No. 5006)

Head: (51) Government Property Agency

Subhead (No. & title):

Programme: (1) Acquisition and Allocation

Controlling Officer: Government Property Administrator (Tommy Yuen)

Director of Bureau: Secretary for Financial Services and the Treasury

Question:

Provision for 2017-18 under Programme (1) is \$22.3 million (3.0%) lower than the revised estimate for the last financial year. This is mainly due to anticipated savings from the deleasing of rented accommodation, partly offset by anticipated increases in office rentals. In this connection, please advise this Committee of the following:

1. the total rental of leased office accommodation and its percentage share in the overall expenditure under Programme (1); and
2. the total rental of leased Grade A office accommodation and its percentage share in the total rental of leased office accommodation.

Asked by: Hon LEUNG Kwok-hung (Member Question No. 518)

Reply:

In 2017-18, the estimated total rental expenditure (excluding management fees and air-conditioning charges) of the Government Property Agency is about \$500 million, representing approximately 70% of the expenditure under Programme (1). According to the office grading as assessed by the Rating and Valuation Department, the estimated rental expenditure for Grade A offices leased through the Agency is about \$240 million, representing approximately 48% of the total rental expenditure.

- End -

CONTROLLING OFFICER'S REPLY

FSTB(Tsy)067

(Question Serial No. 5044)

Head: (51) Government Property Agency

Subhead (No. & title): (661) Minor plant, vehicles and equipment (block vote)

Programme: (2) Property Management

Controlling Officer: Government Property Administrator (Tommy Yuen)

Director of Bureau: Secretary for Financial Services and the Treasury

Question:

Provision of \$51,371,000 under Subhead 661 Minor plant, vehicles and equipment (block vote) represents an increase of \$12,473,000 (32.1%) over the revised estimate for 2016-17. This is mainly due to the increased requirement for scheduled replacement of minor plant and equipment. In this connection, please inform this Committee of the following:

1. the distribution of the provision under Subhead 661 among Programmes (1) to (3);
2. please set out the content, equipment required and justification of the new requirements; and
3. the distribution of the increased provision among the 3 Programmes.

Asked by: Hon LEUNG Kwok-hung (Member Question No. 566)

Reply:

The entire expenditure under Subhead 661 of the Government Property Agency (GPA) falls within the expenditure on property management under Programme (2). The estimated expenditure under this subhead in 2017-18 mainly caters for the replacement of plant and equipment in government premises under GPA's management that have approached the end of their economic life, for instance, components of basic building services installations such as air-conditioning, lift and fire services, etc. The objective is to ensure the continuous safe and proper operation of the plant and equipment concerned, thereby safeguarding the normal operation of government premises. Furthermore, replacement components must comply with Government's prescribed requirements, including those relating to relevant legislations, safety standards, cost effectiveness, energy efficiency, etc. Since the provision for a certain year is to meet the actual needs anticipated for that year, a direct comparison between provisions in different years is not appropriate.

- End -

CONTROLLING OFFICER'S REPLY

FSTB(Tsy)068

(Question Serial No. 3337)

Head: (51) Government Property Agency

Subhead (No. & title):

Programme: Not Specified

Controlling Officer: Government Property Administrator (Tommy Yuen)

Director of Bureau: Secretary for Financial Services and the Treasury

Question:

Does your department provide sign language interpretation service? If yes, how much manpower and expenditure are involved? If no, why?

Asked by: Hon LEUNG Yiu-chung (Member Question No. 78)

Reply:

As clients of the Government Property Agency seldom require sign language translation service, the Agency has not allocated manpower and expenditure provision for this purpose.

- End -

CONTROLLING OFFICER'S REPLY

FSTB(Tsy)069

(Question Serial No. 7153)

Head: (51) Government Property Agency

Subhead (No. & title):

Programme: (3) Estate Utilisation

Controlling Officer: Government Property Administrator (Tommy Yuen)

Director of Bureau: Secretary for Financial Services and the Treasury

Question:

The Audit Commission publishes reports annually and audits government accounts. Following the Report No. 50 of the Director of Audit issued in 2008, will the Government inform:

- (1) the criteria for selecting former public rental housing (PRH) sites, former government quarters (including disciplined services quarters), former government office buildings, as well as other former government buildings and facilities for sale?
- (2) as at 31 March 2017, the respective number of former PRH sites sold during each of the past 3 financial years. What are their respective area, height restriction and plot ratio?
- (3) as at 31 March 2017, the respective number of former government quarters (including disciplined services quarters) sold during each of the past 3 financial years. What are their respective site area, height restriction and plot ratio?
- (4) as at 31 March 2017, the respective number of former government office buildings sold during each of the past 3 financial years. What are their respective site area, height restriction and plot ratio?
- (5) as at 31 March 2017, the respective number of former government buildings and facilities sold during each of the past 3 financial years. What are their respective site area, height restriction and plot?

Asked by: Hon MO Claudia (Member Question No. 69)

Reply:

The Government regularly reviews sites of policy bureaux and departments with a view to optimizing the utilization of land resources and releasing the development potential of sites through land sale, redevelopment or revitalisation. Upon confirming that it is no longer necessary to retain a site for its original or other Government / Institution and Community uses, the Government will assess the site's suitability for other uses (such as residential or commercial uses), taking into account its location, local characteristics, capacity of infrastructural facilities and impacts on the surrounding environment, etc. If the review result indicates that the site is suitable for other uses, the department concerned would take appropriate follow up action, including to consider selling the site.

According to the information provided by Development Bureau, the Government had sold 3 former government quarters sites and 13 former government buildings and facilities sites over the past 3 years, details of which are tabulated respectively at Annexes 1 and 2. The Government had not sold any former PRH sites or former government offices sites over the past 3 years.

Former Government Quarters Sites Sold

Financial Year	Location	Site area (m ²) (approximate)	Height restriction specified in the conditions of sale	Maximum gross floor area (GFA) specified in the conditions of sale (m ²)
2014-15	650 Cheung Sha Wan Road, Kowloon (Former Cheung Sha Wan Post Office Building and Quarters)	1 500	Not more than 100 metres above the Hong Kong Principal Datum	17 980
	Hing Fong Road, Kwai Chung, New Territories (Former Water Supplies Department Hing Fong Road Staff Quarters)	800	Not more than 90 metres above the Hong Kong Principal Datum	The maximum non-residential GFA is 810 m ² . However, if no non-residential GFA is proposed, the maximum residential GFA for a purely domestic development is 4 860 m ² .
2015-16	--			
2016-17 (up to end February 2017)	Tai Po Road – Tai Po Kau, Tai Po Kau, Tai Po, New Territories (Former ICAC Staff Quarters)	27 700	<p>The northern portion of the site as demarcated on the sale plan: Not more than 4 storeys including any floor or space below ground level.</p> <p>The southern portion of the site as demarcated on the sale plan: Not more than 7 storeys including any floor or space below ground level.</p>	24 128

Former Government Buildings and Facilities Sites Sold

Financial Year	Location	Site area (m²) (approximate)	Height restriction specified in the conditions of sale	Maximum gross floor area (GFA) specified in the conditions of sale (m²)
2014-15	Tseng Choi Street Area 4, Tuen Mun, New Territories	2 200	Not more than 100 metres above the Hong Kong Principal Datum	The maximum non-residential GFA is 6 606 m ² . However, if no non-residential GFA is proposed, the maximum residential GFA for a purely domestic development is 11 010 m ² .
	15 Middle Road, Tsim Sha Tsui, Kowloon (Former Middle Road Multi-Storey Car Park Building)	2 600	Not more than 90 metres above the Hong Kong Principal Datum	31 560
	Fan Kam Road, Sheung Shui, New Territories	6 400	Not more than 3 storeys	3 076
2015-16	Hong Kin Road, Tui Min Hoi, Sai Kung	3 400	Not more than 5 storeys	4 793
	Castle Peak Road – Castle Peak Bay, Area 48, Tuen Mun	8 200	Not more than 6 storeys	10 647
	Junction of Fuk Wing Street, Camp Street and Fuk Wa Street, Sham Shui Po, Kowloon	3 200	Not more than 110 metres above the Hong Kong Principal Datum	28 557m ² (including the GFA of the refuse collection point)

Financial Year	Location	Site area (m²) (approximate)	Height restriction specified in the conditions of sale	Maximum gross floor area (GFA) specified in the conditions of sale (m²)
2016-17 (up to end February 2017)	Tai Lin Pai Road, Kwai Chung, New Territories	1 200	Not more than 105 metres above the Hong Kong Principal Datum	11 474
	Junction of Shung Shun Street and Yan Yue Wai, Yau Tong, Kowloon	10 500	<p>The northern portion of the site as demarcated on the sale plan : Not more than 100 metres above the Hong Kong Principal Datum.</p> <p>The southern portion of the site as demarcated on the sale plan: Not more than 80 metres above the Hong Kong Principal Datum.</p>	52 650
	Castle Peak Road – Castle Peak Bay, Area 48, Tuen Mun, New Territories	15 400	Not more than 70 metres above the Hong Kong Principal Datum	61 600
	Sai Shan Road, Tsing Yi, New Territories	6 200	Not more than 140 metres above the Hong Kong Principal Datum	The maximum non-industrial GFA is 18 600m ² . However, if no non-residential GFA is proposed, the maximum residential GFA for a purely domestic development is 37 200m ² .
	Yip Kan Street and Wong Chuk Hang Road, Wong Chuk Hang, Hong Kong	1 800	Not more than 140 metres above the Hong Kong Principal Datum	52 650m ² (including the GFA of an arts and cultural centre and office premises)

Financial Year	Location	Site area (m²) (approximate)	Height restriction specified in the conditions of sale	Maximum gross floor area (GFA) specified in the conditions of sale (m²)
	King Lam Street, Cheung Sha Wan, Kowloon	7 700	Not more than 130 metres above the Hong Kong Principal Datum	92 736
	Lee Nam Road, Ap Lei Chau, Hong Kong	11 800	Not more than 110 metres above the Hong Kong Principal Datum	70 800

- End -

CONTROLLING OFFICER'S REPLY

FSTB(Tsy)070

(Question Serial No. 5358)

Head: (51) Government Property Agency

Subhead (No. & title):

Programme: Not Specified

Controlling Officer: Government Property Administrator (Tommy Yuen)

Director of Bureau: Secretary for Financial Services and the Treasury

Question:

Please provide information on the quantity, location, floor area, market rental and renovation expenditures in the past 3 years in respect of the official residences provided to public officers of the Government.

Asked by: Hon YIU Chung-yim (Member Question No. 173)

Reply:

The official residences provided by the Government to principal officials and the related information are as follows:

Official Residence ²	Address	Floor Area (m ²)	Cost incurred for facilities upkeep ¹ (\$ '000)		
			2014/15	2015/16	2016/17 (as at Feb 2017)
Official Residence of the Chief Executive	Upper Albert Road, Central	8 990	4,040	1,350	2,060
Official Residence of the Chief Secretary for Administration	15 Barker Road	1 342	420	510	290
Official Residence of the Financial Secretary	45 Shouson Hill Road	890	110	40	140
Official Residence of the Secretary for Justice	19 Severn Road	457	20	50	20

Note 1: Maintenance works for government buildings are funded by Head 25 under Architectural Services Department while refurbishment and improvement works are funded under the Capital Works Reserve Fund. The costs shown in the table include the costs of all three categories of works. As the costs for most of the works projects are not settled within the same year, the figures shown in the table reflect the total costs in terms of cash flows of the relevant years.

Note 2: Apart from being the official residence of the Chief Executive, the Government House is also a declared monument of over 160 years old and enjoys protection under the Antiquities and Monuments Ordinance. The official residences of the Chief Secretary for Administration and the Financial Secretary are Grade 2 historic buildings with about 66 and 82 years of history respectively. Appropriate facilities upkeep is necessary for the proper conservation of these historic buildings.

The Agency does not have information on the market rental of the above official residences.

- End -

CONTROLLING OFFICER'S REPLY

FSTB(Tsy)071

(Question Serial No. 5408)

Head: (51) Government Property Agency

Subhead (No. & title):

Programme: (2) Property Management

Controlling Officer: Government Property Administrator (Tommy Yuen)

Director of Bureau: Secretary for Financial Services and the Treasury

Question:

As regards the property management work carried out by Government Property Agency, it is mentioned that the Agency will “take forward measures to reduce energy consumption in government joint-user buildings”. In this connection, will the Government inform this Committee of the operational expenses and salary involved in this respect in the past 3 years and the estimates for the above in 2017-18? What is the establishment involved and the ranks of the officers provided for carrying out such work? What are the specific measures? What is the work schedule or timetable in 2017-18? Will the Agency set any indicators for reducing energy consumption in future?

Asked by: Hon YIU Chung-yim (Member Question No. 131)

Reply:

To reduce electricity consumption of joint-user office buildings (JUBs), the Government Property Agency (“Agency”) has implemented a number of housekeeping energy-saving measures in major energy consumption areas (including air-conditioning (A/C) system, luminaries and lift operation). Examples of such measures are setting the number of the core A/C hours, specifying the average room temperature at 25.5°C in summer months, using energy-efficient light fittings and suspending the operation of non-essential lifts after rush hours, etc. Moreover, we will continue to carry out, where feasible, energy retrofit projects progressively in a cost-effective manner to replace existing plant and equipment at the end of their respective economic life with more energy-efficient alternatives such as installing inverter type A/C and replacing existing T8 fluorescent lights with Light Emitting Diode (LED) or T5 lights.

The Agency will continue to take forward energy-saving measures with existing manpower (including building supervisors and surveyors). Since the staff members concerned are, apart from handling energy-saving work, concurrently engaged in various other property management duties, we do not have the breakdown in respect of the expenses on and salary for staff engaged in such work.

In 2017-18, the Agency will continue to follow the Government's target of saving 5% electricity consumption in government buildings in the coming 5 years as announced in the 2015 Policy Address, and will work together with departments concerned to complete the energy audit with a view to identifying energy management opportunities that suit individual JUBs. We will formulate and implement energy-saving work plans promptly in the light of the outcomes of the energy audit so as to achieve the above energy-saving target.

- End -

CONTROLLING OFFICER'S REPLY

FSTB(Tsy)072

(Question Serial No. 5853)

Head: (51) Government Property Agency

Subhead (No. & title):

Programme: (3) Estate Utilisation

Controlling Officer: Government Property Administrator (Tommy Yuen)

Director of Bureau: Secretary for Financial Services and the Treasury

Question:

Currently, the tenure of commercial tenancies of Government Property Agency (GPA) is generally 3 years. Would GPA follow the practice of Housing Department to first negotiate with the existing tenants on renewal of tenancy or entering into a new tenancy 6 months before the expiry of the existing tenancy, and proceed to re-tendering only after the existing tenant has refused to do so in order to reduce unnecessary administrative costs and foster a sense of belonging among tenants and customers? If so, when will such practice be introduced? If not, why?

Asked by: Hon YIU Chung-yim (Member Question No. 100)

Reply:

When Government Property Agency leases out government properties for commercial uses by way of commercialisation, the letting will in general be conducted through open tender in accordance with the relevant government procedures and regulations so as to allow interested parties to participate in bidding for the concerned properties.

- End -

CONTROLLING OFFICER'S REPLY

FSTB(Tsy)073

(Question Serial No. 4156)

Head: (59) Government Logistics Department

Subhead (No. & title): ()

Programme: (4) Printing Services

Controlling Officer: Director of Government Logistics (Miss Mary CHOW)

Director of Bureau: Secretary for Financial Services and the Treasury

Question:

The Government has pledged to further digitalise operations and actively implement paperless solutions. The Government Logistics Department (GLD) has all along produced a wide range of printed materials, including publications, government forms and paper stationery, for government departments. In this connection, please inform this Committee of the following:

- (1) the volume of printed materials, in tabular form, produced by GLD for different government departments last year;
- (2) the volume of printed materials produced by GLD for the 2017 Policy Address;
- (3) the volume of printed materials produced by GLD for the 2017-18 Budget;
- (4) the volume of printed materials produced by GLD for the Basic Law; and
- (5) the measures to encourage government departments to go paperless.

Asked by: Hon CHAN Chi-chuen (Member Question No. 115)

Reply:

- (1) The Government Logistics Department (GLD) produces a wide variety of printed materials for bureaux and departments, including publications, leaflets, forms and paper stationery, etc. The volume of printed materials produced in 2016 (by bureau/department) is tabulated in the Annex.

- (2) The volume of printed materials produced by GLD for the 2017 Policy Address is as follows:

Item	Volume (copy)
Policy Address (Chinese and English versions in total)	47 000
Policy Agenda (Chinese and English versions in total)	29 000
Policy Address leaflet (bilingual version)	234 000

- (3) The volume of printed materials produced by GLD for the 2017-18 Budget is as follows:

Item	Volume (copy)
Budget Speech (Chinese and English versions in total)	75 000
Budget leaflet (Chinese and English versions in total)	304 000

- (4) The volume of printed materials produced by GLD for the Basic Law in 2016 is as follows:

Item	Volume (copy)
Basic Law booklet (Chinese and English versions in total)	58 000

- (5) GLD provides printing services according to the requirements of bureaux/departments and will render professional advice as far as possible in the course of providing the services. Presently, when formulating their printing requirements, bureaux/departments will try to strike a balance between readers' needs and environmental considerations before determining on the suitable forms and channels (including electronic means) for publishing the information.

Bureau/Department	Volume of printed materials in 2016 (copy/set)
Administration Wing	125 000
Agriculture, Fisheries and Conservation Department	1 365 000
Architectural Services Department	192 000
Audit Commission	9 000
Auxiliary Medical Service	138 000
Buildings Department	2 488 000
Census and Statistics Department	6 921 000
Chief Executive's Office	31 000
Civil Aid Service	6 000
Civil Aviation Department	383 000
Civil Engineering and Development Department	791 000
Civil Service Bureau	1 020 000
Commerce and Economic Development Bureau (Commerce, Industry and Tourism Branch)	93 000
Commerce and Economic Development Bureau (Communications and Creative Industries Branch)	127 000
Companies Registry	1 001 000
Constitutional and Mainland Affairs Bureau	152 000
Correctional Services Department	234 000
Customs and Excise Department	956 000
Department of Health	31 357 000
Department of Justice	540 000
Development Bureau (Planning and Lands Branch)	39 000
Development Bureau (Works Branch)	218 000
Drainage Services Department	171 000
Education Bureau	10 200 000
Electrical and Mechanical Services Department	1 213 000
Environment Bureau	12 000
Environmental Protection Department	2 576 000
Financial Services and the Treasury Bureau (Financial Services Branch)	76 000
Financial Services and the Treasury Bureau (The Treasury Branch)	269 000
Fire Services Department	1 083 000
Food and Environmental Hygiene Department	5 792 000
Food and Health Bureau (Food Branch)	48 000
Food and Health Bureau (Health Branch)	3 252 000
Government Flying Service	63 000
Government Laboratory	46 000
Government Logistics Department	136 000
Government Property Agency	65 000
Highways Department	122 000
Home Affairs Bureau	1 302 000

Home Affairs Department	2 104 000
Hong Kong Observatory	47 000
Hong Kong Police Force	12 239 000
Hongkong Post	23 766 000
Housing Department	7 398 000
Immigration Department	42 674 000
Independent Commission Against Corruption	4 930 000
Information Services Department	1 366 000
Inland Revenue Department	76 659 000
Innovation and Technology Bureau	52 000
Innovation and Technology Commission	127 000
Intellectual Property Department	218 000
Joint Secretariat for the Advisory Bodies on Civil Service and Judicial Salaries and Conditions of Service	2 000
Judiciary	4 324 000
Labour and Welfare Bureau	658 000
Labour Department	7 085 000
Land Registry	4 986 000
Lands Department	3 232 000
Legal Aid Department	525 000
Leisure and Cultural Services Department	10 175 000
Marine Department	765 000
Office of the Communications Authority	94 000
Office of the Government Chief Information Officer	582 000
Official Receiver's Office	629 000
Planning Department	377 000
Public Service Commission	14 000
Radio Television Hong Kong	161 000
Rating and Valuation Department	18 808 000
Registration and Electoral Office	35 290 000
Secretariat, Commissioner on Interception of Communications and Surveillance	4 000
Security Bureau	98 000
Social Welfare Department	3 290 000
Trade and Industry Department	660 000
Transport and Housing Bureau (Transport Branch)	15 000
Transport Department	9 519 000
Treasury	1 071 000
University Grants Committee Secretariat	32 000
Water Supplies Department	22 315 000
Working Family and Student Financial Assistance Agency	17 777 000

- End -

CONTROLLING OFFICER'S REPLY**FSTB(Tsy)074****(Question Serial No. 5706)**Head: (59) Government Logistics DepartmentSubhead (No. & title): ()Programme: (2) Supplies ManagementControlling Officer: Director of Government Logistics (Miss Mary CHOW)Director of Bureau: Secretary for Financial Services and the TreasuryQuestion:

Please inform this Committee of the following information on confiscated goods received from various departments in each of the past 5 years:

Department	Quantity of confiscated goods	Quantity of goods with value below \$200	Quantity of goods with value between \$201 and \$500	Quantity of goods with value between \$501 and \$1,000	Quantity of goods with value between \$1,001 and \$10,000	Quantity of goods with value above \$10,000	Auction proceeds

Asked by: Hon CHEUNG Chiu-hung, Fernando (Member Question No. 2484)Reply:

The Government Logistics Department (GLD) is responsible for auctioning the items confiscated by various departments under the law. Due to the wide variety, different condition and degree of wear and tear of the confiscated items, details regarding the value of these items are not available. Information on the confiscated items auctioned by GLD for various departments in the past 5 years is provided as follows:

Department	Auction proceeds (HK\$) [Total number of lots] (Note 1)				
	2012	2013	2014	2015	2016
Customs and Excise Department	40,464,780 [342]	78,336,510 [235]	24,981,370 [230]	35,457,100 [172]	20,893,050 [89]
Hong Kong Police Force	1,655,630 [151]	1,495,220 [209]	914,600 [165]	1,722,360 [125]	2,584,070 [114]
Food and Environmental Hygiene Department	187,300 [22]	242,970 [59]	207,600 [43]	230,900 [42]	163,500 [29]
Lands Department	378,140 [23]	158,990 [27]	106,130 [27]	102,100 [9]	49,100 [6]
Independent Commission Against Corruption	4,300 [1]	246,250 [7]	760 [6]	1,200 [4]	- [-]
Immigration Department	- [-]	19,100 [5]	- [-]	196,000 [1]	- [-]
Housing Department	- [-]	6,100 [1]	- [-]	18,500 [2] (Note 2)	- [-]
Office of the Communications Authority	- [-]	29,000 [1]	217,000 [2]	- [-]	- [-]
Transport Department	15,830 [7]	120 [1]	4,000 [2]	4,600 [3]	2,300 [3]
Department of Health	- [-]	- [-]	3,900 [1] (Note 3)	- [-]	- [-]
Agriculture, Fisheries and Conservation Department	1,800 [2]	- [-]	1,700 [2]	- [-]	- [-]
Companies Registry	138,000 [3]	- [-]	- [-]	59,000 [1]	- [-]
Marine Department	- [-]	- [-]	- [-]	- [-]	182,000 [3]

Notes:

1. As the items auctioned are of a wide variety and are quantified in different denominations, GLD does not keep statistics on the quantity of individual items. The sale of items at auction is recorded by lot numbers instead.
2. One of the lots in 2015 auctioned for the Housing Department consisted of items confiscated by the Housing Department and the Food and Environmental Hygiene Department.
3. This lot consisted of items confiscated by the Department of Health and the Hong Kong Police Force.

- End -

CONTROLLING OFFICER'S REPLY

FSTB(Tsy)075

(Question Serial No. 3341)

Head: (59) Government Logistics Department

Subhead (No. & title): ()

Programme: ()

Controlling Officer: Director of Government Logistics (Miss Mary CHOW)

Director of Bureau: Secretary for Financial Services and the Treasury

Question:

Does your department provide sign language interpretation services? If yes, what are the manpower and expenditure involved? If no, what are the reasons?

Asked by: Hon LEUNG Yiu-chung (Member Question No. 81)

Reply:

The Government Logistics Department does not provide sign language interpretation services as there is no such demand.

- End -

CONTROLLING OFFICER'S REPLY

FSTB(Tsy)076

(Question Serial No. 3356)

Head: (59) Government Logistics Department

Subhead (No. & title): ()

Programme: ()

Controlling Officer: Director of Government Logistics (Miss Mary CHOW)

Director of Bureau: Secretary for Financial Services and the Treasury

Question:

Regarding outsourcing of services in your department, please inform this Committee of the following for the past 3 years:

1. the total number of staff employed by the contractors of your department and its number as a percentage of the total number of staff performing the same types of duties in your department;
2. the total staff cost of your department, the total amount paid to outsourced service providers, and the amount paid to outsourced service providers as a percentage of the total staff cost of your department; and
3. the nature of your department's outsourced services and the duration of the relevant contracts.

In addition, according to the Government's guidelines for tendering of outsourced services revised last year, if the procured service relies heavily on the deployment of non-skilled workers and a marking scheme is adopted for tender assessment purpose, the procuring department should include in the assessment criteria the evaluation of tenderers' proposed wage rates and working hours for the non-skilled workers when assessing the tenders. In this connection, please inform this Committee of the following:

1. the current number of outsourced service contracts involving a large number of non-skilled workers awarded by your department since implementation of the guidelines;
2. the departments which have revised their assessment criteria in respect of wage rates and working hours for the outsourced service contracts involving a large number of non-skilled workers in the light of the new guidelines since their implementation, the revisions made by your department; if no relevant information is available, the reasons for it;
3. whether there have been any rises in the average wage rates for workers in the contracts of outsourced services that rely heavily on the deployment of non-skilled

workers since the implementation of the guidelines; if yes, the number of contracts with rises in wage rates; if no relevant information is available, the reasons for it;

4. your department's measures to evaluate the effectiveness of the new tendering guidelines;
5. whether your department is required to adopt the existing two-envelope approach with technical and price assessments when evaluating tenders for contracts of outsourced services; if no, the number of contracts awarded without adopting the existing two-envelope approach with technical and price assessments in the past 3 years;
6. the annual number of cases in which the government service contractors had breached the service contracts, the Employment Ordinance or the Occupational Safety and Health Ordinance as revealed by the inspections conducted by your department, and the annual number of complaints lodged by the outsourced service staff;
7. the details of follow-up actions on the aforementioned non-compliance and complaint cases; and
8. the number and details of cases in which the contractors were penalised for the non-compliance or substantiated complaints.

Asked by: Hon LEUNG Yiu-chung (Member Question No. 101)

Reply:

There are 4 types of outsourced service contracts arranged by the Government Logistics Department (GLD):

1. Transportation of stores

The Supplies Management Division of GLD has outsourced part of the transportation of government stores services to contractors. As at 1 April 2017, 1 contract with duration of 24 months remains in force and the two-envelope approach with technical and price assessments (two-envelope approach) was not adopted when evaluating the tenders. Information on the outsourced service contracts arranged by GLD for transportation of stores in the past 3 years is provided as follows:

Year	2014-15	2015-16	2016-17
Total expenditure on outsourced transportation of stores services	\$2.7m	\$3m	\$2.1m (As at February 2017)
Number of contracts awarded without adopting the two-envelope approach	1 [0]*	0 [0]*	1 [0]*

* [number of contracts awarded by quotation]

2. Printing services

The Printing Division of GLD only outsources its printing work when there are technical or capacity constraints. As at 1 April 2017, 3 term contracts with duration of 24 months for production of hard cover folders, envelopes and lamination service remain in force. At the same time, individual work processes (e.g. creasing/embossing/die cutting) are also outsourced on a job basis. The services concerned do not rely heavily on the deployment of non-skilled workers and the two-envelope approach was not adopted when evaluating the tenders. Information on the outsourced service contracts arranged by GLD for printing services in the past 3 years is provided as follows:

Year	2014-15	2015-16	2016-17
Total expenditure on outsourced printing services	\$32.3m	\$36.9m	\$41.7m (As at February 2017)
Number of contracts awarded without adopting the two-envelope approach	93 [88]*	113 [111]*	104 [93]*

* [number of contracts awarded by quotation]

3. Hire of vehicles

The Land Transport Division of GLD has entered into term contracts for hiring various types of vehicles so that bureaux/departments can meet their operational needs by hiring commercial vehicles when the government fleet is unavailable. As at 1 April 2017, 11 term contracts with duration of 24 to 36 months remain in force. The services concerned do not rely heavily on the deployment of non-skilled workers and the two-envelope approach was not adopted when evaluating the tenders. Types of vehicles available for hiring include coaches, grab lorries with tipping device, box-type lorries, light goods vehicles, large saloons and self-drive multi-purpose vehicles. The hiring cost is directly paid by the bureaux/departments concerned to the contractors. Information on the vehicle hiring contracts arranged by GLD in the past 3 years is provided as follows:

Year	2014-15	2015-16	2016-17
Total amount paid by GLD to contractors for hiring vehicles	\$17,000	\$14,000	\$14,000 (As at February 2017)
Number of contracts awarded without adopting the two-envelope approach	0 [0]*	8 [0]*	3 [0]*

* [number of contracts awarded by quotation]

4. Cleansing and security

GLD has outsourced the cleansing and security work of the Government Logistics Centre and other venues to contractors. As at 1 April 2017, 4 contracts with duration of 24 months remain in force, 1 of which was awarded by open tender and the remaining 3 were awarded by quotation. Since the contract awarded by open tender involves only 12 security guards and the service requirements are simple, GLD did not adopt the two-envelope approach when evaluating the tenders. Nevertheless, GLD has imposed additional essential requirements to assess whether the tenderers have any conviction record due to their violation of the Employment Ordinance, the Employees' Compensation Ordinance, the Immigration Ordinance, the Criminal Procedure Ordinance and the Mandatory Provident Fund Schemes Ordinance, and to assess their performance in respect of wages and daily maximum working hours under the Demerit Point System when executing government contracts. Information on the outsourced service contracts arranged by GLD for cleansing and security work in the past 3 years is provided as follows:

Year	2014-15	2015-16	2016-17
Total expenditure on outsourced cleansing and security services	\$2.3m	\$3.1m	\$2.8m (As at February 2017)
Number of contracts awarded without adopting the two-envelope approach	3 [3]*	4 [3]*	1 [1]*

* [number of contracts awarded by quotation]

The contractors of the above contracts provide services in accordance with the requirements stipulated by the Government. As the number of outsourced service staff (e.g. transport workers, printing technicians, drivers or cleansing workers) is mainly determined by the contractors on a need basis, GLD does not have information in this aspect. Moreover, since the services provided by the contractors include not only manpower but also other facilities (e.g. vehicles/equipment) and the duties of the outsourced service staff are not identical to those performed by staff of GLD, the amount paid by the Government to contractors is not directly comparable to GLD's total staff cost.

In the past 3 years, GLD has not found any case in which the contractors of the aforementioned contracts had breached the Employment Ordinance or the Occupational Safety and Health Ordinance, and has not received any complaint in this regard from the outsourced service staff. There were 21 cases in which the contractors had breached other terms of contract. As these breaches did not involve any serious non-compliance and the contractors had immediately taken follow-up actions, it was not necessary for GLD to impose any penalty on them.

- End -

CONTROLLING OFFICER'S REPLY

FSTB(Tsy)077

(Question Serial No. 5409)

Head: (59) Government Logistics Department

Subhead (No. & title): ()

Programme: (2) Supplies Management

Controlling Officer: Director of Government Logistics (Miss Mary CHOW)

Director of Bureau: Secretary for Financial Services and the Treasury

Question:

The Government Logistics Department (GLD) stated that it would “provide various miscellaneous services, such as the disposal of confiscated, unserviceable, technically obsolete and unclaimed stores” under the area of Supplies Management. As some members of the community regard the old style wooden desks and chairs of the Government as products with local characteristics, will the Government inform this Committee of: the total number of pieces of furniture disposed of by the Department in the past 3 years, the number of pieces of such furniture transferred to other organisations or members of the public through auction, donation or entrusted to them for repairing, as well as the number of pieces of such furniture dumped directly; and whether the service life of the damaged furniture facing disposal will be extended through repairing. Please also advise the operational expenses and expenditure on emoluments involved in the above areas in the past 3 years and the estimates for 2017-18. What are the respective staff establishment and rank of the officers responsible for such work?

Asked by: Hon YIU Chung-yim (Member Question No. 130)

Reply:

The Government Logistics Department (GLD) is currently responsible for supplying furniture (including wooden and non-wooden furniture) for some government quarters. When certain quarters furniture is to be replaced, GLD will select items that can still be repaired and reused for service contractors to repair and renovate, after which these items will be distributed for use again to extend their service life as far as possible. As regards some used furniture that is beyond repair, GLD will select items with residual material value (e.g. solid wood wardrobes, steel lockers, bed frames, etc.) for sale to contractors or auctioning, and the rest would be dumped. In general, since the quarters furniture arranged for sale or dumped by GLD has been damaged and is unworthy of repair, it is not appropriate for donation purpose.

Information on used quarters furniture handled by GLD in the past 3 financial years is as follows:

	2014-15	2015-16	2016-17 (as at February 2017)
<i>Handling method</i>			
Repaired	4 578 items	4 361 items	3 974 items
Sold to contractors	80 items	40 items	64 items
Auctioned	450 items	551 items	206 items
Dumped	3 241 items	3 619 items	4 265 items
<i>Expenditure</i>			
Used furniture repair cost	\$968,000	\$1,309,000	\$998,000
Unserviceable furniture dumping transportation cost	\$17,000	\$14,000	\$14,000

Used quarters furniture is mainly handled by a Supplies Supervisor I and a Works Supervisor II. Since they are mainly responsible for other duties (including general warehouse work and handling other confiscated items) and handling used quarters furniture only accounts for a small portion of their overall duties, GLD did not compile statistics or have an estimate on the expenditure on manpower incurred in this area.

As regards other operational expenses, GLD has reserved \$997,000 for repairing used quarters furniture in 2017-18. The transportation cost for the disposal of used quarters furniture depends on the quantity and volume of the furniture involved. Since the annual expenditure incurred in this area only accounts for a small portion of the overall transportation cost of GLD and the required amount has been included under the estimate for other transport services, GLD did not have a separate estimate for it.

- End -

CONTROLLING OFFICER'S REPLY**FSTB(Tsy)078****(Question Serial No. 6853)**Head: (76) Inland Revenue DepartmentSubhead (No. & title): () Operational ExpensesProgramme: (3) Investigation and Field AuditControlling Officer: Commissioner of Inland Revenue (WONG Kuen Fai)Director of Bureau: Secretary for Financial Services and the TreasuryQuestion:

Please provide the following details in respect of salaries tax and property tax for each of the past 3 years:

- (1) the number of tax evasion cases;
- (2) further to the above question, the amount of tax involved;
- (3) further to the above question, the percentage of the amount of tax recovered after giving warnings and taking prosecution actions out of the amount of tax in default resulting in tax evasion;
- (4) further to the above question, the actions taken by the Inland Revenue Department against cases of which the tax in default was unrecovered despite warning and prosecuting actions taken.

Asked by: Hon CHAN Tanya (Member Question No. 91)Reply:

The numbers of prosecution related to evasion of Salaries Tax and Property Tax completed by the Field Audit and Investigation Unit of the Inland Revenue Department (IRD) in the past three financial years from 2014-15 to 2016-17 (up to 28 Feb 2017) and the amounts of associated back tax and penalty are tabulated as follows:

	2014-15		2015-16		2016-17 (up to 28 Feb 2017)	
(Note : ST stands for Salaries Tax and PT stands for Property Tax)	ST	PT	ST	PT	ST	PT
Cases completed	6	1	3	0	5	0
Back tax assessed (\$ten thousand)	40	10	30	0	40	0
Penalty ordered by the Court (\$ten thousand)	30	0	60	0	40	0

The back tax assessed in the above three financial years has been fully recovered by the IRD. The penalty ordered by the Court is payable to and recovered by the Court.

If a taxpayer defaults on tax payment, IRD will take vigorous recovery actions including imposition of surcharge, issue of warning letter, issue of recovery notices to third parties (such as employers, banks or tenants) who are holding money for payment to the defaulter and initiation of civil proceedings in court.

End -

CONTROLLING OFFICER'S REPLY**FSTB(Tsy)079****(Question Serial No. 6573)**Head: (76) Inland Revenue DepartmentSubhead (No. & title): ()Programme: (Not Specified)Controlling Officer: Commissioner of Inland Revenue (WONG Kuen Fai)Director of Bureau: Secretary for Financial Services and the TreasuryQuestion:

Regarding the property units that have been charged with property tax by the Government over the past 5 years, please provide a breakdown of the number of property units by property types (public rental housing, Home Ownership Scheme flats, private housing, village houses and small houses, etc.) for each year.

Asked by: Hon CHEUNG Chiu-hung, Fernando (Member Question No. 1977)Reply:

As the Inland Revenue Department does not maintain statistics on property units charged with property tax by types, the Department is unable to provide information on the types of property units involved and the corresponding number for each type.

The number of property tax assessments made and the amount of property tax assessed in the past five financial years are tabulated below:

Financial years	2011/12	2012/13	2013/14	2014/15	2015/16
Number of assessments [^]	551 000	552 000	571 000	573 000	599 000
Amount of tax assessed (\$million)	2,102	2,504	2,814	3,225	3,327

[^]Rounded to nearest thousand

- End -

CONTROLLING OFFICER'S REPLY**FSTB(Tsy)080****(Question Serial No. 6576)**Head: (76) Inland Revenue DepartmentSubhead (No. & title): ()Programme: (Not Specified)Controlling Officer: Commissioner of Inland Revenue (WONG Kuen Fai)Director of Bureau: Secretary for Financial Services and the TreasuryQuestion:

Please provide the numbers of property owners liable to property tax across the territory for the past 5 years by listing the figures for each year according to the numbers of properties owned by the property owners (i.e. owners of 1 property; owners of 2 to 10 properties; owners of 11 to 30 properties; owners of 31 to 50 properties; owners of 51 to 100 properties; and owners of over 100 properties).

Asked by: Hon Fernando CHEUNG Chiu-hung (Member Question No. 1981)Reply:

The Inland Revenue Department does not maintain the statistics concerned, and therefore cannot provide the information requested.

The number of property tax assessments made and the amount of property tax assessed in the past five financial years are tabulated below:

Financial years	2011/12	2012/13	2013/14	2014/15	2015/16
Number of assessments [^]	551 000	552 000	571 000	573 000	599 000
Amount of tax assessed (\$million)	2,102	2,504	2,814	3,225	3,327

[^]Rounded to nearest thousand

- End -

CONTROLLING OFFICER'S REPLY**FSTB(Tsy)081****(Question Serial No. 6590)**Head: (76) Inland Revenue DepartmentSubhead (No. & title): ()Programme: (Not Specified)Controlling Officer: Commissioner of Inland Revenue (WONG Kuen Fai)Director of Bureau: Secretary for Financial Services and the TreasuryQuestion:

Please provide the numbers of property owners liable to property tax across the territory for the past 5 years by listing the figures for each year according to the amounts of property tax paid (i.e. below \$500; \$500 to below \$1,000; \$1,000 to below \$3,000; \$3,000 to below \$5,000; and \$5,000 or above).

Asked by: Hon Fernando CHEUNG Chiu-hung (Member Question No. 1985)Reply:

The Inland Revenue Department does not maintain the statistics concerned, and therefore cannot provide the information requested.

The number of property tax assessments made and the amount of property tax assessed in the past five financial years are tabulated below:

Financial years	2011/12	2012/13	2013/14	2014/15	2015/16
Number of assessments^	551 000	552 000	571 000	573 000	599 000
Amount of tax assessed (\$million)	2,102	2,504	2,814	3,225	3,327

^Rounded to nearest thousand

- End -

CONTROLLING OFFICER'S REPLY**FSTB(Tsy)082****(Question Serial No. 6596)**Head: (76) Inland Revenue DepartmentSubhead (No. & title): ()Programme: Not SpecifiedControlling Officer: Commissioner of Inland Revenue (WONG Kuen Fai)Director of Bureau: Secretary for Financial Services and the TreasuryQuestion:

Please list the numbers of properties solely owned and jointly owned or co-owned by individuals over the past 5 years (Please provide the latest figures based on the question with the Question Serial No. 4799 in 2014-15).

Asked by: Hon CHEUNG Chiu-hung, Fernando (Member Question No. 1989)Reply:

According to the information gauged by the Inland Revenue Department when administering the Inland Revenue Ordinance (Cap. 112), the numbers of properties solely owned and jointly-owned or co-owned by individuals at the end of each financial year (i.e. 31 March) in the past five financial years (i.e. 2011-12 to 2015-16) are as follows -

Number of Property	As at 31 March 2012 (No. of people)*	As at 31 March 2013 (No. of people)*	As at 31 March 2014 (No. of people)*	As at 31 March 2015 (No. of people)*	As at 31 March 2016 (No. of people)*
1	1 548 440	1 551 081	1 563 885	1 580 232	1 590 447
2	295 595	297 219	296 429	294 237	294 731
3	88 698	89 654	89 338	88 908	89 234
4	34 996	35 823	36 227	36 006	36 637
5	16 381	16 815	17 004	17 275	17 340
6 to 10	20 407	20 879	21 416	21 797	22 468
11 to 30	5 377	5 509	5 778	6 029	6 347
31 to 50	478	488	507	562	558
51 to 90	196	206	220	231	236
91 to 100	12	10	11	13	12
101 or above	39	28	29	34	34

* Each individual owner of a jointly-owned or co-owned property is regarded as owning one property. Therefore, the total number of people would be larger than the total number of properties.

- End -

CONTROLLING OFFICER'S REPLY

FSTB(Tsy)083

(Question Serial No. 3417)

Head: (76) Inland Revenue Department

Subhead (No. & title): ()

Programme: Not Specified

Controlling Officer: Commissioner of Inland Revenue (WONG Kuen Fai)

Director of Bureau: Secretary for Financial Services and the Treasury

Question:

Regarding the outsourcing of services in your department, please inform this Committee of the following in respect of the past 3 years:

1. the total number of outsourced service staff employed by your department and the percentage of outsourced service staff against the total number of staff performing the same types of duties in your department;
2. the total staff costs of your department; the total amount paid to outsourced service providers; and the percentage of amount paid to outsourced service providers against the total staff costs of your department; and
3. the nature of your department's outsourced services and the duration of the relevant contracts.

In addition, according to the Government's guidelines for tendering of outsourced services revised last year, if the procured service relies heavily on the deployment of non-skilled workers, and a marking scheme for tender evaluation is adopted, the procuring department, when conducting the tender evaluation, should include in the evaluation criteria the assessment of tenderers' proposed wage rates and working hours for non-skilled workers. In this connection, please inform this Committee of:

4. the current number of outsourced service contracts involving a large number of non-skilled workers awarded by your department since the implementation of the guidelines;
5. the departments which have adjusted their evaluation criteria in respect of wage rates and working hours for the outsourced service contracts involving a large number of non-skilled workers according to the new guidelines since their implementation; the adjustments which your department has made; and if no relevant information is available, the reasons for it;
6. whether there has been any increase in the average wage rates for workers in the contracts of outsourced services that rely heavily on deployment of non-skilled workers since the implementation of the guidelines; if yes, the number of contracts with an increase in wage rates; if no relevant information is available, the reasons for it;

7. your department's measures to gauge the effectiveness of the new tendering guidelines;
8. whether your department is required to adopt the existing mechanism of the two-envelope assessments on the technical and price aspects when evaluating tenders for contracts of outsourced service; if no, the number of contracts awarded without adopting the existing mechanism of two-envelope assessments of the technical and price aspects in the past 3 years;
9. the annual numbers of cases of government service contractors breaching the service contracts, the Employment Ordinance or the Occupational Safety and Health Ordinance as revealed by the inspections conducted by your department, and the annual numbers of complaints lodged by the outsourced service staff;
10. the details of follow-up actions taken in respect of the aforementioned non-compliance and complaint cases; and
11. the number and details of cases involving outsourced service contractors being punished for non-compliance or substantiated complaints.

Asked by: Hon LEUNG Yiu-chung (Member Question No. 110)

Reply:

- (1)&(3) In the past three years, the services outsourced by the Inland Revenue Department (IRD) mainly included data entry, cleansing and security services. The duration of contracts depends on the service need. Since the cost of IRD's outsourced contracts is not based on the number of staff employed by the contractors, IRD is not in a position to provide the total number of outsourced service staff employed and such number as a percentage of the total number of staff carrying out the same type of duties in IRD.
- (2) In the past three years, IRD's total staff expenditure was around \$1.17 billion each year and the annual amount paid to outsourced services providers was around \$2.5 million on average, which is equivalent to around 0.2% of IRD's total staff expenditure.
- (4), (5),
(6)&(7) At present, IRD has not awarded any outsourced service contracts that involve a large number of non-skilled workers.
- (8) In the past three years, in view of simple nature of the outsourced services and the relatively low contract value, IRD adopted the price evaluation approach in scrutinizing the relevant bids.
- (9), (10)&
(11) IRD has not found any breach of the contract requirements by the outsourced service contractors, nor has it received any complaints from the employees of these contractors.

- End -

CONTROLLING OFFICER'S REPLY

FSTB(Tsy)084

(Question Serial No. 3435)

Head: (76) Inland Revenue Department

Subhead (No. & title): ()

Programme: Not Specified

Controlling Officer: Commissioner of Inland Revenue (WONG Kuen Fai)

Director of Bureau: Not Specified

Question:

Does the Inland Revenue Department provide sign language interpretation services? If yes, what are the manpower and expenditure involved? If no, what are the reasons?

Asked by: Hon LEUNG Yiu-chung (Member Question No. 166)

Reply:

The Inland Revenue Department does not provide sign language interpretation service. As our counter services and meeting arrangement for the public are provided on a one-to-one basis, our staff could communicate with persons with hearing impairment through writing or other visual aids. Induction loop device is also available in the Department to provide assistance to persons with hearing aids.

- End -

CONTROLLING OFFICER'S REPLY

FSTB(Tsy)085

(Question Serial No. 3314)

Head: (76) Inland Revenue Department

Subhead (No. & title): (000) Operational expenses

Programme: Not Specified

Controlling Officer: Commissioner of Inland Revenue (WONG Kuen Fai)

Director of Bureau: Secretary for Financial Services and the Treasury

Question:

Inland Revenue Department stated that the number of non-directorate posts will be increased by 12 to 2827 posts as at 31 March 2018. Please inform this Council of the nature of work, ranks and salaries of these new posts.

Asked by: Hon SHEK Lai-him, Abraham (Member Question No. 20)

Reply:

To cope with the increasing workload, the Inland Revenue Department (IRD) will create 12 permanent non-directorate posts in the financial year 2017-18, including 3 and 9 posts under Unit One (Profits Tax) and Tax Treaty Section respectively. The additional salary expenditure involved is about \$6.02 million.

The 3 new posts under Unit One (Profits Tax) include 1 Assistant Assessor, 1 Taxation Officer and 1 Assistant Taxation Officer, and are created to cope with the increasing workload related to collection of profits tax.

The 9 new posts under Tax Treaty Section include 1 Senior Assessor, 1 Assessor, 3 Assistant Assessors, 1 Taxation Officer and 3 Assistant Taxation Officers, and are created to cope with the additional workload arising from the implementation of various initiatives for international tax cooperation in Hong Kong.

- End -

CONTROLLING OFFICER'S REPLY**FSTB(Tsy)086****(Question Serial No. 4338)**Head: (76) Inland Revenue DepartmentSubhead (No. & title): ()Programme: (Not Specified)Controlling Officer: Commissioner of Inland Revenue (WONG Kuen Fai)Director of Bureau: Secretary for Financial Services and the TreasuryQuestion:

Regarding the property units that have been charged with property tax by the Government over the past 5 years, please provide a breakdown of the number of property units by property types (public rental housing, Home Ownership Scheme flats, private housing, village houses and small houses, etc.) for each year.

Asked by: Hon SHIU Ka-chun (Member Question No. 54)Reply:

As the Inland Revenue Department does not maintain statistics on property units charged with property tax by types, the Department is unable to provide information on the types of property units involved and the corresponding number for each type.

The number of property tax assessments made and the amount of property tax assessed in the past five financial years are tabulated below:

Financial years	2011/12	2012/13	2013/14	2014/15	2015/16
Number of assessments [^]	551 000	552 000	571 000	573 000	599 000
Amount of tax assessed (\$million)	2,102	2,504	2,814	3,225	3,327

[^]Rounded to nearest thousand

- End -

CONTROLLING OFFICER'S REPLY**FSTB(Tsy)087****(Question Serial No. 4341)**Head: (76) Inland Revenue DepartmentSubhead (No. & title): ()Programme: Not SpecifiedControlling Officer: Commissioner of Inland Revenue (WONG Kuen Fai)Director of Bureau: Secretary for Financial Services and the TreasuryQuestion:

Please list the numbers of properties solely owned and jointly owned or co-owned by individuals over the past 10 years. (Please provide the latest figures based on the question with the Question Serial No. 6457 in 2015-16.)

Asked by: Hon SHIU Ka-chun (Member Question No. 59)Reply:

According to the information gauged by the Inland Revenue Department when administering the Inland Revenue Ordinance (Cap. 112), the numbers of properties solely owned and jointly-owned or co-owned by individuals at the end of each financial year (i.e. 31 March) in the past five financial years (i.e. 2011-12 to 2015-16) are as follows –

Number of Property	As at 31 March 2012 (No. of people)*	As at 31 March 2013 (No. of people)*	As at 31 March 2014 (No. of people)*	As at 31 March 2015 (No. of people)*	As at 31 March 2016 (No. of people)*
1	1 548 440	1 551 081	1 563 885	1 580 232	1 590 447
2	295 595	297 219	296 429	294 237	294 731
3	88 698	89 654	89 338	88 908	89 234
4	34 996	35 823	36 227	36 006	36 637
5	16 381	16 815	17 004	17 275	17 340
6 to 10	20 407	20 879	21 416	21 797	22 468
11 to 30	5 377	5 509	5 778	6 029	6 347
31 to 50	478	488	507	562	558
51 to 90	196	206	220	231	236
91 to 100	12	10	11	13	12
101 or above	39	28	29	34	34

* Each individual owner of a jointly-owned or co-owned property is regarded as owning one property. Therefore, the total number of people would be larger than the total number of properties.

Note: To ensure quality and timely response to questions, we would only provide relevant information for up to five years.

- End -

CONTROLLING OFFICER'S REPLY**FSTB(Tsy)088****(Question Serial No. 6907)**Head: (76) Inland Revenue DepartmentSubhead (No. & title): ()Programme: (Not Specified)Controlling Officer: Commissioner of Inland Revenue (WONG Kuen Fai)Director of Bureau: Secretary for Financial Services and the TreasuryQuestion:

Please provide the numbers of property owners liable to property tax across the territory for the past 5 years by listing the figures for each year according to the numbers of properties owned by the property owners (i.e. owners of 1 property; owners of 2 to 10 properties; owners of 11 to 30 properties; owners of 31 to 50 properties; owners of 51 to 100 properties; and owners of over 100 properties).

Asked by: Hon SHIU Ka-chun (Member Question No. 56)Reply:

The Inland Revenue Department does not maintain the statistics concerned, and therefore cannot provide the information requested.

The number of property tax assessments made and the amount of property tax assessed in the past five financial years are tabulated below:

Financial years	2011/12	2012/13	2013/14	2014/15	2015/16
Number of assessments [^]	551 000	552 000	571 000	573 000	599 000
Amount of tax assessed (\$million)	2,102	2,504	2,814	3,225	3,327

[^]Rounded to nearest thousand

- End -

CONTROLLING OFFICER'S REPLY**FSTB(Tsy)089****(Question Serial No. 6908)**Head: (76) Inland Revenue DepartmentSubhead (No. & title): ()Programme: Not SpecifiedControlling Officer: Commissioner of Inland Revenue (WONG Kuen Fai)Director of Bureau: Secretary for Financial Services and the TreasuryQuestion:

Please provide in the table below the information on the top 20 property owners in the territory ranked by the amounts of property tax they are charged with. The information should include the amounts of property tax chargeable and the numbers of properties chargeable to property tax which they held.

Property owner	Amount of property tax chargeable	Number of properties held which are chargeable to property tax
1		
2		
3		
...		
19		
20		

Asked by: Hon SHIU Ka-chun (Member Question No. 60)Reply:

The Inland Revenue Department does not maintain the statistics concerned, and therefore cannot provide the information requested.

- End -

CONTROLLING OFFICER'S REPLY**FSTB(Tsy)090****(Question Serial No. 6909)**Head: (76) Inland Revenue DepartmentSubhead (No. & title): ()Programme: Not SpecifiedControlling Officer: Commissioner of Inland Revenue (WONG Kuen Fai)Director of Bureau: Secretary for Financial Services and the TreasuryQuestion:

Please provide in the table below the information on the top 100 property owners in the territory ranked by the amounts of property tax they are charged with. The information should include the amounts of property tax chargeable and the numbers of properties chargeable to property tax which they held.

Property owner	Amount of property tax chargeable	Number of properties held which are chargeable to property tax
1 to 10		
11 to 20		
21 to 30		
...		
81 to 90		
91 to 100		

Asked by: Hon SHIU Ka-chun (Member Question No. 61)Reply:

The Inland Revenue Department does not maintain the statistics concerned, and therefore cannot provide the information requested.

- End -

CONTROLLING OFFICER'S REPLY**FSTB(Tsy)091****(Question Serial No. 4494)**Head: (76) Inland Revenue DepartmentSubhead (No. & title): ()Programme: (1) Assessing FunctionsControlling Officer: Commissioner of Inland Revenue (WONG Kuen Fai)Director of Bureau: Secretary for Financial Services and the TreasuryQuestion:

What were the numbers of instruments stamped respectively for the collection of ad valorem stamp duty, Special Stamp Duty, Buyer's Stamp Duty and the stamp duty on tenancy agreements in each of the past 5 years? What were the staff costs incurred? Please set out the figures in a table.

Asked by: Hon TIEN Puk-sun, Michael (Member Question No. 65)Reply:

The numbers of cases in respect of Special Stamp Duty (SSD), Buyer's Stamp Duty (BSD), Ad Valorem Stamp Duty (AVD) and leases for the financial years 2012-13 to 2016-17 are as follows:

Financial year	SSD (Note)	BSD (Note)	AVD (Note)	Lease
	No. of cases	No. of cases	No. of cases	No. of cases
2012-13	2 115	-	140 609	539 175
2013-14	1 133	1 827	83 327	554 501
2014-15	589	4 966	111 987	580 579
2015-16	550	2 191	73 799	568 993
2016-17 (As at 28 February 2017)	519	2 498	83 800	537 609

Note: In some cases, the same instrument is subject to AVD as well as SSD and/or BSD.

For the financial years 2012-13 to 2016-17, the expenditure incurred by the Inland Revenue Department (IRD) in collecting stamp duty is as follows –

Financial year	2012-13	2013-14	2014-15	2015-16	2016-17 (Revised Estimate)
\$ million	45.0	47.0	53.2	55.5	57.4

The IRD does not have statistics on the administration expenditure by different types of stamp duty cases.

- End -

CONTROLLING OFFICER'S REPLY

FSTB(Tsy)092

(Question Serial No. 5356)

Head: (76) Inland Revenue Department

Subhead (No. & title): ()

Programme: (1) Assessing Functions

Controlling Officer: Commissioner of Inland Revenue (WONG Kuen Fai)

Director of Bureau: Secretary for Financial Services and the Treasury

Question:

For the past 3 years, how many applications for joint assessment of payable tax made by couples married legally outside Hong Kong were rejected by the Inland Revenue Department? Please provide the breakdown of the cases by the reasons of the rejections.

Asked by: Hon YIU Chung-yim (Member Question No. 169)

Reply:

A married couple who meets the relevant requirements under the Inland Revenue Ordinance (Cap. 112), regardless of whether the marriage was entered into in Hong Kong or elsewhere, could elect for joint assessment. The Inland Revenue Department does not have statistics on the refusal of applications for joint assessment, and hence could not provide the information requested.

- End -

CONTROLLING OFFICER'S REPLY

FSTB(Tsy)093

(Question Serial No. 4134)

Head: (162) Rating and Valuation Department

Subhead (No. & title): ()

Programme: (1) Statutory Valuation and Assessments

Controlling Officer: Commissioner of Rating and Valuation (TANG Ping Kwong)

Director of Bureau: Secretary for Financial Services and the Treasury

Question:

Regarding the rates concession measure for this year, please inform the Committee of :

- (1) the number of rates concession cases, together with the number of cases that involve private domestic premises and commercial properties and the respective concession amounts involved;
- (2) the amounts enjoyed by each of the top 100 organisations receiving the highest amounts of rates concession in table form;
- (3) for cases with rates concession reaching the ceiling level, the number of cases that involve private domestic premises and commercial properties and the respective concession amounts involved;
- (4) the number of rates concession cases that involve Cheung Kong (Holdings) Limited, Sun Hung Kai Properties Limited, Sino Land Company Limited, Henderson Land Development Company Limited, Chinachem Group, Wharf (Holdings) Limited, Hutchison Whampoa Limited, Hang Lung Group Limited, Wheelock and Company Limited as well as their subsidiary companies, affiliated companies and holding companies, and the amount involved.

Asked by: Hon CHAN Chi-chuen (Member Question No. 68)

Reply:

The above questions are not relevant to Head of Expenditure 162.

- (1) For the 2017-18 financial year, around 3.21 million properties will benefit from rates concession, of which about 1.78 million are private domestic properties and 0.41 million are non-domestic properties. The estimated amounts of rates concession involving private domestic properties and non-domestic properties are about \$6.9 billion and \$1.4 billion respectively.

- (2) For the 2017-18 financial year, the top 100 ratepayers (excluding organisations providing subsidized housing) that are estimated to receive the highest amounts of rates concession, involving about \$0.25 billion, are as follows -

Ratepayer	Amount of Rates Concession (\$million)
1 - 10	125.4
11 - 100	123.5
Total	248.9

- (3) For the 2017-18 financial year, it is estimated that about 1.42 million private domestic properties and about 0.29 million non-domestic properties will enjoy rates concession at the ceiling level, involving concession amounts of about \$5.7 billion and \$1.2 billion respectively.
- (4) According to the Code on Access to Information, without prior consent from the ratepayers concerned, the Rating and Valuation Department (RVD) is unable to disclose information which will reveal the identity of the ratepayers. Moreover, RVD does not have records on subsidiary companies, affiliated companies and holding companies of ratepayers.

- End -

CONTROLLING OFFICER'S REPLY

FSTB(Tsy)094

(Question Serial No. 4133)

Head: (162) Rating and Valuation Department

Subhead (No. & title): ()

Programme: (2) Collection and Billing of Rates and Government Rent

Controlling Officer: Commissioner of Rating and Valuation (TANG Ping Kwong)

Director of Bureau: Secretary for Financial Services and the Treasury

Question:

Regarding the rates concession as announced in the Budget this year, please inform the Committee of the operational expenses, staff establishment and estimated payroll cost involved in the 2017-2018 rates concession.

Asked by: Hon CHAN Chi-chuen (Member Question No. 67)

Reply:

Regarding the rates concession measure in the 2017-18 financial year, the Rating and Valuation Department (RVD) will absorb the operational expenses involved from within its existing resources. The said expenses mainly include an estimated cost of around \$480,000 for publishing pamphlets for attachment to the rates demand notes to explain the rates concession arrangements. RVD has not deployed any dedicated manpower for handling the work on rates concession and therefore does not have any breakdown on manpower and payroll cost involved.

- End -

CONTROLLING OFFICER'S REPLY**FSTB(Tsy)095****(Question Serial No. 6168)**Head: (162) Rating and Valuation DepartmentSubhead (No. & title): ()Programme: (3) Provision of Valuation and Property Information ServicesControlling Officer: Commissioner of Rating and Valuation (TANG Ping Kwong)Director of Bureau: Secretary for Financial Services and the TreasuryQuestion:

In the past 5 years, how did the Government calculate the vacancy rate of residential flats? Which department was responsible for the task? What was the frequency of site inspection? What was the amount of public money involved?

Asked by: Hon CHEUNG Chiu-hung, Fernando (Member Question No. 1209)Reply:

The Rating and Valuation Department (RVD) conducts vacancy survey at the end of each year to provide a snapshot of the vacancy position of various types of private properties. Properties which are not physically occupied or which are under decoration at the time of survey would be treated as vacant. The vacancy survey includes a full survey on residential units completed within three calendar years at the time of the survey, and a random sample survey covering 3% of the remaining residential units.

After collating the data collected from building management offices, owners and occupants, as well as the information obtained through inspection by property inspectors, RVD comes up with the relevant vacancy data for incorporation into its Hong Kong Property Review. Public housing, village houses, quarters, subsidised home ownership flats and subsidised flats that can be traded in the open market are not included in the category of private domestic properties in the Hong Kong Property Review.

RVD's vacancy survey is undertaken by outsourced contractor selected through established tender mechanism. Total expenditure on the relevant survey in the past five years is as follows:

Financial Year	Expenditure (\$ million)
2012-13	1.38
2013-14	1.61
2014-15	1.76
2015-16	1.72
2016-17	1.68

- End -

CONTROLLING OFFICER'S REPLY**FSTB(Tsy)096****(Question Serial No. 6568)**Head: (162) Rating and Valuation DepartmentSubhead (No. & title): ()Programme: ()Controlling Officer: Commissioner of Rating and Valuation (TANG Ping Kwong)Director of Bureau: Secretary for Financial Services and the TreasuryQuestion:

Regarding the rates concession announced in the Budget in the past 5 years, please provide information on the top 10 ratepayers that received the largest estimated amounts of rates concession (including the amount of rates concession enjoyed and the number of rateable properties held by the ratepayers concerned).

Asked by: Hon CHEUNG Chiu-hung, Fernando (Member Question No. 1974)Reply:

The Rating and Valuation Department does not maintain information on the top 10 ratepayers that were estimated to receive the highest amounts of rates concession in 2013-14 and the years before. The following table sets out the relevant information for 2014-15 to 2016-17 -

Ratepayers (excluding organisations providing subsidised housing)	2014-15		2015-16		2016-17	
	Amount of Rates Concession (\$ million)	Number of Rateable Tenements	Amount of Rates Concession (\$ million)	Number of Rateable Tenements	Amount of Rates Concession (\$ million)	Number of Rateable Tenements
1-10	86.4	40 946	126.9	40 333	124.2	39 865

- End -

CONTROLLING OFFICER'S REPLY**FSTB(Tsy)097****(Question Serial No. 6570)**Head: (162) Rating and Valuation DepartmentSubhead (No. & title): ()Programme: ()Controlling Officer: Commissioner of Rating and Valuation (TANG Ping Kwong)Director of Bureau: Secretary for Financial Services and the TreasuryQuestion:

Regarding the rates concession announced in the Budget in the past 5 years, please provide information on the top 100 ratepayers (ratepayers 1-10, 11-50, 51-100) that received the largest estimated amounts of rates concession (including the total amount of rates concession enjoyed and the total number of rateable properties held by the ratepayers in each category).

Asked by: Hon CHEUNG Chiu-hung, Fernando (Member Question No. 1975)Reply:

The Rating and Valuation Department (RVD) does not maintain information on the top 100 ratepayers that were estimated to receive the highest amounts of rates concession in 2013-14 and the years before. The following table sets out the relevant information for 2014-15 to 2016-17 -

Ratepayers (excluding organisations providing subsidised housing)	2014-15		2015-16		2016-17	
	Amount of Rates Concession (\$ million)	Number of Rateable Tenements	Amount of Rates Concession (\$ million)	Number of Rateable Tenements	Amount of Rates Concession (\$ million)	Number of Rateable Tenements
1-10	86.4	40 946	126.9	40 333	124.2	39 865
11 – 100 *	85.4	37 787	124.5	36 637	122.3	37 930
Total	171.8	78 733	251.4	76 970	246.5	77 795

* RVD does not have the breakdown on tenement figures in respect of the ratepayers ranked from the 11th to 50th or 51st to 100th.

- End -

CONTROLLING OFFICER'S REPLY

FSTB(Tsy)098

(Question Serial No. 5101)

Head: (162) Rating and Valuation Department

Subhead (No. & title): (000) Operational expenses

Programme: ()

Controlling Officer: Commissioner of Rating and Valuation (TANG Ping Kwong)

Director of Bureau: Secretary for Financial Services and the Treasury

Question:

Please give a breakdown of the estimated number of staff, annual emoluments, housing allowance and allowances for the expenses on visits and entertainment pertaining to the following posts in the Rating and Valuation Department in 2017-18.

- Commissioner
- Deputy Commissioner
- Assistant Commissioner
- Departmental Secretary
- Deputy Departmental Secretary
- Assistant Departmental Secretary (Department)
- Assistant Departmental Secretary
- Confidential Assistant
- Senior Clerical Officer
- Clerical Officer
- Acting Principal Valuation Surveyor
- Acting Senior Valuation Surveyor
- Senior Valuation Surveyor
- Valuation Surveyor
- Principal Valuation Officer
- Senior Technical Officer (Cartographic)
- Systems Manager
- Analyst/Programmer I
- Analyst/Programmer II
- Assistant Staff Development Officer
- Staff Development Officer
- Senior Statistical Officer
- Statistical Officer
- Technical Secretary
- Assistant Technical Secretary
- Senior Treasury Accountant

- Treasury Accountant
- Supervisor of clerks

Asked by: Hon LEUNG Kwok-hung (Member Question No. 2037)

Reply:

In 2017-18, the number of the aforesaid posts in the Rating and Valuation Department (RVD) is tabulated below:

Post	Number
Commissioner of Rating and Valuation	1
Deputy Commissioner of Rating and Valuation	1
Assistant Commissioner of Rating and Valuation	4
Departmental Secretary	1
Deputy Departmental Secretary	1
Assistant Departmental Secretary (Department)	No such post in RVD
Assistant Departmental Secretary	3
Confidential Assistant	1
Senior Clerical Officer	16
Clerical Officer	37
Principal Valuation Surveyor	8
Senior Valuation Surveyor	23
Valuation Surveyor	61
Principal Valuation Officer	15
Senior Technical Officer (Cartographic)	2
Systems Manager	3
Analyst/Programmer I	12
Analyst/Programmer II	4
Assistant Staff Development Officer (Post held by Valuation Surveyor)	2 (already included in the row on Valuation Surveyor)
Staff Development Officer (Post held by Senior Valuation Surveyor)	1 (already included in the row on Senior Valuation Surveyor)
Senior Statistical Officer	2
Statistical Officer I	3
Statistical Officer II	3
Technical Secretary (Post held by Senior Valuation Surveyor)	4 (already included in the row on Senior Valuation Surveyor)
Assistant Technical Secretary	5 (already included in the row on Valuation Surveyor)

(Post held by Valuation Surveyor)	
Assistant Technical Secretary (Post held by Principal Valuation Officer)	1 (already included in the row on Principal Valuation Officer)
Senior Treasury Accountant	1
Treasury Accountant	No such post in RVD
Supervisor of Clerks (Post held by Clerical Officer)	5 (already included in the row on Clerical Officer)
Supervisor of Clerks (Post held by Assistant Clerical Officer)	3
Other posts	672
Total	877

In 2017-18, RVD's estimates for annual emoluments, expenses for duty visit and expenses for entertainment are \$0.4 billion, \$105,000 and \$2,500 respectively. As the estimated expenditure under Head 162 does not include housing allowance for RVD's staff, RVD does not have the estimated figure concerned.

- End -

CONTROLLING OFFICER'S REPLY

FSTB(Tsy)099

(Question Serial No. 3402)

Head: (162) Rating and Valuation Department

Subhead (No. & title): ()

Programme: ()

Controlling Officer: Commissioner of Rating and Valuation (TANG Ping Kwong)

Director of Bureau: Secretary for Financial Services and the Treasury

Question:

Does your department provide sign language interpretation services? If yes, what are the manpower and expenditure involved? If no, what are the reasons?

Asked by: Hon LEUNG Yiu-chung (Member Question No. 205)

Reply:

The Rating and Valuation Department does not provide sign language interpretation service. When meeting persons with hearing impairment, staff of RVD could communicate with them through writing or other visual aids.

- End -

CONTROLLING OFFICER'S REPLY

FSTB(Try)100

(Question Serial No. 6870)

Head: (162) Rating and Valuation Department

Subhead (No. & title): ()

Programme: Not Specified

Controlling Officer: Commissioner of Rating and Valuation (TANG Ping Kwong)

Director of Bureau: Financial Services and the Treasury Bureau

Question:

Regarding outsourcing of service in your department, please inform the Committee of the following in respect of the past 3 years:

- (1) the total number of outsourced service staff employed by your department and such number as a percentage of the total number of staff carrying out the same types of duties in your department;
- (2) the total expenditure on staff of your department; the total amount paid to outsourced service providers; and the latter amount as a percentage of the total expenditure on staff of your department; and
- (3) the nature of your department's outsourced services and the duration of the relevant contracts.

In addition, according to the Government's guidelines for tendering of outsourced services revised last year, if the procured service relies heavily on the deployment of non-skilled workers, and a marking scheme for assessing the tenders is adopted, the procuring department, when assessing the tenders, should include in the assessment criteria the evaluation of tenderers' proposed wage rates and working hours for non-skilled workers. In this regard, please inform the Committee of the following:

- (4) the current number of outsourced service contracts involving a large number of non-skilled workers awarded by your department since implementation of the guidelines;
- (5) the departments which have adjusted their assessment criteria in respect of wage rates and working hours for the outsourced service contracts involving a large number of non-skilled workers in the light of the new guidelines since their implementation; how your department has made adjustment; and if no relevant information is available, the reasons for it;

- (6) whether there have been any rises in the average wage rates for workers in the contracts of outsourced services that rely heavily on deployment of non-skilled workers since the implementation of the guidelines; if yes, the number of contracts with rises in wage rates; if no relevant information is available, the reasons for it;
- (7) your department's measures to evaluate the effectiveness of the new tendering guidelines;
- (8) whether your department is required to adopt the existing mechanism of two-envelope assessment of the technical and price aspects when evaluating tenders for contracts of outsourced service; if no, the number of contracts awarded without adopting the existing mechanism of two-envelope assessment of the technical and price aspects in the past 3 years;
- (9) the annual numbers of cases of government service contractors breaching the service contracts, the Employment Ordinance or the Occupational Safety and Health Ordinance as revealed by the inspections conducted by your department, and the annual numbers of complaints lodged by the outsourced service staff;
- (10) the details of follow-up actions on the aforementioned non-compliance and complaint cases; and
- (11) the number and details of cases involving contractors being punished for non-compliance or sustained complaints.

Asked by: Hon LEUNG Yiu-chung (Member Question No. 126)

Reply:

- | | |
|---------------------|---|
| (1) & (3) | The services outsourced by the Rating and Valuation Department (RVD) mainly include printing and enveloping of demand notes, valuation of properties, data input and document conversion services, vacancy surveys and inspection of display of building numbers. The duration of the contracts depends on the service need. Since the cost of RVD's outsourced contracts is not based on the number of staff employed by the contractors, RVD is not in a position to provide the total number of outsourced service staff employed and such number as a percentage of the total number of staff carrying out the same types of duties in RVD. |
| (2) | For the last three years, RVD's total staff expenditure is around \$1.26 billion and the amount paid to outsourced service providers is around \$25 million, which is equivalent to around 2% of RVD's total staff expenditure. |
| (4), (5), (6) & (7) | At present, RVD has not awarded any outsourced service contracts that involve a large number of non-skilled workers. |

- (8) Most of the outsourced service contracts of RVD have adopted the “two-envelope” approach in assessing the technical and price aspects of the contracts. In the past three years, three contracts adopted the price evaluation approach due to the simple nature of the service outsourced.
- (9), (10) & (11) RVD has not found any breach of regulations by the outsourced service contractors, nor has it received any complaints from the employees of these contractors.

- End -

CONTROLLING OFFICER'S REPLY**FSTB(Tsy)101****(Question Serial No. 4334)**Head: (162) Rating and Valuation DepartmentSubhead (No. & title): ()Programme: ()Controlling Officer: Commissioner of Rating and Valuation (TANG Ping Kwong)Director of Bureau: Secretary for Financial Services and the TreasuryQuestion:

Regarding the rates concession announced in the Budget in the past 5 years, please provide information on the top 10 ratepayers that received the largest estimated amounts of rates concession (including the amount of rates concession enjoyed and the number of rateable properties held by the ratepayers concerned).

Asked by: Hon SHIU Ka-chun (Member Question No. 48)Reply:

The Rating and Valuation Department does not maintain information on the top 10 ratepayers that were estimated to receive the highest amounts of rates concession in 2013-14 and the years before. The following table sets out the relevant information for 2014-15 to 2016-17 -

Ratepayers (excluding organisations providing subsidised housing)	2014-15		2015-16		2016-17	
	Amount of Rates Concession (\$ million)	Number of Rateable Tenements	Amount of Rates Concession (\$ million)	Number of Rateable Tenements	Amount of Rates Concession (\$ million)	Number of Rateable Tenements
1-10	86.4	40 946	126.9	40 333	124.2	39 865

- End -

CONTROLLING OFFICER'S REPLY**FSTB(Tsy)102****(Question Serial No. 4335)**Head: (162) Rating and Valuation DepartmentSubhead (No. & title): ()Programme: ()Controlling Officer: Commissioner of Rating and Valuation (TANG Ping Kwong)Director of Bureau: Secretary for Financial Services and the TreasuryQuestion:

Regarding the rates concession announced in the Budget in the past 5 years, please provide information on the top 100 ratepayers (ratepayers 1-10, 11-50, 51-100) that received the largest estimated amounts of rates concession (including the total amount of rates concession enjoyed and the total number of rateable properties held by the ratepayers in each category).

Asked by: Hon SHIU Ka-chun (Member Question No. 49)Reply:

The Rating and Valuation Department (RVD) does not maintain information on the top 100 ratepayers that were estimated to receive the highest amounts of rates concession in 2013-14 and the years before. The following table sets out the relevant information for 2014-15 to 2016-17 -

Ratepayers (excluding organisations providing subsidised housing)	2014-15		2015-16		2016-17	
	Amount of Rates Concession (\$ million)	Number of Rateable Tenements	Amount of Rates Concession (\$ million)	Number of Rateable Tenements	Amount of Rates Concession (\$ million)	Number of Rateable Tenements
1-10	86.4	40 946	126.9	40 333	124.2	39 865
11 – 100 *	85.4	37 787	124.5	36 637	122.3	37 930
Total	171.8	78 733	251.4	76 970	246.5	77 795

* RVD does not have the breakdown on tenement figures in respect of the ratepayers ranked from the 11th to 50th or 51st to 100th.

- End -

CONTROLLING OFFICER'S REPLY**FSTB(Tsy)103****(Question Serial No. 4336)**Head: (162) Rating and Valuation DepartmentSubhead (No. & title): ()Programme: Not SpecifiedControlling Officer: Commissioner of Rating and Valuation (TANG Ping Kwong)Director of Bureau: Secretary for Financial Services and the TreasuryQuestion:

Please provide information on the number of properties held by the top 20 owners holding the largest number of properties in Hong Kong and the annual rates payable in the last 5 years.

Landlord	Number of Properties Held	Annual Rates Payable
1		
2		
3		
...		
19		
20		

Asked by: Hon SHIU Ka-chun (Member Question No. 50)Reply:

The Rating and Valuation Department does not maintain records on owners of rateable properties.

- End -

CONTROLLING OFFICER'S REPLY**FSTB(Tsy)104****(Question Serial No. 4337)**Head: (162) Rating and Valuation DepartmentSubhead (No. & title): ()Programme: Not SpecifiedControlling Officer: Commissioner of Rating and Valuation (TANG Ping Kwong)Director of Bureau: Secretary for Financial Services and the TreasuryQuestion:

Please provide information on the number of properties held by the top 100 owners holding the largest number of properties in Hong Kong and the annual rates payable in the last 5 years.

Landlords	Number of Properties Held	Annual Rates Payable
1-10		
11-20		
21-30		
...		
81-90		
91-100		

Asked by: Hon SHIU Ka-chun (Member Question No. 51)Reply:

The Rating and Valuation Department does not maintain records on owners of rateable properties.

- End -

CONTROLLING OFFICER'S REPLY

FSTB(Tsy)105

(Question Serial No. 6511)

Head: (162) Rating and Valuation Department

Subhead (No. & title): ()

Programme: (1) Statutory Valuation and Assessments, (2) Collection and Billing of Rates and Government Rent, (3) Provision of Valuation and Property Information Services and (4) Landlord and Tenant Services

Controlling Officer: Commissioner of Rating and Valuation (TANG Ping Kwong)

Director of Bureau: Secretary for Financial Services and the Treasury

Question:

It can be seen in the Analysis of Financial Provision on page 832 that there are increases in the 2016-17 revised provisions over the original estimates regarding Programme 2-4 while there is a decrease in the revised provision over the original estimate regarding Programme 1.

Please inform the Committee of:

- (1) the reasons for the decrease in the revised provision regarding Programme 1; and
- (2) the reasons for the increases in the revised provisions regarding Programme 2-4.

Asked by: Hon TAM Man-ho, Jeremy (Member Question No. 207)

Reply:

The revised estimated expenditure of the Rating and Valuation Department for 2016-17 is around \$517.4 million, which is \$3.7 million (0.7%) higher than the original estimate (\$513.7 million).

- (1) The decrease in revised provision for Programme 1 is mainly due to the lower than original estimated expenditure on the possible refund of overcharged interest in respect of some appeal cases on Government rent. The saving is partly offset by the effect of the 2016 civil service pay rise.
- (2) The increase in revised provisions for Programmes 2 to 4 is mainly due to the effect of 2016 civil service pay rise.

- End -

CONTROLLING OFFICER'S REPLY

FSTB(Tsy)106

(Question Serial No. 5822)

Head: (162) Rating and Valuation Department

Subhead (No. & title): ()

Programme: (2) Collection and Billing of Rates and Government Rent
(3) Provision of Valuation and Property Information Services

Controlling Officer: Commissioner of Rating and Valuation (TANG Ping Kwong)

Director of Bureau: Secretary for Financial Services and the Treasury

Question:

1. What is the total number of local residents who were a sole/joint owner of domestic properties in each of the past 3 years?
2. How many of such residents as specified above held more than 1 domestic property?
3. How many of such property owners as specified in Question(1) were Hong Kong permanent residents?

Asked by: Hon YIU Chung-yim (Member Question No. 45)

Reply:

The Rating and Valuation Department (RVD) does not maintain records of owners of rateable properties. Where necessary, RVD would obtain owners records from the Land Registry to discharge our responsibilities.

- End -

CONTROLLING OFFICER'S REPLY

FSTB(Tsy)107

(Question Serial No. 6026)

Head: (188) Treasury

Subhead (No. & title): ()

Programme: (2) Payment of Salaries, Pensions and Benefits

Controlling Officer: Director of Accounting Services (Martin M. T. SIU)

Director of Bureau: Secretary for Financial Services and the Treasury

Question:

Please set out the estimated expenditures on salaries and fringe benefits (including housing benefits, education allowances for children, leave passage allowance, etc.) of all managerial posts in various government-funded non-departmental public bodies and subvented organisations in the past 5 years.

Asked by: Hon CHEUNG Chiu-hung, Fernando (Member Question No. 1142)

Reply:

There is no direct relationship between the information requested and Head 188. We therefore do not have such information.

- End -

CONTROLLING OFFICER'S REPLY

FSTB(Tsy)108

(Question Serial No. 6463)

Head: (188) Treasury

Subhead (No. & title): ()

Programme: (2) Payment of Salaries, Pensions and Benefits

Controlling Officer: Director of Accounting Services (Martin M. T. SIU)

Director of Bureau: Secretary for Financial Services and the Treasury

Question:

Please set out the monthly expenditure on the Chief Executive C Y LEUNG's salary and allowances since he took office. Please also advise on the amount of his monthly pension when he retires and the total expenditure on his pension payment.

Asked by: Hon CHEUNG Chiu-hung, Fernando (Member Question No. 2236)

Reply:

The expenditure on the salary and allowances of the Chief Executive is met from the provision under Head 21 - Chief Executive's Office, and hence is not relevant to Expenditure Head 188.

- End -

CONTROLLING OFFICER'S REPLY

FSTB(Tsy)109

(Question Serial No. 5093)

Head: (188) Treasury

Subhead (No. & title): (000) Operational expenses

Programme: ()

Controlling Officer: Director of Accounting Services (Martin M. T. SIU)

Director of Bureau: Secretary for Financial Services and the Treasury

Question:

Please give a breakdown of the estimated number of staff, annual emoluments, housing allowance and allowances for the expenses on visits and entertainment pertaining to the following posts in the Treasury for the coming year:

- Director
- Deputy Director
- Assistant Director
- Senior Personal Secretary
- Personal Secretary I
- Personal Secretary II
- Senior Treasury Accountant
- Treasury Accountant
- Accounting Officer I
- Accounting Officer II
- Senior Clerical Officer
- Clerical Officer
- Senior Accounting Officer
- Accounting Officer
- Supplies Supervisor I
- Supplies Supervisor II
- Chief Treasury Accountant
- Senior Systems Manager
- Assistant Accounting Manager
- Systems Manager
- Contract Project Manager
- Analyst Programmer I
- Analyst Programmer
- Contract Systems Analyst

Asked by: Hon LEUNG Kwok-hung (Member Question No. 2027)

Reply:

The estimated establishment in 2017-18 under Head 188 - Treasury is tabulated below:

Post	Establishment
Director of Accounting Services	1
Deputy Director of Accounting Services	1
Assistant Director of Accounting Services	5
Chief Treasury Accountant	3
Senior Treasury Accountant	12
Treasury Accountant	22
Senior Accounting Officer	10
Accounting Officer I	28
Accounting Officer II	31
Chief Executive Officer	1
Senior Executive Officer	1
Executive Officer I	2
Executive Officer II	1
Senior Personal Secretary	1
Personal Secretary I	5
Personal Secretary II	3
Confidential Assistant	2
Senior Clerical Officer	27
Clerical Officer	65
Assistant Clerical Officer	149
Clerical Assistant	54
Office Assistant	5
Supplies Supervisor I	1
Supplies Supervisor II	1
Supplies Assistant	1
Senior Systems Manager	3
Systems Manager	6
Analyst/Programmer I	16
Analyst/ Programmer II	9
Assistant Computer Operation Manager	1
Senior Computer Operator	6
Computer Operator I	9
Computer Operator II	14
Data Processor	6
Motor Driver	1
Property Attendant	1
Workman II	5

The estimate of the amount required in 2017-18 for personal emoluments of the Treasury is around \$221 million while those for duty visits and entertainment are \$50,000 and \$10,000 respectively.

The estimate of expenditure on housing allowance is provided under a central vote (i.e. Head 46 – General Expenses of the Civil Service) and is not included under Head 188 – Treasury.

- End -

CONTROLLING OFFICER'S REPLY

FSTB(Tsy)110

(Question Serial No. 3414)

Head: (188) Treasury

Subhead (No. & title): ()

Programme: ()

Controlling Officer: Director of Accounting Services (Martin M. T. SIU)

Director of Bureau: Secretary for Financial Services and the Treasury

Question:

Does your department provide sign language interpretation services? If yes, what are the manpower and expenditure involved? If no, what are the reasons?

Asked by: Hon LEUNG Yiu-chung (Member Question No. 218)

Reply:

As service users of the Treasury generally do not require sign language interpretation services, the Treasury does not allocate manpower or expenditure in this respect.

- End -

CONTROLLING OFFICER'S REPLY

FSTB(Tsy)111

(Question Serial No. 7177)

Head: (188) Treasury

Subhead (No. & title): ()

Programme: (1) Central Accounting, Collections and Payments

Controlling Officer: Director of Accounting Services (Martin M. T. SIU)

Director of Bureau: Secretary for Financial Services and the Treasury

Question:

It is mentioned in the Budget Speech that the Hong Kong Monetary Authority (HKMA) is developing a new Faster Payment System (FPS). In this regard, will the Government advise this Committee:

- (1) whether the Government plans to include various government bills and fees into the FPS; if yes, of the details; if no, of the reasons for that;
- (2) of the government services currently with Electronic Bill Presentment and Payment (EBPP) Service on offer, and their shares in all government services that require payment of fees and charges?

Asked by: Hon MOK Charles Peter (Member Question No. 31)

Reply:

The Treasury will, in conjunction with departments responsible for collecting government bills, continue to keep in view the development and application of various new payment means (including the FPS under development) in the market, with a view to enhancing the efficiency and cost-effectiveness of collection and providing faster and more convenient payment means for the public.

At present, members of the public may use the EBPP Service jointly implemented by the HKMA and the banking industry to pay Water Bill and Demand for Rates and/or Government Rent, which are the two main types of government bills. The total number of these two types of bills accounts for some 70% of all government bills issued annually.

- End -

CONTROLLING OFFICER'S REPLY

FSTB(Tsy)112

(Question Serial No. 7125)

Head: (188) Treasury

Subhead (No. & title): (000) Operational expenses

Programme: (4) Management of Funds

Controlling Officer: Director of Accounting Services (Martin M. T. SIU)

Director of Bureau: Secretary for Financial Services and the Treasury

Question:

What are the annual investment returns for the past 10 years of the 7 funds under Programme (4) Management of Funds? What are the annual investment management fees and other expenses of the 6 funds therein?

Asked by: Hon WONG Ting-kwong (Member Question No. 66)

Reply:

The investment returns for the past 10 years of the funds the investments of which are managed by the Treasury are set out in the Annex.

The actual expenditure incurred by the Treasury for managing the investment of these funds in 2015-16 was about \$7.50 million. The amount did not include the actual expenditure on investment and management fees paid out of the funds (including investment manager fees, asset custodian fees and investment transaction costs, which were equivalent to about 0.23% of the total net asset value of the funds per year).

**Investment returns for the past 10 years
of the funds the investments of which are managed by the Treasury**

Fund	2007 %	2008 %	2009 %	2010 %	2011 %	2012 %	2013 %	2014 %	2015 %	2016 %
Financial year ending at 31 August										
Grant and Subsidized Schools Provident Funds	18.0	-4.3	-5.0	5.5	6.9	2.3	6.6	10.4	-3.0	6.8
Quality Education Fund	17.1	-0.1	-1.0	6.8	6.4	4.0	8.8	12.2	-0.7	5.4
HKSAR Government Scholarship Fund	N.A.*	1.9	1.2	1.6	6.6	4.1	2.7	9.2	-3.3	5.1
Self-financing Post-secondary Education Fund	N.A.*	N.A.*	N.A.*	N.A.*	N.A.*	1.1	1.2	8.9	-2.5	4.9
Financial year ending at 31 March										
Sir David Trench Fund for Recreation	10.2	7.1	-7.1	14.8	6.7	-3.1	5.5	4.3	6.2	-5.2
Beat Drugs Fund	14.2	10.4	-19.5	20.6	1.9	4.6	7.5	6.1	6.5	-3.3
AIDS Trust Fund [#]	4.8	3.9	1.9	0.2	0.5	1.3	1.1	1.1	1.3	1.1

* The HKSAR Government Scholarship Fund and the Self-financing Post-secondary Education Fund were established in March 2008 and August 2011 respectively.

The AIDS Trust Fund mainly invests in fixed deposits.

- End -

CONTROLLING OFFICER'S REPLY**FSTB(Tsy)113****(Question Serial No. 7178)**Head: (106) Miscellaneous ServicesSubhead (No. & title): (284) CompensationProgramme: ()Controlling Officer: Permanent Secretary for Financial Services and the Treasury (Treasury) (Ms Elizabeth TSE)Director of Bureau: Secretary for Financial Services and the TreasuryQuestion:

Regarding accident cases involving the Government and third party injuries, please list the types of cases, the number of claims and compensation cases, as well as the amounts of compensation involved.

Asked by: Hon IP Kin-yuen (Member Question No. 75)Reply:

In the 2016-17 financial year (as at 28 February 2017), the number of claims and compensation cases, as well as the total amount of compensation arising from accidents involving the Government and third party injuries were as follows:

	2016-17 (as at 28 February 2017)
Number of claims	61
Number of compensation cases (Note)	32
Total amount of compensation (\$'000)	8,030

Note: The number of compensation cases included part of the claims made against the Government in or before the 2016-17 financial year.

The major types of cases included compensation for public injuries caused by government vehicles in traffic accidents, and for those injuries arising from the use of public facilities and services.

- End -

CONTROLLING OFFICER'S REPLY

FSTB(Tsy)114

(Question Serial No. 5023)

Head: (184) Transfers to Funds

Subhead (No. & title): ()

Programme: Not Specified

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

Director of Bureau: Secretary for Financial Services and the Treasury

Question:

Last year (2016-17), I asked for the reasons why a provision of \$3.8 billion, a stunning increase compared with that of \$100 million in the year before last (2015-16), would be made as Payment to the Civil Service Pension Reserve Fund under Subhead 991. The Government explained to me that it was mainly because that having regard to the estimated number of recipients eligible for receiving pension, there was an increase of 2016-17 estimated pension expenditure of some \$3 billion over the 2015-16 original estimate.

However, under Head 120 Pensions of this year's Estimates, the number of pensioners in 2015 was around 121 300 while that in 2016 was around 126 500, with a difference of 5 219. The estimated number for this year is around 133 000, marking an increase of 6 480. Yet, this year's provision decreases to \$2.3 billion instead. Please advise on the reasons:

1. why the provision decreases with an increase in the number of pensioners.
2. why the provision increased by \$3 billion with an increase of some 5 000 pensioners in 2016.

Asked by: Hon LEUNG Kwok-hung (Member Question No. 539)

Reply:

The estimated annual pension expenditure depends on various factors such as the number of new retirees and the life expectancy of pensioners. The estimated pension expenditure for 2017-18 was \$34.2 billion while the existing fund balance of the Civil Service Pension Reserve Fund was \$31.9 billion, making a difference of \$2.3 billion. Therefore, it is necessary to transfer \$2.3 billion from the General Revenue Account to the Civil Service Pension Reserve Fund in order to maintain a balance of not less than the estimated pension expenditure of the budget year.

In preparing the 2016-17 estimates, the estimated fund balance of the Civil Service Pension Reserve Fund was \$28.1 billion while the estimated pension expenditure was \$31.9 billion, making a difference of \$3.8 billion. Therefore, it was necessary to transfer \$3.8 billion from the General Revenue Account to the Civil Service Pension Reserve Fund.

- End -

CONTROLLING OFFICER'S REPLY

FSTB(Tsy)115

(Question Serial No. 6021)

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) (Ms Elizabeth TSE)

Director of Bureau: Secretary for Financial Services and the Treasury

Question:

Regarding the Working Group on Long-Term Fiscal Planning, please advise this Committee of :

1. the posts of the Working Group on the civil service establishment and the total expenditure involved;
2. the total amount of remuneration for the economists as well as the accounting, taxation and actuarial experts of the Working Group; and
3. the estimated expenditure and establishment involved in pursuing the recommendations of the Working Group, where adopted.

Asked by: Dr Hon Fernando CHEUNG Chiu-hung (Member Question No.1141)

Reply:

Upon publication of phase two report in December 2014, the task of the Working Group on Long-Term Fiscal Planning has completed.

The expenditure and manpower involved in pursuing the recommendations of the Working Group will be absorbed within the existing resources of this bureau and the relevant government departments.

- End -

CONTROLLING OFFICER'S REPLY

FSTB(Tsy)116

(Question Serial No. 7155)

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) (Ms Elizabeth TSE)

Director of Bureau: Secretary for Financial Services and the Treasury

Question:

With regard to the "0-1-1" envelope savings programme put forward by the Government, please provide details of its implementation in all government departments and its impact on public services.

Asked by: Dr Hon Fernando CHEUNG Chiu-hung (Member Question No. 2434)

Reply:

This question is not directly relevant to Head 147.

In the face of an ageing population, shrinking labour supply and slowing economic growth, we need to contain the growth of government expenditure to ensure fiscal sustainability.

"0-1-1" envelope savings programme is a fiscal planning tool aimed at achieving more efficient use of public resources through greater efforts in re-engineering and reprioritization such that the savings can be re-deployed to the implementation of enhanced and new services.

The programme comprises both the cessation of lump sum allocation for addressing price adjustments as from 2015-16 which involves around \$1.2 billion to \$1.4 billion each year; and reduction of 1% from the respective operating expenditure envelopes of policy bureaux for 2016-17 and 2017-18 which involves around \$1.5 billion each year from 2016-17. The envelope savings programme is completed in 2017-18, around \$6.8 billion is saved for re-allocation which is about 2% of the estimated government operating expenditure of \$325 billion in 2014-15.

Recurrent government expenditure in 2017-18 is higher than the 2016-17 revised estimate by 7.4% or \$25.6 billion.

- End -

CONTROLLING OFFICER'S REPLY

FSTB(Tsy)117

(Question Serial No. 4547)

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

Subhead (No. & title): ()

Programme: (1) Director of Bureau's Office

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

Director of Bureau: Secretary for Financial Services and the Treasury

Question:

Please give a breakdown of the actual expenditure on salaries, regularly-paid allowances, job-related allowances and non-accountable entertainment allowance payable to the Secretary in 2016-17, as well as the estimate for salaries, regularly-paid allowances, job-related allowances and non-accountable entertainment allowance payable to the Secretary in 2017-18.

Asked by: Hon KWOK Ka-ki (Member Question No. 17)

Reply:

The expenditure on salaries for the Secretary for Financial Services and the Treasury (SFST) in 2016-17 is around \$3.58 million. The salary provision earmarked for SFST in 2017-18 is the same as 2016-17. There is no expenditure or estimate in 2016-17 and 2017-18 to cater for the regularly-paid allowances, job-related allowances and non-accountable entertainment allowances payable to SFST.

- End -

CONTROLLING OFFICER'S REPLY

FSTB(Tsy)118

(Question Serial No. 4548)

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

Subhead (No. & title): ()

Programme: (1) Director of Bureau's Office

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

Director of Bureau: Secretary for Financial Services and the Treasury

Question:

Please give a breakdown of the actual expenditure on salaries, regularly-paid allowances, job-related allowances and non-accountable entertainment allowance payable to the Under Secretary in 2016-17, as well as the estimate for salaries, regularly-paid allowances, job-related allowances and non-accountable entertainment allowance payable to the Under Secretary in 2017-18.

Asked by: Hon KWOK Ka-ki (Member Question No.18)

Reply:

The expenditure on salaries for the Under Secretary for Financial Services and the Treasury (USFST) in 2016-17 is around \$2.68 million. The salary provision earmarked for USFST in 2017-18 is the same as 2016-17. There is no expenditure or estimate in 2016-17 and 2017-18 to cater for the regularly-paid allowances, job-related allowances and non-accountable entertainment allowances payable to USFST.

- End -

CONTROLLING OFFICER'S REPLY

FSTB(Tsy)119

(Question Serial No. 4549)

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

Subhead (No. & title): ()

Programme: (1) Director of Bureau's Office

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

Director of Bureau: Secretary for Financial Services and the Treasury

Question:

Please give a breakdown of the actual expenditure on salaries, regularly-paid allowances, job-related allowances and non-accountable entertainment allowance payable to the Political Assistant in 2016-17, as well as the estimate for salaries, regularly-paid allowances, job-related allowances and non-accountable entertainment allowance payable to the Political Assistant in 2017-18.

Asked by: Hon KWOK Ka-ki (Member Question No.19)

Reply:

The expenditure on salaries for the Political Assistant to Secretary for Financial Services and the Treasury (SFST) in 2016-17 is around \$1.25 million. The salary provision earmarked for the Political Assistant to SFST in 2017-18 is the same as 2016-17. There is no expenditure or estimate in 2016-17 and 2017-18 to cater for the regularly-paid allowances, job-related allowances and non-accountable entertainment allowances payable to the Political Assistant to SFST.

- End -

CONTROLLING OFFICER'S REPLY

FSTB(Tsy)120

(Question Serial No. 4996)

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

Subhead (No. & title): (000) Operational expenses

Programme: Not Specified

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

Director of Bureau: Secretary for Financial Services and the Treasury

Question:

The Financial Secretary stated in the Budget Speech that he plans to set up a tax policy unit in the Financial Services and the Treasury Bureau to comprehensively examine our tax regime from a macro perspective with a view to enhancing it, so as to ensure that adequate resources are available to support the sustainable development of our society. As the setting up of the policy unit is an important and far-reaching matter, please advise this Committee of the manpower, establishment and remuneration costs of the unit. Please also advise whether the expenditure involved will be met by a new estimate or absorbed within existing resources.

Asked by: Hon LEUNG Kwok-hung (Member Question No. 505)

Reply:

The Financial Secretary announced in the 2017-18 Budget that the Financial Services and the Treasury Bureau would set up a tax policy unit. On the one hand, we will seek to align our tax practices with international standards and actively study ways to foster the development of industries through tax measures including enhanced deduction for I&T expenditure, so as to ensure that Hong Kong remains competitive and can create wealth. On the other hand, we will enhance our tax regime and explore broadening the tax base and increasing revenue, so as to ensure that adequate resources are available to support the sustainable development of our society.

The Financial Services and the Treasury Bureau is actively making preparatory work for setting up the tax policy unit and aims to formulate the direction and study areas for the unit shortly. The Financial Services and the Treasury Bureau has included about \$3.5 million in its Estimates of Expenditure for 2017-18 to meet the expenditure for the additional manpower due to the creation of four non-directorate posts.

- End -

CONTROLLING OFFICER'S REPLY

FSTB(Tsy)121

(Question Serial No. 5080)

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

Subhead (No. & title): (000) Operational expenses

Programme: (1) Director of Bureau's Office, (2) Revenue and Financial Control, (3) Service Departments

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

Director of Bureau: Secretary for Financial Services and the Treasury

Question:

Please advise this Committee, in tabular form, on the estimated expenditure in respect of the following units in 2017-18, with information on establishment, ranks, salaries and relevant allowances for politically appointed officials and directorate civil servants, as well as the amount of personnel related expenses:

1. The Office of the Secretary for Financial Services and the Treasury (SFST);
2. The Treasury Branch; and
3. A to H Divisions and W, R, I, T and MA Divisions under the Treasury Branch.

Asked by: Hon LEUNG Kwok-hung (Member Question No. 2010)

Reply:

1. In 2017-18, salary provisions earmarked for the politically appointed officials (including the Secretary for Financial Services and the Treasury (SFST), Under Secretary for Financial Services and the Treasury (USFST) and Political Assistant to SFST) are \$3.58 million, \$2.68 million, and \$1.25 million respectively. The establishment of the Office of the SFST also includes one Administrative Officer Staff Grade C post and the relevant salary provision earmarked is \$2.06 million.
- 2 & 3. In 2017-18, there are 18 directorate civil servants* in the establishment of the Treasury Branch, including the Permanent Secretary for Financial Services and the Treasury (Treasury) (Administrative Officer Staff Grade A1) and three Deputy Secretaries (two Administrative Officer Staff Grade B1 and one Administrative Officer Staff Grade B). The remaining 14 directorate civil servants* are holding posts established in Divisions under the Treasury Branch as listed below:

Division	The establishment and ranks of directorate civil servants
A Division	One Administrative Officer Staff Grade C
B Division	One Administrative Officer Staff Grade C
C Division	One Administrative Officer Staff Grade C
E Division	One Administrative Officer Staff Grade C
G Division	One Principal Executive Officer
H Division	One Assistant Director of Accounting Services and One Chief Treasury Accountant
W Division	One Administrative Officer Staff Grade C
R Division	Two Administrative Officers Staff Grade C [*]
I Division	One Administrative Officer Staff Grade C and One Chief Treasury Accountant
T Division	One Principal Executive Officer
MA Division	One Assistant Director of Accounting Services

^{*} Including the proposed creation of one Administrative Officer Staff Grade C post which is subject to approval by the Legislative Council.

In 2017-18, salary provisions earmarked for the above 18 directorate civil servants^{*} are around \$38.43 million.

- End -

CONTROLLING OFFICER'S REPLY

FSTB(Tsy)122

(Question Serial No. 7170)

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

Subhead (No. & title): ()

Programme: Not Specified

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

Director of Bureau: Secretary for Financial Services and the Treasury

Question:

The Future Fund is made up of \$219 billion from the existing Land Fund and one-third of the annual surplus of the consolidated account (\$4.8 billion for 2015-16). Investment income arising from the Future Fund is fully placed with the Exchange Fund for reinvestment. Since both the principal and the interest cannot be expended for a period of 10 years, this will lock up the spendable resources of the Government. Regarding the cost-effectiveness of the Future Fund, please advise on the following:

1. How much income has been generated from investment of the Future Fund since its establishment? What is the return rate?
2. Part of the Future Fund will be invested to generate higher returns. Please provide a breakdown of the various investment items and their risk ratings.

Asked by: Hon LEUNG Kwok-hung (Member Question No. 503)

Reply:

About 50 per cent of the Future Fund will be set aside for incremental placement with the Exchange Fund's Long-Term Growth Portfolio to be built up gradually over a period of around three years, which includes private equities and investments in properties outside Hong Kong. The rest will be placed with the Exchange Fund's Investment Portfolio or other investment assets.

In line with the long-term savings and investment objectives, the investment returns arising from the Future Fund during the course of the placement shall be retained by the Exchange Fund for reinvestment. Interests on the Future Fund placement with the Exchange Fund shall be due for payment to Government upon completion of the placement period, or on a date as directed by the Financial Secretary. For disclosure purposes, the balance of Future Fund and its composite rate of return will be reported in the annual financial statements of the Exchange Fund published in April / May each year and in Government's annual accounts tabled at the Legislative Council in November each year.

- End -

CONTROLLING OFFICER'S REPLY

FSTB(Tsy)123

(Question Serial No. 3379)

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

Subhead (No. & title): ()

Programme: Not Specified

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

Director of Bureau: Secretary for Financial Services and the Treasury

Question:

Regarding outsourcing of service in your department, please inform this Committee of the followings in respect of the past three years:

1. the total number of outsourced service staff employed by your department and the percentage of outsourced service staff against the total number of staff with the same types of duties in your department;
2. the total expenditure on staff of your department; the total amount paid to outsourced service providers; and the percentage of amount paid to outsourced service providers against the total expenditure on staff of your department; and
3. the nature of your department's outsourced services and the duration of the relevant contracts.

In addition, according to the Government's guidelines for tendering of outsourced services revised last year, if the procured service relies heavily on the deployment of non-skilled workers, and a marking scheme for assessing the tenders is adopted, the procuring department, when assessing the tenders, should include in the assessment criteria the evaluation of tenderers' proposed wage rates and working hours for non-skilled workers.

In this regard, please inform this Committee of the followings:

4. the current number of outsourced service contracts involving a large number of non-skilled workers awarded by your department since implementation of the guidelines;
5. the departments which have adjusted their assessment criteria in respect of wage rates and working hours for the outsourced service contracts involving a large number of non-skilled workers in the light of the new guidelines since their implementation; how your department has made adjustment; and if no relevant information is available, the reasons for it;

6. whether there have been any rises in the average wage rates for workers in the contracts of outsourced services that rely heavily on deployment of non-skilled workers since the implementation of the guidelines; if yes, the number of contracts with rises in wage rates; if no relevant information is available, the reasons for it;
7. your department's measures to evaluate the effectiveness of the new tendering guidelines;
8. whether your department is required to adopt the existing mechanism of two-envelope assessment of the technical and price aspects when evaluating tenders for contracts of outsourced service; if no, the number of contracts awarded without adopting the existing mechanism of two-envelope assessment of the technical and price aspects in the past 3 years;
9. the annual numbers of cases of government service contractors breaching the service contracts, the Employment Ordinance or the Occupational Safety and Health Ordinance as revealed by the inspections conducted by your department, and the annual numbers of complaints lodged by the outsourced service staff;
10. the details of follow-up actions on the aforementioned non-compliance and complaint cases; and
11. the number and details of cases involving contractors being punished for non-compliance or sustained complaints.

Asked by: Hon LEUNG Yiu-chung (Member Question No.152)

Reply:

The Financial Services and the Treasury Bureau (the Treasury Branch) did not award any outsourcing contracts (including those involving a large number of non-skilled workers) for delivering the services of the Treasury Branch in the past three years.

- End -

CONTROLLING OFFICER'S REPLY

FSTB(Tsy)124

(Question Serial No. 3397)

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

Subhead (No. & title): ()

Programme: Not Specified

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

Director of Bureau: Secretary for Financial Services and the Treasury

Question:

Does your department provide sign language interpretation services? If yes, what are the manpower and expenditure involved? If no, what are the reasons?

Asked by: Hon LEUNG Yiu-chung (Member Question No.195)

Reply:

This Branch does not provide sign language interpretation services as there is no such demand.

- End -

CONTROLLING OFFICER'S REPLY

FSTB(Tsy)125

(Question Serial No. 6929)

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

Subhead (No. & title): ()

Programme: (1) Director of Bureau's Office

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

Director of Bureau: Secretary for Financial Services and the Treasury

Question:

Please set out the fund(s) under the Bureau's purview, date on which the fund(s) was established, the capital injection amount, as well as the annual balance, government injection and total expenditure involved in 2013-14, 2014-15, 2015-16 and 2016-17.

Asked by: Hon MA Fung-kwok (Member Question No. 105)

Reply:

Head 147 did not set up or make injection into any funds.

- End -

CONTROLLING OFFICER'S REPLY**FSTB(Tsy)126****(Question Serial No. 5142)**

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

Subhead (No. & title): ()

Programme: Not Specified

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

Director of Bureau: Secretary for Financial Services and the Treasury

Question:

In respect of the public relations expenditure of government departments, please inform this Committee of the following:

(1) the total expenditure and details of publishing advertisements, sponsored content or advertorials in newspapers registered under the Registration of Local Newspapers Ordinance by your department in the past year:

Date of publish (Day/Month/Year)	Status (one-off/ ongoing/done) (as at 28 February 2017)	Government or public organisation (including bureau/ department/ public organisation/ government advisory body)	Name and purpose of advertisement	Name of media organisation and newspaper	Frequency (as at 28 February 2017)	Expenditure (as at 28 February 2017)

(2) the expenditure and details of sponsoring local free-to-air television stations, pay television stations and radio stations to provide information and produce programmes or materials by your department in the past year:

Date of broadcast (Day/Month/Year)	Status (one-off/ ongoing/done) (as at 28 February 2017)	Government or public organisation (including bureau/ department/ public organisation/ government advisory body)	Name and purpose of advertisement	Media organisation	Frequency (as at 28 February 2017)	Expenditure (as at 28 February 2017)

(3) the media organisations which published or broadcasted advertisements/sponsored content of your department in the past year, as well as the frequency and total expenditure involved (in descending order):

Name of media organisation	Frequency	Total expenditure (\$)

(4) the websites/network platforms on which your department published online advertisements/sponsored content in the past year, as well as the frequency, duration (days) and total expenditure involved (tabulated in descending order):

Website/ network platform	Content of advertisement	Frequency	Duration (days)	Hit rate, frequency of exposure and number of viewers	Total expenditure (\$)

Asked by: Hon MOK Charles Peter (Member Question No.89)

Reply:

The Financial Services and the Treasury Bureau (The Treasury Branch) did not have any relevant advertisement expenses nor public relations expenses in the past year.

- End -

CONTROLLING OFFICER'S REPLY**FSTB(Tsy)127****(Question Serial No. 5159)**

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

Subhead (No. & title): Not specified

Programme: Not specified

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

Director of Bureau: Secretary for Financial Services and the Treasury

Question:

Regarding the records management work of your bureau and the departments under its purview over the past year:

- (1) Please provide information on the number and rank of officers designated to perform such work. If there is no officer designated for such work, please provide information on the number of officers and the hours of work involved in records management duties, and the other duties they have to undertake in addition to records management;
- (2) Please list in the table below information on programme and administrative records which have been closed pending transfer to the Government Records Service (GRS) for appraisal;

Category of records	Years covered by the records	Number and linear metres of records	Retention period approved by GRS	Are they confidential documents	Reasons for not having been transferred

- (3) Please list in the table below information on programme and administrative records which have been transferred to GRS for retention;

Category of records	Years covered by the records	Number and linear metres of records	Retention period approved by GRS	Are they confidential documents	Reasons for not having been transferred

- (4) Please list in the table below information on records which have been approved for destruction by GRS;

Category of records	Years covered by the records	Number and linear metres of records	Retention period approved by GRS	Are they confidential documents	Reasons for not having been transferred

Asked by: Hon MOK Charles Peter (Member Question No.106)

Reply:

1. Apart from the Treasury, no officer is designated in the Treasury Branch and other departments under its purview to perform records management work. Such work is mainly undertaken by staff of the Executive and Clerical Grades in addition to their own duties. In spite of this, an officer not lower than the rank of Senior Executive Officer or equivalent is assigned as the Departmental Records Manager in this Branch and all departments under its purview. As for the Treasury, one Clerical Officer, three Assistant Clerical Officers, nine Clerical Assistants, one Office Assistant and two Confidential Assistants are designated to perform records management work.
2. The information on programme and administrative records of this Branch and departments under its purview which have been closed pending transfer to the Government Records Service (GRS) for appraisal over the past year is as follows:

Category of records	Years covered by the records	Number and linear metres of records	Retention period approved by GRS	Are they confidential documents	Reasons for not having been transferred
Programme	1954-2016	2,432 files (about 105 lm in total)	2-40 years	Including 479 confidential documents	Files are still within the retention period
Administrative	1950-2016	389 files (about 18 lm in total)	1-10 years	Including 25 confidential documents	Files are still within the retention period

3. The information on programme and administrative records of this Branch and its department which were transferred to GRS for retention over the past year is as follows:

Category of records	Years covered by the records	Number and linear metres of records	Retention period approved by GRS	Are they confidential documents	Reasons for not having been transferred
Programme	1947-2015	53,590 files and 134 boxes (about 268 lm in total)	2-10 years	No	N.A.

4. The information on records of this Branch and departments under its purview which were approved for destruction by GRS in the past year is as follows:

Category of records	Years covered by the records	Number and linear metres of records ^{note1}	Retention period approved by GRS	Are they confidential documents	Reasons for not having been transferred
Programme	1956-2016	4,203,263 files, 270 boxes and 3,058 rolls of microfilm (about 6,268 lm in total)	1 month -25 years ^{note2}	No	N.A.
Administrative	1960-2014	11,114 files (about 111 lm in total)	6 months - 7 years ^{note3}	Including 8 confidential documents	

Note:

1. Records concerned include paper records (e.g. job application forms received in previous recruitment exercise), diskettes and CD ROMs, etc. but the number of records does not include computer printouts, returns, temporary or page records which are difficult to quantify.
2. Some of the files are classified as “microfilmed, retention in Records Centre for one year, then destroy”.
3. Some of the files are classified as “retained until superseded or obsolete, then destroy”.

- End -

CONTROLLING OFFICER'S REPLY**FSTB(Tsy)128****(Question Serial No. 5287)**

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

Subhead (No. & title): ()

Programme: Not specified

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

Director of Bureau: Secretary for Financial Services and the Treasury

Question:

Please tabulate the details concerning the social media platforms set up and run by your bureau/departments/the public bodies under your purview and their subvented organisations (including out-sourced contractors or consultants) in 2016-17 (as at 28 February 2017).

Commencement Date (month/ year)	Status (keep updating/ ceased updating)	Bureau/ subvented organisations	Name	Social media platforms	Purpose of establishment and contents	No. of “likes”/ subscribers/ average monthly visits	Regular compilation of summary of comments and follow-up (yes/no)	Average no. of posts per day and average no. of interactions per post (total no. of “likes”, comments and shares)	Ranks and no. of officers responsible for the operation	Expenditure for setting up the platforms and daily operational expenses
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Asked by: Hon MOK Charles Peter (Member Question No. 166)

Reply:

Information on the social media platform set up and operated by this Bureau in 2016-17 is tabulated below:

Commencement Date (month/ year)	Status (keep updating / ceased updating)	Bureau/ subvented organisations	Name	Social media platforms	Purpose of establishment and contents	No. of “likes”/ subscribers /average monthly visits	Regular compilation of summary of comments and follow-up (yes/no)	Average no. of posts per day and average no. of interactions per post (total no. of “likes”, comments and shares)	Ranks and no. of officers responsible for the operation	Expenditure for setting up the platforms and daily operational expenses
Nov 2015	Keep updating	Bureau	Financial Services and the Treasury Bureau	Facebook	As an additional channel to promote the Secretary for Financial Services and the Treasury (SFST)’s and the Bureau’s activities/ policies	Number of “likes”: 650	No	Average no. of interactions per post: 20	2 (Political Assistant to SFST and the Press Secretary to SFST)	NA

- End -

CONTROLLING OFFICER'S REPLY**FSTB(Tsy)129****(Question Serial No. 6728)**

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

Subhead (No. & title): ()

Programme: Not Specified

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

Director of Bureau: Secretary for Financial Services and the Treasury

Question:

- (1) Please provide, in table form, the number of requests for information under the Code on Access to Information received by the Financial Services and the Treasury Bureau and its subvented organisations in 2016-17 as well as the relevant details:

Bureau/ Department/ Organisation	Number of requests received	Information involved (items)	Number of requests being handled	Number of requests for which all information was provided	Number of requests for which some information was provided	Average number of days taken to handle the requests (working days)

- (2) the three pieces of information most frequently requested by the public and the number of such requests;
- (3) the five requests for information which took the longest time to handle, the number of days taken to handle such requests and the reasons; and
- (4) the content of the requests refused, the reasons for the refusal and the number of requests for reviews lodged by the public.

Asked by: Hon MOK Charles Peter (Member Question No.161)

Reply:

During the period from January to September 2016, the Financial Services and the Treasury Bureau (the Treasury Branch) received two requests for information under the Code on Access to Information. The details are as follows:

	Information involved	Result	Number of days taken to handle the request (working days)
1	Stores and Procurement Regulations	Request met in full	5 days
2	Interdepartmental Charging System	Request met in full	5 days

During the above period, the Treasury Branch did not refuse any requests for information from members of the public.

- End -

CONTROLLING OFFICER'S REPLY

FSTB(Tsy)130

(Question Serial No. 4385)

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) (Ms Elizabeth TSE)

Director of Bureau: Secretary for Financial Services and the Treasury

Question:

1. What are the reasons for offering a rates waiver only in the Budget while items such as the rent waiver of public rental housing (PRH) and the electricity charges subsidy of \$1,800 are not included to address the pressing needs of the grassroots?
2. Please provide the details of poverty alleviation measures targeting at the needy such as PRH and sub-divided unit households over the past 5 years, including the implementation progress, target groups, number of beneficiaries and the amount of relevant recurrent expenditure.

Asked by: Hon SHIU Ka-chun (Member Question No. 122)

Reply:

1. In formulating one-off relief measures in the Budget, we take into account the prevailing economic situation, Government's fiscal capacity and the need to boost the economy in the short term for the public to share the fruits of economic development. The Government strives to balance the needs of various parties but is conscious of the need to prioritise the use of government resources.
2. The information sought in the second part of the question is not directly related to the expenditure under Head 147.

- End -

CONTROLLING OFFICER'S REPLY**FSTB(Tsy)131****(Question Serial No. 7127)**

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) (Ms Elizabeth TSE)

Director of Bureau: Secretary for Financial Services and the Treasury

Question:

Please advise on the annual government expenditure by category (social welfare, education, healthcare, housing supply and infrastructure) and in terms of percentages of the Gross Domestic Product (GDP) in the past 10 years.

	Government Expenditure	In terms of % of GDP
Social Welfare		
Education		
Healthcare		
Housing Supply		
Infrastructure		
...		

Asked by: Hon SHIU Ka-chun (Member Question No. 69)

Reply:

This question is not directly relevant to Head 147.

Government expenditure by policy area group has been set out in Appendix B of the Budget. Please refer to the following link for details –

<http://www.budget.gov.hk/>

- End -

CONTROLLING OFFICER'S REPLY

FSTB(Tsy)132

(Question Serial No. 7193)

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) (Ms Elizabeth TSE)

Director of Bureau: Secretary for Financial Services and the Treasury

Question:

Please set out the following information in table form:

- (1) The expenditure incurred by the Financial Services and the Treasury Bureau (The Treasury Branch) on publicity on the Internet/social media in 2016-17, the manpower involved and the percentage this item accounts for in the total expenditure. Please provide a breakdown by publicity channel.
- (2) The means to be adopted by the Branch to assess the effectiveness and value for money of the above initiatives.
- (3) The estimated expenditure to be incurred by the Branch on the above initiatives in 2017-18 and the manpower to be involved.

Asked by: Hon TIEN Puk-sun, Michael (Member Question No. 54)

Reply:

This Bureau has created an account on Facebook, a free social networking platform, to promote the Secretary for Financial Services and the Treasury's and this Bureau's activities or policies. As the concerned work is carried out by in-house staff as part of their day-to-day duties, no additional cost has been incurred.

- End -

CONTROLLING OFFICER'S REPLY

FSTB(Tsy)133

(Question Serial No. 6838)

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

Subhead (No. & title): ()

Programme: Not Specified

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

Director of Bureau: Secretary for Financial Services and the Treasury

Question:

Financial Secretary Paul CHAN mentioned in his 2017-18 Budget Speech about enhanced tax deductions for innovation and technology (I&T) expenditure. What are the specific measures and timetable for enhancing tax deductions for I&T expenditure for the coming 3 years? What will be the expenditure involved in implementing such measures?

Asked by: Hon WONG Ting-kwong (Member Question No. 29)

Reply:

The Financial Secretary announced in the 2017-18 Budget that the Financial Services and the Treasury Bureau would set up a tax policy unit. On the one hand, we will seek to align our tax practices with international standards and actively study ways to foster the development of industries through tax measures including enhanced deduction for I&T expenditure, so as to ensure that Hong Kong remains competitive and can create wealth. On the other hand, we will enhance our tax regime and explore broadening the tax base and increasing revenue, so as to ensure that adequate resources are available to support the sustainable development of our society.

The Financial Services and the Treasury Bureau is actively making preparatory work for setting up the tax policy unit and aims to formulate the direction and study areas for the unit shortly. The issue of deduction for I&T expenditure will be among the first batch of study areas. The Financial Services and the Treasury Bureau has included about \$3.5 million in its Estimates of Expenditure for 2017-18 to meet the expenditure for the additional manpower required.

- End -

CONTROLLING OFFICER'S REPLY

FSTB(Tsy)134

(Question Serial No. 5371)

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

Subhead (No. & title): ()

Programme: (1) Director of Bureau's Office, (2) Revenue and Financial Control, (3) Service Departments

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

Director of Bureau: Secretary for Financial Services and the Treasury

Question:

Regarding the records management work of the Bureau and the departments under its purview over the past year:

Please provide information on the number and rank of officers designated to perform such work. If there is no officer designated for such work, please provide information on the number of officers and the hours of work involved in records management duties, and the other duties they have to undertake in addition to records management;

Please provide information on programme and administrative records which have been closed pending transfer to the Government Records Service (GRS) for appraisal, including category of records, years covered by the records, number and linear metres of records, retention period approved by GRS, whether they are confidential documents and reasons for not having been transferred;

Please list in table form information on programme and administrative records which have been transferred to GRS for retention, including category of records, years covered by the records, number and linear metres of records, years in which the records were transferred to GRS, retention period approved by GRS and whether they are confidential documents;

Please list in table form information on records which have been approved for destruction by GRS, including category of records, titles of records, years covered by the records, number and linear metres of records, years in which the records were transferred to GRS, retention period approved by GRS, whether they are confidential documents, reasons for not having been transferred and reasons for destruction approval.

Asked by: Hon YIU Chung-yim (Member Question No. 184)

Reply:

1. Apart from the Treasury, no officer is designated in the Treasury Branch and other departments under its purview to perform records management work. Such work is mainly undertaken by staff of the Executive and Clerical Grades in addition to their own duties. In spite of this, an officer not lower than the rank of Senior Executive Officer or equivalent is assigned as the Departmental Records Manager in this Branch and all departments under its purview. As for the Treasury, one Clerical Officer, three Assistant Clerical Officers, nine Clerical Assistants, one Office Assistant and two Confidential Assistants are designated to perform records management work.
2. The information on programme and administrative records of this Branch and departments under its purview which have been closed pending transfer to the Government Records Service (GRS) for appraisal over the past year is as follows:

Category of records	Years covered by the records	Number and linear metres of records	Retention period approved by GRS	Are they confidential documents	Reasons for not having been transferred
Programme	1954-2016	2,432 files (about 105 lm in total)	2-40 years	Including 479 confidential documents	Files are still within the retention period
Administrative	1950-2016	389 files (about 18 lm in total)	1-10 years	Including 25 confidential documents	Files are still within the retention period

3. The information on programme and administrative records of this Branch and its department which were transferred to GRS for retention over the past year is as follows:

Category of records	Years covered by the records	Number and linear metres of records	Years in which the records were transferred to GRS	Retention period approved by GRS	Are they confidential documents
Programme	1947-2015	53,590 files and 134 boxes (about 268 lm in total)	2016	2-10 years	No

4. The information on records of this Branch and departments under its purview which were approved for destruction by GRS in the past year is as follows:

Category of records	Titles of records	Years covered by the records	Number and linear metres of records <small>note1</small>	Years in which the records were transferred to GRS	Retention period approved by GRS	Are they confidential documents	Reasons for not having been transferred	Reasons for destruction approval
Programme	Records related taxation, rates and government rent; files on, Government's annual budget and accounting books and records, copies of revenue receipts, forms and original copies of payment vouchers, etc.	1956-2016	4,203,263 files, 270 boxes and 3,058 rolls of microfilm (about 6,268 lm in total)	2004-2015 (some of the files approved for destruction are not required to be transferred to GRS)	1 month - 25 years <small>note2</small>	No	N.A.	These records no longer possessed any administrative, operational, fiscal and legal values and were appraised by the GRS as having no archival value. After they became time-expired according to the retention periods as set out in the corresponding records retention and disposal schedules, agreement of the GRS Director was obtained for their destruction.
Administrative	Files on administration, accommodation and facilities, procurement and supplies, finance and accounting, human resources, as well as management of information, information services and information technology, etc.	1960-2014	11,114 files (about 111 lm in total)	2015-2016 (some of the files approved for destruction are not required to be transferred to GRS)	6 months - 7 years <small>note3</small>	Including 8 confidential documents		

Note:

1. Records concerned include paper records (e.g. job application forms received in previous recruitment exercise), diskettes and CD ROMs, etc. but the number of records does not include computer printouts, returns, temporary or page records which are difficult to quantify.
2. Some of the files are classified as "microfilmed, retention in Records Centre for one year, then destroy".
3. Some of the files are classified as "retained until superseded or obsolete, then destroy".

- End -

CONTROLLING OFFICER'S REPLY**FSTB(Tsy)135****(Question Serial No. 5375)**

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

Subhead (No. & title): ()

Programme: (1) Director of Bureau's Office, (2) Revenue and Financial Control, (3) Service Departments

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

Director of Bureau: Secretary for Financial Services and the Treasury

Question:

Please provide information regarding consultancy studies (if any) commissioned by the Financial Services and the Treasury Bureau and the departments under its purview for the purpose of formulating and assessing policies.

Please provide information on the studies on public policy and strategic public policy for which funds were allocated over the past two financial years in terms of the following:

Name of Consultant; mode of award (public bidding/tender/others (please specify)); title, content and objectives of project; consultancy fee (\$); start date; progress of study (under planning/in progress/completed); follow-ups taken by the Government on the study reports and their progress (if any); if completed, have they been made public? If yes, through what channel(s)? If not, what were the reasons?

Are there any projects for which funds have been reserved for conducting internal studies this year? If yes, please provide the following information: title, content and objectives of project; start date; progress of study (under planning/in progress/completed); follow-ups taken by the Government on the study reports and their progress (if any); for the projects that are expected to be completed this year, is there any plan to make them public? If yes, through what channel(s)? If not, what are the reasons?

Are there any projects for which funds have been reserved for conducting consultancy studies this year? If yes, please provide the following information: name of consultant; mode of award (public bidding/tender/others (please specify)); title, content and objectives of project; consultancy fee (\$); start date; progress of study (under planning/in progress/completed); follow-ups taken by the Government on the study reports and their progress (if any); for the projects that are expected to be completed this year, is there any plan to make them public? If yes, through what channel(s)? If not, what are the reasons?

What are the criteria for considering the award of consultancy projects to the research institutions concerned?

Asked by: Hon YIU Chung-yim (Member Question No.186)

Reply:

The Financial Services and the Treasury Bureau (The Treasury Branch) and departments under its purview commissioned a financial consultant to conduct the following financial study from 2015-16 to 2016-17:

Name of consultant	Mode of award (open auction/ tender/ quotation/ others (please specify))	Title, content and objective of project	Consultancy fee (\$)	Start date	Progress of study (under planning/ in progress/ completed (completion month and year))	Follow-up actions taken and their progress (if any)	Have they been made public? If yes, through what channels? If no, why?
Asia Consulting Group Limited	Established consultants selection procedures	To conduct a review on the target rates of return for Government Utilities, Trading Funds and Public Cargo Working Areas	1.982m	Sep 2016	Completed (Mar 2017)	The recommendations made in the consultancy report will be taken into account when the target rates of return is reviewed by the Government	The financial consultancy report is serving for internal reference of the Government only

The Treasury Branch and departments under its purview have not set aside provisions for conducting consultancy studies in 2017-18.

- End -

CONTROLLING OFFICER'S REPLY

FSTB(Tsy)136

(Question Serial No. 5377)

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

Subhead (No. & title): ()

Programme: (1) Director of Bureau's Office, (2) Revenue and Financial Control, (3) Service Departments

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

Director of Bureau: Secretary for Financial Services and the Treasury

Question:

Please give details of the duty visits of the Secretary and Under Secretary in the past two years by setting out certain information of the trips, including the number of visits, purposes and places of visits, number of officers in entourage, air ticket expenses, local transportation expenses, hotel expenses, subsistence allowance and other expenses, banquet and entertainment expenses, gift expenses as well as the total expenses.

If the above information covers trips to Mainland China, please give details of the meetings with, visits to or exchanges with the relevant Mainland authorities by the Bureau and departments under its purview in the past year (including the total number of such trips) by setting out in chronological order certain information of each trip, including (1) the purpose and place of the trip, number and post titles of Hong Kong officials in entourage, and post titles of the Mainland officials met; (2) whether announcement was made prior to the trip and, if not, the reasons for keeping confidence; (3) whether files of the minutes of the meetings have been kept and, if not, the reasons for that; and (4) whether agreements were reached and, if yes, the details and progress of their implementation.

Asked by: Hon YIU Chung-yim (Member Question No. 187)

Reply:

1. The information on the duty trips made by the Secretary for Financial Services and the Treasury (SFST) and the Under Secretary for Financial Services and the Treasury (USFST) in the past two years are listed below:

(A) The information on duty trips made by SFST

Date of visit	Place of visit	Purpose of visit	Hotel accommodation expenses (\$) (Note1)	Passage expenses (\$) (Note2)	Other expenses (\$) (Note3)	Total expenditure (\$) (Note 4)
2015-16 (6 visits)	UK (London), Sweden (Stockholm), Australia (Sydney), South Korea (Seoul), Beijing and Shanghai	To attend seminars / forums, attend meetings related to the Asian Infrastructure Investment Bank, meet	100,000	392,000	144,000	636,000
2016-17 (7 visits)	Russia (Moscow), Latvia (Riga), Finland (Helsinki), Australia (Melbourne, Canberra, Sydney) Malaysia (Malacca, Kuala Lumpur) Beijing and Shanghai	with relevant financial and monetary officials and business leaders in order to promote Hong Kong as China's global financial centre and to discuss matters of bilateral accounting and financial cooperation.	99,000	440,000	142,000	681,000

(B) The information on duty trips made by USFST

Date of visit	Place of visit	Purpose of visit	Hotel accommodation expenses (\$) (Note1)	Passage expenses (\$) (Note2)	Other expenses (\$) (Note3)	Total expenditure (\$) (Note 4)
2015-16 (7 visits)	Germany (Frankfurt), Georgia (Tbilisi), Indonesia (Jakarta), Singapore and Beijing	To attend seminars / forums, attend meetings related to the Asian Infrastructure Investment Bank, meet with relevant financial and monetary officials and business leaders in order to promote Hong Kong as China's global financial centre and to discuss matters of bilateral accounting and financial cooperation.	31,000	149,000	22,000	202,000
2016-17 (12 visits)	USA (San Francisco) , Belgium (Brussel), Germany (Berlin, Wiesbaden, Frankfurt) , Beijing, Guangzhou and Shenzhen		41,000	177,000	30,000	248,000

Note

1. Operational needs (such as location of meeting venues or activities and the arrangements made by the hosts or organisers) and the principle of prudent use of public money are the main considerations in arranging hotel accommodation for duty visits.
2. Including expenses on flight and train tickets. The tickets for SFST and the entourage are purchased in accordance with the relevant guidelines set out in the Code for Officials under the Political Appointment System and the Civil Service Regulations respectively.
3. Including subsistence allowance in respect of meal expenses in connection with performing duty outside Hong Kong and other expenses associated with the duty trip.
4. Including expenses incurred by the entourage from the Office of SFST, i.e. Political Assistant to SFST and/or Press Secretary to SFST.

As a general rule, all politically appointed officials and civil servants should observe the same principles and act in accordance with the relevant regulations and administrative guidelines when providing official entertainment in the form of meals. Government officers are required to exercise prudent judgement and economy when entertaining guest(s) for official purposes in order to avoid any public perception of extravagance. According to the existing general guidelines, the expenditure limits on official meals should not exceed \$450 per person for lunch or \$600 per person for dinner, inclusive of all expenses incurred on food and beverages consumed on the occasion, service charges and tips. Official entertainment provided by the Financial Services and the Treasury Bureau is also subject to the same principles and guidelines.

In line with the Government's green policy, public officers should as far as possible refrain from bestowing gifts/souvenirs to others during the conduct of official activities. According to the existing guidelines, where bestowal of gifts/souvenirs is necessary or unavoidable due to operational, protocol or other reasons, the gift/souvenir items should not be lavish or extravagant and the number should be kept to a minimum. Also, the exchange of gifts/souvenirs should only be made from organisation to organisation. As the Financial Services and the Treasury Bureau does not maintain separate accounts for the expenses on the procurement of gifts and souvenirs, we do not have the relevant statistics.

2. This Branch and its' departments have made 20 trips to Mainland for meetings/visits/exchanges with relevant authorities. Places of visits included Beijing, Shanghai, Zhengzhou, Guangzhou, Jiangmen, Foshan and Shenzhen and the purposes of the visits were to attend seminars/forums, to attend meetings related to the Asian Infrastructure Investment Bank, to meet with relevant financial and monetary officials to discuss matters of bilateral accounting and financial cooperation; to meet with relevant officials in the industry to exchange views and to understand the latest business developments as well as to attend meetings to share experience and conduct interflows on policies, regulations and related agenda relevant to the business of departments.

There are occasions that the HKSAR Government needs to attend meetings or conduct discussions with related organisations in the Mainland. Depending on the circumstances, such as the topics of discussions, the agreement made between parties concerned and development of the issues discussed etc., the meetings or discussions will be documented as appropriate. We would decide whether and how such visits and agreements should be made public depending on the relevant circumstances and needs.

- End -

CONTROLLING OFFICER'S REPLY

FSTB(Tsy)137

(Question Serial No. 5381)

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

Subhead (No. & title): ()

Programme: (1) Director of Bureau's Office, (2) Revenue and Financial Control, (3) Service Departments

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

Director of Bureau: Secretary for Financial Services and the Treasury

Question:

In regard to the growing cross-boundary co-operation between Hong Kong and the Mainland in recent years, please provide relevant information on Hong Kong/Mainland cross-boundary projects or programmes in which your offices/secretaries of departments/bureau and the departments under your purview have been involved:

For each of the Hong Kong/Mainland cross-boundary projects or programmes in the past two years, please provide information, including: (1) the title, details and objective of the project/programme, and whether it was related to the Framework Agreement on Hong Kong/Guangdong Co-operation or the Belt and Road Initiative; the expenditure, Mainland official(s) and department(s)/organisation(s) involved; (2) Has any agreement been signed and made public? If not, what are the reasons? Have any minutes of the meetings been taken? If so, have they been made public? What is the progress (percentage completed, commencement date, target completion date)? Have the details, objectives, amount involved or impact on the public, society, culture and ecology been released to the public? If yes, through what channel(s) and what were the manpower and expenditure involved? If not, what were the reasons? Has any public consultation on the cross-boundary project been conducted in Hong Kong? What were the details of the legislative amendments or policy changes involved in the programme?

Apart from the projects or programmes mentioned above, were there any other modes of Hong Kong/Mainland cross-boundary co-operation involving your bureau and the departments under your purview in the past two years? If yes, in what modes were they taken forward? What were the manpower and expenditure involved?

Asked by: Hon YIU Chung-yim (Member Question No. 188)

Reply:

The Financial Services and the Treasury Bureau (The Treasury Branch) and departments under its purview have not participated in any Hong Kong/Mainland cross-boundary projects or programmes in 2015-16 and 2016-17.

- End -

CONTROLLING OFFICER'S REPLY

FSTB(Tsy)138

(Question Serial No. 5383)

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

Subhead (No. & title): ()

Programme: (1) Director of Bureau's Office, (2) Revenue and Financial Control, (3) Service Departments

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

Director of Bureau: Secretary for Financial Services and the Treasury

Question:

In regard to the growing cross-boundary co-operation between Hong Kong and the Mainland in recent years, please provide relevant information on Hong Kong/Mainland cross-boundary projects or programmes in which your offices/secretaries of departments/bureau and the departments under your purview have been involved:

Have provisions been earmarked for the Hong Kong/Mainland cross-boundary projects or programmes for this year? If yes, for each of the Hong Kong/Mainland cross-boundary projects or programmes for this year, please provide information, including: (1) the title, details and objective of the project/programme, and whether it is related to the Framework Agreement on Hong Kong/Guangdong Co-operation or the Belt and Road Initiative; the expenditure, Mainland official(s) and department(s)/organisation(s) involved; (2) Has any agreement been signed and made public? If not, what are the reasons? Have any minutes of the meetings been taken? If so, have they been made public? What is the progress (percentage completed, commencement date, target completion date)? Have the details, objectives, amount involved or impact on the public, society, culture and ecology been released to the public? If yes, through what channel(s) and what were the manpower and expenditure involved? If not, what were the reasons? Has any public consultation on the cross-boundary project been conducted in Hong Kong? What are the details of the legislative amendments or policy changes involved in the programme?

Apart from the projects or programmes mentioned above, are there any other modes of Hong Kong/Mainland cross-boundary co-operation involving your bureau and the departments under your purview this year? If yes, in what modes are they taken forward? How much financial and manpower resources have been earmarked in the Estimates this year?

Asked by: Hon YIU Chung-yim (Member Question No. 189)

Reply:

The Financial Services and the Treasury Bureau (The Treasury Branch) and departments under its purview do not have plan to participate in any Hong Kong/Mainland cross-boundary projects or programmes this year. Therefore, no provision has been set aside for this purpose.

- End -