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Replies to initial written questions raised by Finance Committee Members in examining the Estimates of Expenditure 2018-19

Director of Bureau : Secretary for Financial Services and the Treasury

Session No. : 5

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CONTROLLING OFFICER'S REPLY

FSTB(Tsy)001

(Question Serial No. 0601)

Head: (25) Architectural Services Department

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

Programme: (2) Facilities Upkeep

Controlling Officer: Director of Architectural Services (Mrs Sylvia LAM)

Director of Bureau: Secretary for Financial Services and the Treasury

Question:

The estimate of Programme (2) for 2018-2019 is \$1,097.6 million, representing an increase of 5.5% over the revised estimate of the current year. Please elaborate with specific examples on how to upkeep facilities in an environmentally-responsible manner by conserving energy, preventing pollution and reducing the consumption of natural resources.

Asked by: Hon CHAN Chun-ying (Member Question No. (LegCo use): 37)

Reply:

The Architectural Services Department (ArchSD) attaches great importance to environmental protection and strive to conserve energy, reduce the consumption of natural resources and take environmental considerations into account when carrying out facility upkeep works. The following are specific examples of the efforts made:

1. The ArchSD will encourage client departments to incorporate green building features in refurbishment projects for the buildings they manage as far as possible, such as rooftop and vertical greening as well as photovoltaic panels;
2. During the project planning and design stage, the ArchSD will identify the green building features that can be technically introduced in individual projects according to a checklist on green building features. Prior to the commencement of the projects, the ArchSD will also assess the possible negative environmental impacts of the projects by using an environmental impact checklist, as well as implementing feasible mitigation measures, such as setting up tree protection zone by constructing fences around the canopy spread of trees or using canvas to temporarily cover construction waste; and
3. When carrying out interior fitting-out, regular maintenance and refurbishment projects, the ArchSD will, as far as possible, incorporate sanitary appliances with water saving devices and energy-efficient light fittings in the design, such as T5 fluorescent lamps and light emitting diode lamps.

- End -

CONTROLLING OFFICER'S REPLY**FSTB(Tsy)002****(Question Serial No. 0562)**Head: (25) Architectural Services DepartmentSubhead (No. & title): (000) Operational ExpensesProgramme: (2) Facilities UpkeepControlling Officer: Director of Architectural Services (Mrs Sylvia LAM)Director of Bureau: Secretary for Financial Services and the TreasuryQuestion:

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?

Asked by: Hon LAU Ip-keung, Kenneth (Member Question No. (LegCo use): 7)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 2013-14 to 2017-18 are as follows:

Official Residences	Financial Year (\$ 0,000) ¹				
	2013-14	2014-15	2015-16	2016-17	2017-18 (as at February 2018)
Official Residence of Chief Executive ² Floor Area: 8 990m ²	503	404	135	214	596
Official Residence of Chief Secretary for Administration ² Floor Area: 1 342m ²	59	42	51	31	127
Official Residence of Financial Secretary ² Floor Area : 890m ²	9	11	4	37	71
Official Residence of Secretary for Justice Floor Area: 457m ²	41	2	5	4	3

Note 1: Maintenance works for government buildings are funded under 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 67 and 83 years of history respectively. Appropriate facilities upkeep is necessary for the proper conservation of these historic buildings.

The major works projects undertaken at each of these official residences in the past 5 years (as at February 2018) are as follows:

Official Residences	Major Works Projects
Official Residence of the Chief Executive	Finishing works for internal and external walls and interior fitting-out works; improvement works for air conditioning and security systems; road resurfacing works; statutory tests for electrical installations and improvement works for power systems; replacement of tennis court floor mat; improvement and greening works for one of the tennis courts, etc.
Official Residence of Chief Secretary for Administration	Finishing works for internal and external walls and interior fitting-out works; air conditioning maintenance; improvement works for power and security systems; improvement works for garden floor and lighting systems; replacement of worn out staircase wood flooring and carpets; replacement of aging water mains, etc.
Official Residence of Financial Secretary	Repairing the wear and tear of building structures and floor slabs; replacement of worn out carpets; repairing the paint works of external walls; waterproofing works for roof; improvement works for security systems, etc.
Official Residence of Secretary for Justice	Finishing works for external walls and improvement works for security systems, etc.

Apart from the above major works projects, the ArchSD also undertakes routine maintenance works covering water pipes, woodwork, doors and windows, carpets, 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 with other government buildings, facilities upkeep works for official residences are also carried out as and when necessary.

- End -

CONTROLLING OFFICER'S REPLY**FSTB(Tsy)003****(Question Serial No. 1684)**Head: (31) Customs and Excise DepartmentSubhead (No. & title):Programme: (4) Revenue Protection and CollectionControlling Officer: Commissioner of Customs and Excise (Hermes TANG)Director of Bureau: Secretary for Financial Services and the TreasuryQuestion:

1. Please provide the numbers of cases of illicit fuel filling stations neutralised by the Customs and Excise Department (C&ED) in the past 5 years.
2. In 2017, there were only 2 cases of illicit fuel filling stations neutralised. The number decreased significantly when compared with 2016. What are the reasons? Is the decrease in number due to insufficient intelligence work? Please elaborate on the reasons.

Asked by: Hon CHEUNG Wah-fung, Christopher (Member Question No. (LegCo use): 35)Reply:

1. The numbers of cases of illicit fuel filling stations neutralised by the Customs and Excise Department (C&ED) from 2013 to 2017 are as follows:

	2013	2014	2015	2016	2017
No. of cases	43	22	8	8	2

2. C&ED has all along been committed to combating illicit fuel activities. It deploys its staff to conduct inspections from time to time and takes resolute enforcement actions. The continuous and active enforcement actions over the years have achieved the deterrent effect, resulting in a noticeable decline of such activities. C&ED will continue to monitor the situation to protect revenue.

- End -

CONTROLLING OFFICER'S REPLY

FSTB(Tsy)004

(Question Serial No. 0635)

Head: (31) Customs and Excise Department

Subhead (No. & title):

Programme: (4) Revenue Protection and Collection

Controlling Officer: Commissioner of Customs and Excise (Hermes TANG)

Director of Bureau: Secretary for Financial Services and the Treasury

Question:

1. Has the Customs and Excise Department (C&ED) assessed the proportion of illicit cigarettes in the cigarette market of Hong Kong?
2. How many staff members of C&ED are involved in the anti-illicit-cigarette enforcement operations? Has C&ED assessed if the relevant manpower is sufficient?

Asked by: Hon SHIU Ka-fai (Member Question No. (LegCo use): 7)

Reply:

1. The Customs and Excise Department (C&ED) has all along been committed to combating illicit cigarette activities by adopting a holistic enforcement strategy, i.e. intercepting smuggling in the upper stream, smashing storehouses in the middle, and tackling selling activities in the lower end. In 2017, C&ED detected a total of 7 944 cases of local illegal activities involving illicit cigarettes and seized 60 million illicit cigarettes. Both figures dropped by 4% as compared with 2016. The number of public complaints received by C&ED regarding illicit cigarettes also decreased by 13% as compared with 2016.
2. In 2017-18, C&ED had an establishment of 61 officers dedicated to combating illicit cigarette activities. Furthermore, front-line Customs officers deployed at various entry and exit points are involved in the interception of illicit cigarette activities. Since they are tasked with other clearance duties at the same time, it is difficult to separately quantify the number of officers involved. As in the past, C&ED will review staff establishment from time to time in the light of operational needs and apply for additional manpower and resources in accordance with established procedures when necessary.

- End -

CONTROLLING OFFICER'S REPLY

FSTB(Tsy)005

(Question Serial No. 2895)

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:

It is mentioned in paragraph 182 of the Budget Speech moving the Second Reading that the Government “is exploring options to improve the government outsourcing system with a view to enhancing the protection of the reasonable employment terms and conditions as well as labour benefits of these non-skilled employees.” Regarding this, please provide information on the non-works outsourced contracts awarded each year in the past six years involving the employment of low-skilled workers, including the following details of each contract concerned:

- (a) Name of the successful contractor;
- (b) Nature of the outsourced service (such as provision of property management services for government properties within a region in Hong Kong);
- (c) Duration of the outsourced service (such as from 1 April 2015 to 31 March 2019 for a total of 48 months);
- (d) Contract value;
- (e) Number of qualifying bids received during the tender exercise;
- (f) Ranking of the successful contractor for its score on tender price;
- (g) The number of “manhours” required for services provided by frontline low-skilled workers throughout the contract period (please provide a breakdown by job category if involving more than one job category);
- (h) The average hourly wage payable to frontline low-skilled workers committed by the successful contractor (please provide a breakdown by job category if involving more than one job category); and

- (i) Ranking of the successful contractor for its score on wage payable to frontline low-skilled workers.

Asked by: Hon CHEUNG Chiu-hung, Fernando (Member Question No. (LegCo use): 2623)

Reply:

- (a) In the past six years, the Government Property Agency (GPA) awarded 6 outsourced property management services contracts (PMSCs) in 2015 involving the employment of non-skilled workers. Names of the successful contractors are tabulated below :

	Region	Name of Contractor
1	Hong Kong 1 ¹	Urban Property Management Limited
2	Hong Kong 2 ²	Savills Property Management Limited
3	Kowloon 1 ³	Guardian Property Management Limited
4	Kowloon 2 ⁴	Urban Property Management Limited
5	New Territories 1 ⁵	ISS EastPoint Property Management Limited
6	New Territories 2 ⁶	Guardian Property Management Limited

¹ Includes Central & Western and Southern

² Includes Eastern and Wan Chai

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

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

⁵ Includes North District, Sai Kung, Sha Tin and Tai Po

⁶ Includes Kwai Tsing, Tsuen Wan, Tuen Mun, Yuen Long and Islands

- (b) The above 6 PMSCs mainly provide day-to-day cleaning and property management services to joint-user government office buildings and quarters.
- (c) All the above 6 PMSCs cover the period from 1 April 2015 to 31 March 2019 for a total of 48 months.
- (d) The total contract value of the above 6 PMSCs is around \$1.2 billion, with a breakdown as follows:

	Region	Contract Sum (Hong Kong Dollars)
1	Hong Kong 1	\$217,408,280
2	Hong Kong 2	\$244,264,000
3	Kowloon 1	\$175,154,960
4	Kowloon 2	\$193,851,128
5	New Territories 1	\$176,543,704
6	New Territories 2	\$220,085,744

- (e) GPA had received 31 qualifying bids during the tender exercise in respect of the above PMSCs.
- (f) In evaluating the bids for the PMSCs, GPA ranks them in accordance with the consolidated scores on price and technical assessments arrived at based on the prescribed marking mechanism. There is no separate ranking for individual assessment items.
- (g) As specified in the PMSCs awarded by GPA, contractors are required to comply with the respective service level requirements and standards, including that the daily working hours of the cleaners and security guards employed should not exceed 8 hours. In accordance with the relevant contractual requirements, contractors should deploy a workforce at an appropriate size having regard to the operational requirements of individual venues. These workers are employed by the contractors, and GPA does not have information on the “manhours” involved.
- (h) As specified in the PMSCs awarded by GPA, contractors should pay their non-skilled workers wages which are not lower than the committed wages or the statutory minimum wage. For the above 6 PMSCs, the committed hourly wages payable to non-skilled workers by the successful contractors were within the range from HK\$34.5 to HK\$38.5 as at January 2018.
- (i) In evaluating the bids for the PMSCs, GPA ranks them in accordance with the consolidated scores on price and technical assessments arrived at based on the prescribed marking mechanism. There is no separate ranking for individual assessment items.

- End -

CONTROLLING OFFICER'S REPLY

FSTB(Tsy)006

(Question Serial No. 0902)

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:

- I) Please provide information on new government office building projects under planning and construction, the floor area of the buildings, project expenditure, estimated completion date, and the government departments to be accommodated in such buildings.
- II) Please provide information on the properties purchased for use as government offices and quarters in the past 3 years, including the date of purchase, address, floor area, purchase price and the current user government departments. What were the measures taken to ensure that the prices were comparable to the prevailing market level at the time of purchase?
- III) Please provide information on the properties leased for use as government offices in the past 3 years, including the address, floor area, monthly rent, tenancy period (including fixed term tenancy and non-fixed term tenancy) and the current user departments. The media reported that the per-square-foot rent of certain leased government office accommodation was higher than the market level. What measures does the Government take to ensure that the rent is in line with market level, and to reduce the vacancy period and additional administrative work caused by office relocation?

Asked by: Hon LAM Kin-fung, Jeffrey (Member Question No. (LegCo use): 51)

Reply:

- I) Under the purview of the Government Property Agency (“GPA”), there are 3 new joint-user government office building projects currently under planning and construction. The relevant information is listed in Annex 1.
- II) GPA did not purchase any properties for use as government offices or quarters in the past 3 years.
- III) Information on the properties leased for use as government offices in the past 3 years is listed in Annex 2.

In assessing the rent of the premises offered to the Government for leasing, GPA conducts its professional rental valuation for each of the premises concerned, taking into account the characteristics of the premises such as location, building quality, size, accessibility, environment, etc. and making reference to the rental transactions of similar premises within the same building/locality, so as to consider if the offered rent is reasonable. Depending on the user department’s requirements on location, timing and the accommodation, GPA will search for the most cost-effective option and terms for Government in leasing the premises. The user bureau/department is also required to confirm with GPA upon request the period of accommodation to ensure gainful use of leased premises.

New joint-user government office building projects
under planning and construction
under the purview of the Government Property Agency

	Net Operational Floor Area (m²)	Estimated / approved project cost (in money-of-the-day prices)	Target completion date	Bureaux/departments to be accommodated
West Kowloon Government Offices (under construction)	50 500	\$4,742.5 million for design-and-build contract (Approved by the Finance Committee (FC) of the Legislative Council (LegCo) in June 2015)	Early 2019	Buildings Department Civil Engineering and Development Department Lands Department Leisure and Cultural Services Department Government Property Agency Social Welfare Department (SWD) Transport Department (TD) Department of Health (DH)
Treasury Building (under planning)	26 500	\$103.2 million for pre-construction consultancy service and site investigation works (Approved by FC in November 2015) \$2,281 million for construction works (Pending FC's funding approval)	Mid 2022	Security Bureau Treasury Office of the Government Chief Information Officer Office of the Communications Authority Labour Department (LD) Registration and Electoral Office Hongkong Post (HK Post) Efficiency Office Food and Health Bureau (FHB)/ Hospital Authority (HA) SWD

	Net Operational Floor Area (m²)	Estimated / approved project cost (in money-of-the-day prices)	Target completion date	Bureaux/departments to be accommodated
Tseung Kwan O Government Offices* (under planning)	40 000	The estimated construction cost will be provided when Public Works Subcommittee of LegCo is consulted on the project.	Early 2024	Census and Statistics Department Education Bureau Environmental Protection Department Innovation and Technology Commission Independent Commission Against Corruption Department of Justice FHB / HA DH SWD LD HK Post TD

* Official name of the building to be confirmed

Premises Leased for Use as Government Offices

District in which the Premises are located	Internal Floor Area (m²)(Approx.)	Monthly Rent (\$million)(Approx.)	No. of User Bureaux/ Departments
<u>2015</u>			
Central & Western	5,300	3	9
Eastern	21,100	6	15
Southern	12,500	2	12
Wan Chai	21,200	13	17
Kowloon City	8,100	3	4
Kwun Tong	64,300	21	25
Sham Shui Po	15,100	3	12
Wong Tai Sin	12,100	2	6
Yau Tsim Mong	27,200	12	11
Islands	25,400	1	16
Kwai Tsing	16,800	4	14
North	7,900	2	6
Sai Kung	7,600	1	6
Sha Tin	14,500	3	10
Tai Po	2,400	1	7
Tsuen Wan	12,800	3	10
Tuen Mun	20,500	3	13
Yuen Long	11,800	2	9
<u>2016</u>			
Central & Western	4,000	2	6
Eastern	21,600	6	19
Southern	12,200	2	11
Wan Chai	19,000	12	20
Kowloon City	4,300	1	3
Kwun Tong	64,200	22	25
Sham Shui Po	15,800	4	13
Wong Tai Sin	12,100	2	6
Yau Tsim Mong	27,200	13	11
Islands	27,500	1	17
Kwai Tsing	16,800	4	13
North	7,500	2	6
Sai Kung	9,000	2	6
Sha Tin	17,600	4	10
Tai Po	3,300	1	7

District in which the Premises are located	Internal Floor Area (m²)(Approx.)	Monthly Rent (\$million)(Approx.)	No. of User Bureaux/ Departments
Tsuen Wan	12,700	3	10
Tuen Mun	21,600	3	14
Yuen Long	11,800	2	9
<u>2017</u>			
Central & Western	4,000	2	6
Eastern	23,600	8	20
Southern	11,900	3	11
Wan Chai	20,000	14	22
Kowloon City	4,300	1	3
Kwun Tong	62,500	21	26
Sham Shui Po	17,400	5	16
Wong Tai Sin	12,100	2	6
Yau Tsim Mong	28,700	13	12
Islands	31,000	2	17
Kwai Tsing	17,300	4	13
North	7,400	2	6
Sai Kung	8,100	1	7
Sha Tin	17,700	4	11
Tai Po	3,300	1	7
Tsuen Wan	12,700	3	10
Tuen Mun	22,300	3	15
Yuen Long	11,800	3	9

Note: The above details are as at December of the respective years. Tenancies for government leased premises are generally for a period of 3 years. Around 60% of the tenancies do not contain an early termination clause (commonly known as “fixed term” tenancy), while the remaining 40% do (commonly known as “non-fixed term” tenancy).

The above monthly rental expenses, inclusive of management fees and air-conditioning charges, were borne by GPA and other relevant bureaux/ departments.

- End -

CONTROLLING OFFICER'S REPLY

FSTB(Tsy)007

(Question Serial No. 3297)

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:

Regarding the provision of sign language interpretation services in the past 5 years, will the Government inform this Committee of the following:

1. Whether sign language interpretation services have been provided. If yes, the frequency, occasions and causes for providing sign language interpretation services in each year;
2. Further to the above question, the number of sign language interpreters involved in each year, their pay and the organisations to which they belong; the total expenditure involved in each year; and
3. Whether the Government will consider allocating more resources to improve the services for communicating with the deaf and/or persons with hearing impairment in future. If yes, what are the details (including measures, manpower and expenditure involved and timetable, etc.)? If no, what are the reasons?

Asked by: Hon LEUNG Yiu-chung (Member Question No. (LegCo use): 69)

Reply:

Clients of the Government Property Agency have not required sign language interpretation services in the past. If such services are required in the future, we will provide assistance as appropriate.

- End -

CONTROLLING OFFICER'S REPLY**FSTB(Tsy)008****(Question Serial No. 0506)**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:

Please tabulate the public car parks managed by the Government Property Agency by location, opening hour, parking space for different types of vehicles, fee charged and the utilisation rate in the past 3 years.

Asked by: Hon POON Siu-ping (Member Question No. (LegCo use): 35)Reply:

As at 1 March 2018, information on government car parks in joint-user general office buildings under the purview of the Government Property Agency (GPA) that are open to the public is as follows:

Address	Type and Number of parking spaces			Opening Hours	Parking fees (Note)
	Private car	Motorcycle	Disabled		
Queensway Government Offices, 66 Queensway, Hong Kong	150	31	3	<u>Monday to Friday (except Public Holidays)</u> 7 p.m. to 7 a.m. of the following day <u>Saturday, Sunday and Public Holidays</u> 24 hours (7 a.m. to 7 a.m. of the following day)	<u>Hourly parking</u> \$27 per hour (private car) \$6 per hour (motorcycle) <u>Monthly parking</u> \$1,200 (private car)

Address	Type and Number of parking spaces			Opening Hours	Parking fees (Note)
	Private car	Motorcycle	Disabled		
Wanchai Tower, 12 Harbour Road, Immigration Tower, 7 Gloucester Road, and Revenue Tower, 5 Gloucester Road, Wan Chai, Hong Kong	148	0	2	<u>Monday to Friday (except Public Holidays)</u> 7 p.m. to 7 a.m. of the following day <u>Saturday, Sunday and Public Holidays</u> 24 hours (7 a.m. to 7 a.m. of the following day)	<u>Hourly parking</u> Monday to Friday \$12 per half an hour (private car) Saturday, Sunday and Public Holidays \$14 per half an hour (private car) <u>Monthly parking</u> \$1,100 (private car)
	7	0	0	<u>Monday to Friday (except Public Holidays)</u> 7 p.m. to 7 a.m. of the following day <u>Saturday (except Public Holidays)</u> 2 p.m. to 7 a.m. of the following day <u>Sunday and Public Holidays</u> 24 hours (7 a.m. to 7 a.m. of the following day)	
North Point Government Offices, 333 Java Road, North Point, Hong Kong	92	0	3	<u>Monday to Friday (except Public Holidays)</u> 7 p.m. to 7 a.m. of the following day <u>Saturday, Sunday and Public Holidays</u> 24 hours (7 a.m. to 7 a.m. of the following day)	<u>Hourly parking</u> Monday to Friday \$8 per hour (private car) Saturday, Sunday and Public Holidays \$16 per hour (private car) <u>Monthly parking</u> \$1,100 (private car)
Cheung Sha Wan Government Offices, 303 Cheung Sha Wan Road, Kowloon	102	7	0	<u>Monday to Friday (except Public Holidays)</u> 7:15 p.m. to 7 a.m. of the following day <u>Saturday, Sunday and Public Holidays</u> 24 hours (7 a.m. to 7 a.m. of the following day)	<u>Hourly parking</u> 07:00 - 12:00 \$14 per half an hour (private car) 12:00 - 19:00 \$19 per half an hour (private car) 19:00 - 07:00 \$10 per half an hour (private car)

Address	Type and Number of parking spaces			Opening Hours	Parking fees (Note)
	Private car	Motorcycle	Disabled		
	38	0	0	<u>Monday to Friday (except Public Holidays)</u> 7:15 p.m. to 7 a.m. of the following day (7:30 a.m. if the following day is Saturday other than Public Holiday) <u>Saturday (except Public Holidays)</u> 2 p.m. to 7 a.m. of the following day <u>Sunday and Public Holidays</u> 24 hours (7 a.m. to 7 a.m. of the following day)	<u>Monthly parking</u> \$2,700 (private car) \$900 (motorcycle)
	105	5	3	<u>Monday to Sunday and Public Holidays</u> 24 hours (7 a.m. to 7 a.m. of the following day)	
Yuen Long District Office Building, 269 Castle Peak Road, Yuen Long, New Territories.	45	0	2	<u>Monday to Friday (except Public Holidays)</u> 7 p.m. to 7 a.m. of the following day <u>Saturday, Sunday and Public Holidays</u> 24 hours (7 a.m. to 7 a.m. of the following day)	<u>Hourly parking</u> Monday to Friday \$10 per hour (private car) Saturday, Sunday and Public Holidays \$18 per hour (private car)
North District Government Offices, 3 Pik Fung Road, Fanling, New Territories	102	0	3	<u>Monday to Friday (except Public Holidays)</u> 7 p.m. to 7 a.m. of the following day <u>Saturday, Sunday and Public Holidays</u> 24 hours (7 a.m. to 7 a.m. of the following day)	<u>Hourly parking</u> Monday to Friday \$8 per hour (private car) Saturday, Sunday and Public Holidays \$10 per hour (private car) <u>Monthly parking</u> : \$800 (private car)
Sai Kung Government Offices Building, 34 Chan Man Street, Sai Kung, New Territories	69	0	1	<u>Monday to Friday (except Public Holidays)</u> 7 p.m. to 7 a.m. of the following day <u>Saturday, Sunday and Public Holidays</u> 24 hours (7 a.m. to 7 a.m. of the following day)	<u>Hourly parking</u> Monday to Thursday \$23 per hour (private car) Friday, Saturday, Sunday and Public Holidays \$36 per hour (private car) <u>Monthly parking</u> \$900 (private car)

Address	Type and Number of parking spaces			Opening Hours	Parking fees (Note)
	Private car	Motorcycle	Disabled		
Sha Tin Government Offices, 1 Sheung Wo Che Road, Sha Tin, New Territories	108	17	2	<p><u>Monday to Friday (except Public Holidays)</u> 7 p.m. to 7 a.m. of the following day</p> <p><u>Saturday (except Public Holidays)</u> 2 p.m. to 7 a.m. of the following day</p> <p><u>Sunday and Public Holidays</u> 24 hours (7 a.m. to 7 a.m. of the following day)</p>	<p><u>Hourly parking</u> Monday to Friday \$10 per hour (private car) Saturday, Sunday and Public Holidays \$18 per hour (private car)</p> <p><u>Monthly parking</u> \$500 (private car) \$150 (motorcycle)</p>
Tuen Mun Government Offices, 1 Tuen Hi Road, Tuen Mun, New Territories	41	0	1	<p>All parking spaces (except parking spaces numbers 46 and 47) <u>Monday to Friday (except Public Holidays)</u> 7 p.m. to 7 a.m. of the following day</p> <p><u>Saturday, Sunday and Public Holidays</u> 24 hours (7 a.m. to 7 a.m. of the following day)</p> <p>Parking spaces numbers 46 and 47 <u>Monday to Friday (except Public Holidays)</u> 7 p.m. to 7 a.m. of the following day</p> <p><u>Saturday (except Public Holidays)</u> 12 noon to 7 a.m. of the following day</p> <p><u>Sunday and Public Holidays</u> 24 hours (7 a.m. to 7 a.m. of the following day)</p>	<p><u>Hourly parking</u> Monday to Friday \$8 per hour (private car) Saturday, Sunday and Public Holidays \$20 per hour (private car)</p>

Address	Type and Number of parking spaces			Opening Hours	Parking fees (Note)
	Private car	Motorcycle	Disabled		
Tai Po Government Offices, 1 Ting Kok Road, Tai Po, New Territories	75	4	2	<u>Monday to Friday (except Public Holidays)</u> 7 p.m. to 7 a.m. of the following day <u>Saturday, Sunday and Public Holidays</u> 24 hours (7 a.m. to 7 a.m. of the following day)	<u>Hourly parking</u> Monday to Friday \$14 per hour (private car) Saturday, Sunday and Public Holidays \$16 per hour (private car) <u>Monthly parking</u> \$300 (motorcycle)

Note: Parking fees as approved by the GPA under the licence agreement. Holder of “Disabled Person's Parking Permit” may present the permit to the duty staff at the shroff office to enjoy half-fare concession on parking fees for private cars.

The above car parking spaces are operated and managed by contractors in accordance with the licence agreements. GPA does not have statistics on their utilisation rates.

- End -

CONTROLLING OFFICER'S REPLY

FSTB(Tsy)009

(Question Serial No. 0986)

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 Government Property Agency intends to identify government properties with commercialisation potential with a view to realising such potential. What are the details of the plan, the possible commercial uses, the expenditure involved and the government properties presently identified with commercialisation potential?

Asked by: Hon SHIU Ka-fai (Member Question No. (LegCo use): 28)

Reply:

Depending on the commercialisation potential of government properties, the Government Property Agency (GPA) will explore the possibility of introducing commercial activities in spaces that are surplus to the operational requirement so as to optimise the utilisation and to increase government revenue.

In 2018, GPA has initially identified 15 government properties with commercialisation potential, as set out below, for letting out for commercial uses, including shops, government canteens, car parks, automatic teller machines, and advertising areas, etc.:

Location of the properties	
1.	Portion of China Ferry Terminal, Tsim Sha Tsui
2.	Portion of Tai Po Hui Market, 8 Heung Sze Wui Street, Tai Po
3.	Portion of Public Transport Interchange on G/F, Liantang/ Heung Yuen Wai Boundary Control Point
4.	Staff Canteen at Liantang/Heung Yuen Wai Boundary Control Point
5.	Duty free shop and store room at outbound restricted area on 1/F, Liantang/Heung Yuen Wai Boundary Control Point
6.	Store room for the duty free shop at inbound restricted area on 2/F, Liantang/Heung Yuen Wai Boundary Control Point
7.	Convenience store at Public Transport Interchange on G/F, Liantang/Heung Yuen Wai Boundary Control Point
8.	Convenience store at arrival hall on 2/F, Liantang/Heung Yuen Wai Boundary Control Point
9.	General retail shops at Public Transport Interchange on G/F, Liantang/Heung Yuen Wai Boundary Control Point
10.	Supermarket at the departure level on 1/F, Liantang/Heung Yuen Wai Boundary Control Point
11.	Portion of car parking spaces at Basement, Trade and Industry Tower
12.	Portion of Trade and Industry Tower
13.	Portion of 1/F, Sha Tin Government Offices
14.	Portion of Cheung Sha Wan Government Offices
15.	Portion of West Kowloon Law Court Building

In exploring the feasibility of introducing commercial activities (such as advertisements on external walls and automatic vending machines) within government properties, GPA will consider various relevant factors including the implications of the proposal on operation of relevant departments; image, external appearance and pedestrian flow of the government buildings; as well as impact of the change of use on fire escape and building services facilities (such as fire service equipment) etc. with a view to ensuring that introducing commercial activities within these properties are feasible and suitable.

The GPA will employ existing resources to handle the above duties.

- End -

CONTROLLING OFFICER'S REPLY**FSTB(Tsy)010****(Question Serial No. 3265)**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:

- (1) Please tabulate the total number of domestic premises managed by the Government Property Agency (GPA) for leasing in the past 5 years.
- (2) Please provide details of the vacant domestic premises and government quarters managed by the GPA in 2017-18, including their respective numbers, addresses and sizes.
- (3) Please token down in rateable value (0-4,999, 5,000-7,499, 7,500-9,999, 10,000-14,999, 15,000-19,999, 20,000-24,999, 25,000-29,999, 30,000-34,999, 35,000-39,999, $\geq 40,000$).

Asked by: Hon TIEN Puk-sun, Michael (Member Question No. (LegCo use): 55)Reply:

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

Year	Number of domestic premises for leasing
2013	317
2014	332
2015	297
2016	285
2017	272

- (2) As at 28 February 2018, the vacant domestic premises under the management of GPA include 26 temporarily vacant government quarters which were pending allocation to eligible officers and 35 temporarily vacant premises which were under preparation for leasing. These two types of temporarily vacant premises are mainly situated in

Eastern District, Tai Hang and the Peak. Areas of these premises range from about 130m² to 480m². The above premises do not include domestic premises pending sale.

- (3) As at 28 February 2018, the numbers of domestic premises for leasing by GPA as categorised by the 2017-18 rateable values of Rating and Valuation Department are as follows:

2017-18 Rateable value (Monthly)	Number of domestic premises for leasing ^{Note}
\$0 - 9,999	0
\$10,000 - 14,999	33
\$15,000 - 19,999	51
\$20,000 - 24,999	5
\$25,000 - 29,999	6
\$30,000 - 34,999	2
\$35,000 - 39,999	6
\$40,000 or above	139

^{Note} 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)011

(Question Serial No. 0561)

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:

1. Please list the number of copies of i) the Policy Address; ii) the Policy Agenda; and iii) the Budget printed and distributed by the Government Logistics Department in the past 5 years, with a breakdown by year, Chinese and English versions, as well as the respective printing cost per copy.
2. How are the surplus copies of Policy Address and Budget handled every year? If they are kept in the store, please advise the total number of copies stored over the past 5 years, as well as the duration of storage and the location of the store.
3. In connection with the above, if the surplus copies are destroyed, please list the total number of copies of i) the Policy Address; ii) the Policy Agenda; and iii) the Budget destroyed in the past 5 years, with a breakdown by Chinese and English versions.
4. Please give a breakdown of the expenditure of printing the Policy Address and the Budget in the past 5 years and the estimates for next year.
5. As an online version is available for both the Policy Address and the Budget, please provide the number of visits to their websites in each of the past 5 years. Will the Government reduce the volume of printed copies and enhance promotion of the online version in the future?

Asked by: Hon LAU Ip-keung, Kenneth (Member Question No. (LegCo use): 62)

Reply:

1. The number of copies of the Policy Address, the Policy Agenda and the Budget printed by the Government Logistics Department (GLD) in the past 5 years and the respective printing cost per copy are as follows:

Policy Address

	2013	2014	2015	2016	2017	
					January	October
Chinese version (copy)	33 000	33 000	33 000	32 000	29 000	29 000
English version (copy)	24 000	24 000	24 000	21 000	18 000	18 000
Printing cost per copy (\$) ^{Note}	11.4	10.0	12.5	14.9	16.8	19.8
Policy Agenda						
Chinese version (copy)	*	26 000	26 000	25 000	18 000	18 000
English version (copy)	*	24 000	19 000	17 000	11 000	11 000
Printing cost per copy (\$) ^{Note}	-	15	18.7	18.3	22.8	26.6

* GLD did not print any Policy Agenda in 2013

Budget Speech

	2013	2014	2015	2016	2017
Chinese version (copy)	49 000	49 000	47 000	47 000	45 000
English version (copy)	32 000	32 000	32 000	32 000	30 000
Printing cost per copy (\$) ^{Note}	6.7	6.9	6.6	7.3	10.3

Note: The printing cost each year will change depending on the number of copies ordered for that particular year, the layout design, the contents and the number of pages of the publication concerned, etc.

- 2.&3. GLD carried out printing work according to printing orders received and delivered all the printed products to the bureaux/departments placing the orders. As such, GLD has not stored or destroyed any printed materials.
4. GLD's cost of printing the Policy Address and the Budget in the past 5 years is as follows:

Policy Address

	2013	2014	2015	2016	2017	
					January	October
Chinese and English versions in total	\$650,000	\$570,000	\$710,000	\$790,000	\$790,000	\$930,000

Budget Speech

	2013	2014	2015	2016	2017
Chinese and English versions in total	\$540,000	\$560,000	\$520,000	\$580,000	\$770,000

The cost for printing next year's Policy Address and Budget will depend on the actual number of copies ordered, the layout design, the contents and the number of pages of the publication concerned, etc.

5. According to the information provided by the Information Services Department, the number of visits to the Policy Address website (www.policyaddress.gov.hk) and the Budget website (www.budget.gov.hk) in the past 5 years is as follows:

	2013	2014	2015	2016	2017
Policy Address website	870 533	829 468	874 489	976 764	1 320 772*
Budget website	996 274	943 616	944 345	953 742	1 048 619

* Including visits to the Policy Address released in January and October 2017

When determining the number of printed copies of the Policy Address and the Budget, the Government will try to strike a balance between the public's need for the printed version and environmental considerations. In the past 5 years, the number of printed copies was on a general downward trend. After the release of the Policy Address and Budget, the Government will immediately upload the respective electronic version to the website concerned, and will encourage members of the public to read the online version through promotion in various channels.

- End -

CONTROLLING OFFICER'S REPLY

FSTB(Tsy)012

(Question Serial No. 3291)

Head: (59) Government Logistics Department

Subhead (No. & title):

Programme: Not Specified

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

Director of Bureau: Secretary for Financial Services and the Treasury

Question:

Regarding the provision of sign language interpretation services in the past 5 years, will the Government inform this Committee of the following:

1. Whether the Government provided sign language interpretation services; if yes, the frequency, occasions and reasons for providing sign language interpretation services in each year;
2. In connection with the above, the number of sign language interpreters involved in each year, their pay, the organisations to which they belong and the total expenditure involved in each year; and
3. Whether the Government will consider allocating more resources to improve the services for communicating with the deaf and/or persons with hearing impairment in the future. If yes, what are the details (including measures, manpower and expenditure involved and timetable, etc.)? If no, what are the reasons?

Asked by: Hon LEUNG Yiu-chung (Member Question No. (LegCo use): 65)

Reply:

The Government Logistics Department (GLD) does not provide sign language interpretation services as there is no demand for such services in our present operation.

If and when such demand arises, GLD would allocate appropriate resources to ensure that the deaf and persons with hearing impairment would receive suitable services.

- End -

CONTROLLING OFFICER'S REPLY**FSTB(Tsy)013****(Question Serial No. 0476)**Head: (59) Government Logistics DepartmentSubhead (No. & title):Programme: (3) Land TransportControlling Officer: Director of Government Logistics (Miss Mary CHOW)Director of Bureau: Secretary for Financial Services and the TreasuryQuestion:

Please provide the following information regarding the Chauffeur, Special Driver and Motor Driver grades in 2015-16, 2016-17 and 2017-18 respectively, as well as the estimated figures in 2018-19:

- (a) the establishment, strength, wastage and number of retirees of each grade;
- (b) the estimated number of retirees of each grade in the next 3 years; and
- (c) the number of post(s) of non-civil service contract staff to be created in these grades in 2018-19 and the duration of the post(s).

Asked by: Hon POON Siu-ping (Member Question No. (LegCo use): 15)Reply:

- (a) The establishment, strength, wastage and number of retirees of the Chauffeur, Special Driver and Motor Driver grades are tabulated as follows:

Chauffeur grade:

Year	Establishment	Strength	Wastage	No. of retirees
2015-16	79	71	1	5
2016-17	83	72	0	5
2017-18	84 (As at 28 February 2018)	85 (As at 28 February 2018)	0 (As at 28 February 2018)	3
2018-19 (Estimated)	89	Not possible to estimate	Not possible to estimate	5

Special Driver grade:

Year	Establishment	Strength	Wastage	No. of retirees
2015-16	355	251	0	34
2016-17	343	246	0	35
2017-18	288 (As at 28 February 2018)	224 (As at 28 February 2018)	1 (As at 28 February 2018)	27
2018-19 (Estimated)	300	Not possible to estimate	Not possible to estimate	38

Motor Driver grade:

Year	Establishment	Strength	Wastage	No. of retirees
2015-16	1 936	1 919	19	100
2016-17	1 942	1 933	20	76
2017-18	1 942 (As at 28 February 2018)	1 944 (As at 28 February 2018)	22 (As at 28 February 2018)	97
2018-19 (Estimated)	1 990	Not possible to estimate	Not possible to estimate	81

- (b) The estimated numbers of retirees of each grade in the next 3 years are as follows:

Year	Chauffeur grade	Special Driver grade	Motor Driver grade
2018-19	5	38	81
2019-20	2	47	148
2020-21	6	29	134

- (c) At present, the Government Logistics Department does not have any plan to recruit non-civil service contract staff in the above-mentioned grades in 2018-19.

- End -

CONTROLLING OFFICER'S REPLY

FSTB(Tsy)014

(Question Serial No. 0985)

Head: (59) Government Logistics Department

Subhead (No. & title):

Programme: (1) Procurement

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

Director of Bureau: Secretary for Financial Services and the Treasury

Question:

The number of contracts handled by the Government Logistics Department reduced from 181 in 2016-17 to 120 in 2018-19, while the value of contracts increased from \$2.6 billion to \$4.7 billion over the same period. What are the reasons?

Asked by: Hon SHIU Ka-fai (Member Question No. (LegCo use): 27)

Reply:

The Government Logistics Department (GLD) arranges different items of tender every year, and the actual value of individual contracts awarded will be affected by a number of factors such as the types and quantity of goods purchased and the changes in market prices, etc.

The estimated number of contracts handled by GLD in 2018 is worked out on the basis of the forecast returns of major procurement submitted by bureaux/departments and the available contract information kept by GLD. The increase in the estimated value of contracts is mainly due to the fact that several high valued tenders are expected to be processed in 2018.

- End -

CONTROLLING OFFICER'S REPLY**FSTB(Tsy)015****(Question Serial No. 2923)**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 year 2017-18 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

Reply:

- (A) The Inland Revenue Department (IRD) takes prompt recovery actions including imposition of surcharge, issuance of warning letter, issuance of recovery notices to third parties (such as employers and banks), and initiation of court proceedings to recover any tax in default by a taxpayer. The number of tax recovery cases to be completed in financial year 2017-18 is estimated to be 268 000.

As at 28 February 2018, there were 158 077 tax demand notes with payment overdue. For some taxpayers who encounter financial difficulties in paying their tax on time, they may apply to the IRD for making tax payment by instalments. As for other cases, the tax recovery work is underway. A recovery case which involves legal proceedings usually takes longer and cannot be completed within a short period of time. The 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 the IRD for four tax types in 2017-18 (as at 28 February 2018):

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)
Profits Tax	17 200	95.83	1,917	4 700	92.72	883
Salaries Tax	190 600	147.53	2,951	13 200	40.89	389
Property Tax	14 300	17.78	355	2 200	7.41	71
Personal Assessment	13 600	7.74	155	900	4.42	42
Total	235 700	268.88	5,378	21 000	145.44	1,385

^ Rounded to nearest hundred

As for stamp duty, there were 12 469 late stamping cases in financial year 2017-18 (as at 28 February 2018). The late penalty involved amounted to \$63 million.

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

- (C) The Enforcement Section of the IRD is headed by an Assistant Commissioner and has an establishment of 220 staff, comprising 32 Assessor grade staff, 141 Taxation Officer grade staff, 45 clerical grade staff and 2 common grade staff. The revised estimate of funding provision for this Section in financial year 2017-18 is \$127.9 million.

- End -

CONTROLLING OFFICER'S REPLY**FSTB(Tsy)016****(Question Serial No. 2924)**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:

2015-16			
Consideration or value of the property (whichever is the higher)	No. of cases	Average amount of AVD	Average percentage of AVD to 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)	No. of cases	Average amount of AVD	Average percentage of AVD to 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			

2017-18			
Consideration or value of the property (whichever is the higher)	No. of cases	Average amount of AVD	Average percentage of AVD to 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:

2015-16				
Consideration or value of the property (whichever is the higher)	No. 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	No. 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)	No. 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	No. 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				

2017-18				
Consideration or value of the property (whichever is the higher)	No. 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	No. 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. (LegCo use): 44)

Reply:

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

2015-16			
Consideration or value of the property (\$)	No. of cases (Note 1)	Average AVD (\$) (Note 2)	Average percentage of AVD to the 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			
Consideration or value of the property (\$)	No. of cases (Note 1)	Average AVD (\$) (Note 2)	Average percentage of AVD to the consideration of the property
2,000,000 or below	22 106	11,516	1.02%
2,000,001 to 3,000,000	8 305	53,492	2.04%
3,000,001 to 4,000,000	13 027	97,410	2.73%
4,000,001 to 6,000,000	21 063	177,110	3.56%
6,000,001 to 20,000,000	25 391	485,595	5.06%
20,000,001 or above	4 087	3,436,644	6.65%

2017-18 (As at 28 February 2018)			
Consideration or value of the property (\$)	No. of cases (Note 1)	Average AVD (\$ (Note 2)	Average percentage of AVD to the consideration of the property
2,000,000 or below	19 168	12,547	1.07%
2,000,001 to 3,000,000	8 110	58,012	2.23%
3,000,001 to 4,000,000	9 326	101,469	2.83%
4,000,001 to 6,000,000	19 423	171,955	3.44%
6,000,001 to 20,000,000	29 241	478,422	4.83%
20,000,001 or above	5 345	3,594,982	6.84%

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 adjustments 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) Ordinance 2018 was gazetted on 19 January 2018. Under the aforesaid Ordinance, Scale 1 rates are divided into Part 1 (a flat rate of 15%) and Part 2 (original Scale 1 rates) with effect from 5 November 2016. Unless otherwise specified in the Stamp Duty Ordinance, rates at Part 1 of Scale 1 apply to instruments of residential property while rates at Part 2 of Scale 1 apply to instruments of non-residential property.

The number of cases chargeable to Scale 1 and Scale 2 rates and the average amount of AVD collected in the past three financial years are set out below:

2015-16				
Consideration or value of the property (\$)	Transactions charged at original Scale 1 rates (i.e. "double stamp duty" rates)		Transactions charged at Scale 2 rates	
	No. of transactions involved (Note 1)	Average amount of AVD levied (\$ (Note 2)	No. of transactions involved	Average amount of AVD levied (\$ (Notes 1, 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				
Consideration or value of the property (\$)	Transactions charged at original Scale 1 rates (i.e. “double stamp duty” rates)		Transactions charged at Scale 2 rates	
	No. of transactions involved (Notes 1, 4)	Average amount of AVD levied (\$) (Notes 2, 4)	No. of transactions involved	Average amount of AVD levied (\$) (Notes 1, 3)
2,000,000 or below	16 888	15,036	5 218	124
2,000,001 to 3,000,000	3 437	75,779	4 868	37,756
3,000,001 to 4,000,000	3 253	154,202	9 774	78,509
4,000,001 to 6,000,000	4 447	294,286	16 616	145,750
6,000,001 to 20,000,000	8 725	751,805	16 666	346,228
20,000,001 or above	2 025	5,024,459	2 062	1,877,320

2017-18 (from April 2017 to 18 January 2018)				
Consideration or value of the property (\$)	Transactions charged at original Scale 1 rates (i.e. “double stamp duty” rate)		Transactions charged at Scale 2 rates	
	No. of transactions involved (Notes 1, 4)	Average amount of AVD levied (\$) (Notes 2, 4)	No. of transactions involved	Average amount of AVD levied (\$) (Notes 1, 3)
2,000,000 or below	13 268	16,025	4 078	175
2,000,001 to 3,000,000	3 526	75,755	3 853	37,706
3,000,001 to 4,000,000	2 246	153,799	6 285	79,537
4,000,001 to 6,000,000	2 529	299,647	14 825	146,682
6,000,001 to 20,000,000	6 482	816,673	19 984	356,179
20,000,001 or above	2 148	5,998,113	2 627	1,695,428

2017-18 (from 19 January 2018 to 28 February 2018)				
Consideration or value of the property (\$)	Transactions charged at new Scale 1 rates (Note 5)		Transactions charged at Scale 2 rates	
	No. of transactions involved (Note 1)	Average amount of AVD levied (\$) (Note 2)	No. of transactions involved	Average amount of AVD levied (\$) (Notes 1, 3)
2,000,000 or below	1 488	18,238	334	100
2,000,001 to 3,000,000	403	113,301	328	37,866
3,000,001 to 4,000,000	220	248,386	575	80,573
4,000,001 to 6,000,000	298	483,209	1 771	148,796
6,000,001 to 20,000,000	596	1,290,544	2 179	371,186
20,000,001 or above	256	5,211,509	314	1,699,207

- 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 adjustments 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 acquisition 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 original Scale 1 rates in respect of the non-residential property. These cases are classified as “transactions charged with stamp duty at Scale 2 rates” for the purpose of compiling the above information.
- Note 4: The Government introduced a new residential stamp duty (NRSD) on 4 November 2016 to increase the AVD rate for residential property transactions to a flat rate of 15% with effect from 5 November 2016. The aforesaid Ordinance was gazetted on 19 January 2018. For instruments of residential properties executed between the transitional period from 5 November 2016 and 18 January 2018, and have already been stamped before 19 January 2018, additional stamp duty (the difference between AVD calculated at NRSD and the original Scale 1 rates) is required to be paid on or before 20 February 2018. The number of cases shown for November 2016 to 18 January 2018 includes cases which are subject to NRSD. The amounts of stamp duty levied as shown in the above table only reflect AVD collected at the prevailing Scale 1 rates (i.e. original Scale 1 rates but not NRSD at 15%).
- Note 5: Residential Property – NRSD 15%, Non-Residential Property – original Scale 1 rates.

- End -

CONTROLLING OFFICER'S REPLY

FSTB(Tsy)017

(Question Serial No. 3011)

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:

In the past year, the Government has tabled bills that have been passed in the Legislative Council ("LegCo") or is currently in the process of being scrutinized by LegCo related to international requirements with regards to tax, namely base erosion and profit sharing ("BEPS") and Automatic Exchange of Information ("AEOI"), among others. These bills will heavily influence the work of the Inland Revenue Department ("IRD") and could potentially increase IRD's workload exponentially.

Please provide a detailed breakdown of the increase in manpower required and related expenditure as a direct result of the aforementioned developments.

Asked by: Hon Kenneth LEUNG (Member Question No. (LegCo use): 1.01)

Reply:

The Tax Treaty Section (TT Section) of the Inland Revenue Department (IRD) is responsible for the implementation of automatic exchange of financial account information (AEOI) and various anti-Base Erosion and Profit Shifting (BEPS) measures promulgated by the Organisation for Economic Co-operation and Development. To cope with the increasing workload, one permanent post of Chief Assessor (subject to the approval of Finance Committee) and 13 non-directorate permanent posts (including three Senior Assessor posts, three Assessor posts, three Assistant Assessor posts, one Senior Taxation Officer and three Clerical Assistant posts) are planned to be created in the TT Section in 2018-19. The additional salary expenditure is about \$11.4 million.

As in the past, the IRD will review its staff establishment from time to time having regard to the operational need and apply for additional manpower and funding if required in accordance with established procedures.

- End -

CONTROLLING OFFICER'S REPLY**FSTB(Tsy)018****(Question Serial No. 3126)**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. (LegCo use): 37)Reply:

The following tables set out the numbers of companies with assessable profits (excluding sole proprietorship and partnership businesses) and the total profits tax assessed for the past five years of assessment (as at 28 February 2018):

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

Company's assessable profits # (\$)	No. of companies ^	Percentage to the total no. 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	95 958	81.96%	5,078	4.48%
2,000,001 – 5,000,000	9 853	8.42%	5,033	4.44%
5,000,001 – 10,000,000	4 643	3.97%	5,320	4.70%
10,000,001 & above	6 621	5.65%	97,869	86.38%
Total	117 075	100%	113,300	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 no. 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	98 010	81.88%	5,135	4.24%
2,000,001 – 5,000,000	10 062	8.41%	5,132	4.24%
5,000,001 – 10,000,000	4 704	3.93%	5,399	4.45%
10,000,001 & above	6 914	5.78%	105,509	87.07%
Total	119 690	100%	121,175	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 no. 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	99 372	81.76%	4,647	3.62%
2,000,001 – 5,000,000	10 143	8.35%	5,043	3.93%
5,000,001 – 10,000,000	4 827	3.97%	5,510	4.29%
10,000,001 & above	7 196	5.92%	113,193	88.16%
Total	121 538	100%	128,393	100%

Year of Assessment 2015-16 (mainly assessed in the financial year 2016-17)

Company's assessable profits # (\$)	No. of companies ^	Percentage to the total no. 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	95 861	81.23%	4,599	3.49%
2,000,001 – 5,000,000	10 053	8.52%	5,035	3.82%
5,000,001 – 10,000,000	4 878	4.13%	5,536	4.21%
10,000,001 & above	7 227	6.12%	116,494	88.48%
Total	118 019	100%	131,664	100%

Year of Assessment 2016-17 (mainly assessed in the financial year 2017-18; only reflects the number of assessments completed as at 28 February 2018, but not the number for the whole year of assessment)

Company's assessable profits # (\$)	No. of companies ^	Percentage to the total no. 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	83 137	79.27%	4,279	3.44%
2,000,001 – 5,000,000	9 757	9.30%	4,889	3.93%
5,000,001 – 10,000,000	4 762	4.54%	5,426	4.36%
10,000,001 & above	7 222	6.89%	109,859	88.27%
Total	104 878	100%	124,453	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)019****(Question Serial No. 3129)**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:

How many transactions on transfer/ sale and purchase of residential properties were chargeable with Ad Valorem Stamp Duty at Scale 2 rates (i.e. 15%) since its introduction?

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 each of the past 3 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
2015						
2016						
2017						

Asked by: Hon OR Chong-shing, Wilson (Member Question No. (LegCo use): 42)

Reply:

The Stamp Duty (Amendment) Ordinance 2018 (Amendment Ordinance) was gazetted on 19 January 2018. From that date to 28 February 2018, there were 706 residential property transactions subject to Ad Valorem Stamp Duty (AVD) at Part 1 of Scale 1 rates (a flat rate of 15%).

The total numbers of cases and amounts of duty collected in respect of Special Stamp Duty (SSD), Buyer's Stamp Duty (BSD) and AVD chargeable at Scale 1 rates from the financial years 2015-16 to 2017-18 are as follows:

Financial Year	SSD		BSD		AVD at Scale 1 rate(s)			
	Number of cases	Total amounts (\$ million)	Number of cases	Total amounts (\$ million)	Number of cases		Total amounts (\$ million)	
					Part 1 of Scale 1 (Note)	Part 2 of Scale 1/ Original Scale 1 rates (Note)	Part 1 of Scale 1 (Note)	Part 2 of Scale 1/ Original Scale 1 rates (Note)
2015-16	550	220	2 191	4,812	-	37 160	-	17,022
2016-17	577	250	2 709	7,140	-	38 775	-	19,059
2017-18 (As at 28 February 2018)	509	284	4 037	8,760	706	32 754	1,436	20,699

Note:

Under the Amendment Ordinance, Scale 1 rates are divided into Part 1 and Part 2 (original Scale 1 rates) with effect from 5 November 2016. Unless otherwise specified in the Stamp Duty Ordinance, Part 1 of Scale 1 rate is applicable to instruments of residential property while Part 2 of Scale 1 rates apply to instruments of non-residential property. For instruments of residential property executed between 5 November 2016 and 18 January 2018 (the transitional period), if they were presented for stamping during this period, they would be stamped at the original Scale 1 rates or Scale 2 rates, as the case may be. Upon the enactment of the Amendment Ordinance, the Stamp Office of the Inland Revenue Department has started to collect the additional stamp duty for instruments (the Relevant Instruments) which were executed during the transitional period and subject to AVD at Part 1 of Scale 1 rate. As at 28 February 2018, the Stamp Office has collected additional stamp duty of about \$7,857 million on the Relevant Instruments, the amount of which has not been included in the above table. In the meantime, instruments of non-residential property transactions on or after 5 November 2016 are chargeable with AVD at Part 2 of Scale 1 rates. Therefore, the figures for 2016-17 and 2017-18 include the cases which are subject to AVD at Part 2 of Scale 1 rates (non-residential property transactions) and at the original Scale 1 rates (residential property transactions).

- End -

CONTROLLING OFFICER'S REPLY**FSTB(Tsy)020****(Question Serial No. 1714)**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:

1) For each of the past 10 years, what were the numbers of instruments stamped respectively for the collection of Special Stamp Duty, Buyer's Stamp Duty and the stamp duty levied on tenancy agreements; and what were the respective amounts of stamp duties so collected? What were the manpower involved and the staff costs incurred? Please set out the figures in the table below:

	Special Stamp Duty				Buyer's Stamp Duty				Stamp duty levied on tenancy agreements			
Year	No. of cases	amount	Manpower involved	cost	No. of cases	amount	Manpower involved	cost	No. of cases	amount	Manpower involved	cost

2) For each month of the past 10 years, what was the number of property transactions conducted by buyers who were Hong Kong permanent residents (HKPRs) and were not the owner of any other residential property in Hong Kong at the time of acquisition (i.e. first-time home buyers), and what was the amount of consideration involved? Please set out the figures in the table below:

Month	Residential property transactions involving HKPR-buyers		
	No. of property transactions conducted by buyer who was not a beneficial owner of any other residential property in Hong Kong at the time of acquisition / Total no. of property transactions conducted by buyers who were HKPRs	No. of transactions	Amount of consideration

3) Regarding the property transactions involving first-time home buyers over the past 5 years, please set out in the table below the numbers of transactions of each year based on the amounts of consideration or value of the properties (whichever is the higher) concerned.

Stamp duty levied on transactions involving first-time home buyers		2013-14	2014-15	2015-16	2016-17	2017-18
Amount of consideration or value of the property (whichever is the higher)	\$2,000,000 or below					
	\$2,000,001 to \$2,351,760					
	\$2,351,761 to \$3,000,000					
	\$3,000,001 to \$3,290,320					
	\$3,290,321 to \$4,000,000					
	\$4,000,001 to \$4,428,570					
	\$4,428,571 to \$6,000,000					
	\$6,000,001 to \$6,720,000					
	\$6,720,001 to \$20,000,000					
	\$20,000,001 to \$21,739,120					
	\$21,739,121 or above					

4) Please set out for each of the past 10 years the number of the agreements for the sale and purchase of residential properties; the number of cases involving the purchase of flats by non-Hong Kong residents; the percentage of these cases out of the total number of transactions for property acquisition and total amount of consideration involved.

Year	No. of agreements for sale and purchase of residential properties	Individual buyers not holding a Hong Kong Identity card and company buyers		
		No. of agreements for sale and purchase	Proportion	Total amount of consideration involved (\$ million)

5) Please set out in the table below the details of the ad valorem stamp duty (AVD) collected in the past 5 years:

2013-14			
Consideration or value of the property (whichever is the higher)	No. of cases	Average amount of AVD	Average percentage of AVD to 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			

2014-15			
Consideration or value of the property (whichever is the higher)	No. of cases	Average amount of AVD	Average percentage of AVD to 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)	No. of cases	Average amount of AVD	Average percentage of AVD to 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)	No. of cases	Average amount of AVD	Average percentage of AVD to 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			

2017-18			
Consideration or value of the property (whichever is the higher)	No. of cases	Average amount of AVD	Average percentage of AVD to 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			

6) 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:

2013-14				
Consideration or value of the property (whichever is the higher)	No. 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	No. 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				

2014-15				
Consideration or value of the property (whichever is the higher)	No. 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	No. 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)	No. 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	No. 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)	No. 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	No. 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				

2017-18				
Consideration or value of the property (whichever is the higher)	No. of transactions charged with stamp duty at the new rate of 15%	Average amount of AVD levied on transactions charged with stamp duty at the new rate of 15%	No. 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 TAM Man-ho, Jeremy (Member Question No. (LegCo use): 500)

Reply:

- (1) Details on the special stamp duty (SSD), buyer's stamp duty (BSD) and stamp duty on tenancy agreements collected by Inland Revenue Department (IRD) in the past five financial years (Note 1) are set out as follows:

Financial year	SSD		BSD		Stamp Duty on Tenancy agreements	
	Number of cases	Amount (\$million)	Number of cases	Amount (\$million)	Number of cases	Amount (\$million)
2013-14	1 133	220	1 827	3,311	554 501	545
2014-15	589	203	4 966	9,627	580 579	577
2015-16	550	220	2 191	4,812	568 993	612
2016-17	577	250	2 709	7,140	593 842	597
2017-18 (As at 28 February 2018)	509	284	4 037	8,760	537 982	602

Note 1: To ensure quality and timely response to the question, we only provide the relevant information for the past five years.

In the financial years 2013-14 to 2017-18, IRD incurred the following expenditure on collecting stamp duty:

Financial year	2013-14	2014-15	2015-16	2016-17	2017-18 (Revised estimate)
\$ million	47.0	53.2	55.5	56.6	58.6

IRD does not have breakdown of expenses by reference to handling different types of stamp duty cases.

- (2) Before the effective date (i.e. 23 February 2013) of ad valorem stamp duty (AVD) at Scale 1 rates, the buyers of residential property were not required to declare whether he/she owned any other residential property in Hong Kong. Therefore, IRD does not have the relevant statistics for the period before 23 February 2013. Details of the residential property transactions from 1 March 2013 to 28 February 2018, in which the buyer was a Hong Kong permanent resident (HKPR) and was not a beneficial owner of any other resident property in Hong Kong at the time of transaction, are as follows:

Month	Residential property transactions involving HKPR buyers			
	Buyer was not a beneficial owner of any other residential property in Hong Kong at the time of transaction		Residential property transactions by HKPR buyers	
	Number of transactions	Amount (\$ million)	Number of transactions	Amount (\$ million)
03/2013	1 467	6,664	1 829	8,439
04/2013	2 976	14,664	3 561	17,581
05/2013	3 438	18,170	4 255	22,676
06/2013	3 510	16,064	4 267	19,380
07/2013	3 381	16,217	4 111	19,569
08/2013	2 917	13,746	3 561	16,588
09/2013	3 041	14,729	3 772	18,162
10/2013	2 819	14,473	3 505	18,407
11/2013	2 976	18,532	3 981	27,191
12/2013	3 522	21,231	4 891	30,625
01/2014	3 672	19,858	4 837	27,102
02/2014	2 117	11,613	2 606	14,548
03/2014	3 204	17,787	3 991	22,850
04/2014	4 258	22,928	5 249	29,400
05/2014	4 607	23,988	5 563	29,357
06/2014	5 506	29,751	6 818	37,986
07/2014	5 784	37,275	7 433	51,020
08/2014	4 720	26,718	6 204	36,392
09/2014	4 552	29,619	6 320	42,455
10/2014	4 536	29,392	6 254	45,213
11/2014	3 728	22,232	5 066	32,656
12/2014	4 484	27,512	6 016	37,738
01/2015	5 197	30,750	6 991	42,691
02/2015	4 140	26,638	5 681	36,370

03/2015	2 870	18,417	3 888	25,936
04/2015	3 860	27,715	5 356	38,942
05/2015	3 504	24,211	4 702	33,370
06/2015	4 390	30,228	5 874	41,710
07/2015	3 866	27,641	5 213	39,526
08/2015	3 180	23,136	4 245	31,459
09/2015	2 917	18,819	4 051	26,438
10/2015	2 217	13,962	3 075	19,768
11/2015	2 012	13,605	2 899	19,969
12/2015	2 529	16,341	3 546	23,732
01/2016	1 565	10,277	2 025	13,727
02/2016	1 393	8,318	1 765	10,692
03/2016	2 331	14,949	3 002	19,893
04/2016	3 563	24,917	4 563	33,819
05/2016	3 789	25,464	4 914	35,532
06/2016	3 401	20,659	4 389	28,063
07/2016	3 389	21,454	4 379	29,316
08/2016	5 037	31,461	6 539	41,875
09/2016	6 129	42,556	8 458	60,245
10/2016	5 157	36,814	6 872	51,132
11/2016	4 255	35,750	6 092	49,906
12/2016	2 817	22,240	3 042	23,860
01/2017	3 342	23,492	3 522	25,320
02/2017	3 620	29,275	3 875	31,781
03/2017	6 591	55,123	7 019	59,410
04/2017	6 189	56,817	6 686	62,898
05/2017	4 911	40,481	5 229	44,501
06/2017	5 048	41,006	5 518	45,589
07/2017	3 335	26,784	3 611	29,602

08/2017	3 654	26,654	3 899	28,965
09/2017	5 034	38,379	5 367	41,618
10/2017	4 832	36,825	5 214	40,564
11/2017	4 925	39,513	5 354	44,732
12/2017	4 559	42,940	4 965	48,509
01/2018	4 982	41,602	5 332	45,188
02/2018	4 904	42,844	5 241	47,296

- (3) Under Stamp Duty Ordinance (Cap. 117), a HKRP who is acting on his/her own behalf in acquiring a residential property and is not a beneficial owner of any other residential property in Hong Kong at the time of acquisition will be subject to AVD at the lower rates under Scale 2. IRD does not have information as to whether the buyers of the transactions have acquired properties or are first-time home buyers. Therefore IRD cannot provide the required statistics.
- (4) In the past five financial years (Note 1), the statistics on individual buyers not holding Hong Kong Identity Card (HKIC) and company buyers are as follows:

Financial Year	Number of agreements for sale and purchase of residential properties (Note 2)	Individual buyers not holding HKIC and company buyers		
		No. of agreements for sale and purchase	Proportion	Total amounts involved (\$ billion)
2013-14	50 901	2 532	4.97%	24.07
2014-15	77 348	2 533	3.27%	40.59
2015-16	51 027	1 881	3.69%	26.77
2016-17	70 743	2 202	3.10%	35.71
2017-18*	65 270	3 739	5.70%	52.24

*As at 28 February 2018

Note 1: To ensure quality and timely response to question, we only provide the relevant information for the past five years.

Note 2: It refers to the number of stamping applications received by IRD during the year.

- (5) Details on the AVD collected by IRD in the past five financial years are set out as follows:

2013-14			
Consideration or value of the property (\$)	Number of cases (Notes 1 and 3)	Average amount of AVD (\$) (Note 2)	Average percentage of AVD to the consideration of the property
2,000,000 or below	27 708	100	Not Available (Note 4)
2,000,001 to 3,000,000	12 508	35,414	1.37%
3,000,001 to 4,000,000	12 175	75,818	2.16%
4,000,001 to 6,000,000	14 016	141,027	2.90%
6,000,001 to 20,000,000	14 279	359,695	3.70%
20,000,001 or above	2 641	2,408,667	4.24%

2014-15			
Consideration or value of the property (\$)	Number of cases (Notes 1 and 3)	Average amount of AVD (\$) (Note 2)	Average percentage of AVD to the consideration of the property
2,000,000 or below	32 107	7,269	Not Available (Note 4)
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 (Notes 1 and 5)	Average amount of AVD (\$) (Note 2)	Average percentage of AVD to the 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			
Consideration or value of the property (\$)	Number of cases (Notes 1 and 5)	Average amount of AVD (\$) (Note 2)	Average percentage of AVD to the consideration of the property
2,000,000 or below	22 106	11,516	1.02%
2,000,001 to 3,000,000	8 305	53,492	2.04%
3,000,001 to 4,000,000	13 027	97,410	2.73%
4,000,001 to 6,000,000	21 063	177,110	3.56%
6,000,001 to 20,000,000	25 391	485,595	5.06%
20,000,001 or above	4 087	3,436,644	6.65%

2017-18 (As at 28 February 2018)			
Consideration or value of the property (\$)	Number of cases (Notes 1 and 5)	Average amount of AVD (\$) (Note 2)	Average percentage of AVD to the consideration of the property
2,000,000 or below	19 168	12,547	1.07%
2,000,001 to 3,000,000	8 110	58,012	2.23%
3,000,001 to 4,000,000	9 326	101,469	2.83%
4,000,001 to 6,000,000	19 423	171,955	3.44%
6,000,001 to 20,000,000	29 241	478,422	4.83%
20,000,001 or above	5 345	3,594,982	6.84%

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 adjustments 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 transactions), or partial refund (for change of residential properties, or acquisition of properties for redevelopment).

Note 3: The figures computed include the stamp duty paid on deeds of gift which do not have “stated consideration”.

Note 4: RVD did not advise IRD on the exact market value if the property was valued at \$2,000,000 or below. Therefore, IRD cannot provide the average percentage to the consideration of \$2,000,000 or below.

Note 5: The figures computed do not include the stamp duty paid on deeds of gift which do not have “stated consideration”.

- (6) The Stamp Duty (Amendment) (No. 2) Ordinance 2014 (the 2014 (No. 2) Amendment Ordinance) was gazetted on 25 July 2014. Instruments dealing with immovable property executed between 23 February 2013 and 24 July 2014 (the transitional period) and presented for stamping before 25 July 2014 were stamped at the original rates of AVD as stipulated by the law. As such, the Stamp Office has no record showing whether these instruments were subject to Scale 1 or Scale 2 rates. Upon the enactment of the 2014 (No. 2) Amendment Ordinance, the Stamp Office was then able to collect the additional stamp duty for instruments executed between 23 February 2013 and 24 July 2014 and subject to AVD at the then Scale 1 rates as well as to process applications for charging AVD at Scale 2 rates. Given the constraints of computer system, the Stamp Office cannot provide the breakdown during the transitional period by each value band as requested in the question.

The Stamp Duty (Amendment) Ordinance 2018 (2018 Amendment Ordinance) was gazetted on 19 January 2018. Under the 2018 Amendment Ordinance, AVD at Scale 1 are divided into Part 1 (a flat rate of 15%) and Part 2 (original Scale 1 rates) with effect from 5 November 2016. Unless otherwise specified in the Stamp Duty Ordinance, AVD at Part 1 of Scale 1 applies to instruments of residential property while Part 2 of Scale 1 applies to instruments of non-residential property.

Regarding instruments dealing with immovable property executed between 25 July 2014 and 28 February 2018, the number of cases subject to Scale 1 and Scale 2 rates and the average amount of AVD collected are as below:

2014-15 (from 25 July 2014 to 31 March 2015)				
Consideration or value of the property (\$)	Transactions charged at original Scale 1 rates (i.e. double stamp duty rates)		Transactions charged at Scale 2 rates	
	Number of transactions (Note 1)	Average amount of AVD (\$) (Note 2)	Number of transactions	Average amount of AVD (\$) (Notes 1, 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 at original Scale 1 rates (i.e. double stamp duty rates)		Transactions charged at Scale 2 rates	
	Number of transactions (Note 1)	Average amount of AVD (\$) (Note 2)	Number. of transactions	Average amount of AVD (\$) (Notes 1, 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				
Consideration or value of the property (\$)	Transactions charged at original Scale 1 rates (i.e. double stamp duty rates)		Transactions charged at Scale 2 rates	
	Number of transactions (Notes 1, 4)	Average amount of AVD (\$) (Notes 2, 4)	Number of transactions	Average amount of AVD (\$) (Notes 1, 3)
2,000,000 or below	16 888	15,036	5 218	124
2,000,001 to 3,000,000	3 437	75,779	4 868	37,756
3,000,001 to 4,000,000	3 253	154,202	9 774	78,509
4,000,001 to 6,000,000	4 447	294,286	16 616	145,750
6,000,001 to 20,000,000	8 725	751,805	16 666	346,228
20,000,001 or above	2 025	5,024,459	2 062	1,877,320

2017-18 (from April 2017 to 18 January 2018)				
Consideration or value of the property (\$)	Transactions charged at original Scale 1 rates (i.e. double stamp duty rate)		Transactions charged at Scale 2 rates	
	Number of transactions (Notes 1, 4)	Average amount of AVD (\$) (Notes 2, 4)	Number of transactions	Average amount of AVD (\$) (Notes 1, 3)
2,000,000 or below	13 268	16,025	4 078	175
2,000,001 to 3,000,000	3 526	75,755	3 853	37,706
3,000,001 to 4,000,000	2 246	153,799	6 285	79,537
4,000,001 to 6,000,000	2 529	299,647	14 825	146,682
6,000,001 to 20,000,000	6 482	816,673	19 984	356,179
20,000,001 or above	2 148	5,998,113	2 627	1,695,428

2017-18 (from 19 January 2018 to 28 February 2018)				
Consideration or value of the property (\$)	Transactions charged at new Scale 1 rates (Note 5)		Transactions charged at Scale 2 rates	
	Number of transactions (Note 1)	Average amount of AVD (\$) (Note 2)	Number of transactions	Average amount of AVD (\$) (Notes 1, 3)
2,000,000 or below	1 488	18,238	334	100
2,000,001 to 3,000,000	403	113,301	328	37,866
3,000,001 to 4,000,000	220	248,386	575	80,573
4,000,001 to 6,000,000	298	483,209	1 771	148,796
6,000,001 to 20,000,000	596	1,290,544	2 179	371,186
20,000,001 or above	256	5,211,509	314	1,699,207

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 change of residential properties, or acquisition 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 classified as “transactions charged with stamp duty at Scale 2 rates” for the purpose of compiling the above details.

Note 4: Unless otherwise specified in the Stamp Duty Ordinance, Part 1 of Scale 1 rates apply to instruments of residential property while Part 2 of Scale 1 rates apply to instruments of non-residential property. For instruments of residential property executed between 5 November 2016 and 18 January 2018 (the transitional period), if they were presented for stamping during this period, they would be stamped at the original Scale 1 rates (i.e. Part 2 of Scale 1) or Scale 2 rates, as the case may be. Upon the enactment of the 2018 Amendment Ordinance, the Stamp Office was then able to collect the additional stamp duty for instruments executed during the transitional period and subject to Part 1 of Scale 1 rates (the Relevant Instruments). The Relevant Instruments are classified as the cases subject to Part 2 of Scale 1 rates.

Note 5: Residential Property – Part 1 of Scale 1 rate at 15%, Non-Residential Property – original Scale 1 rates.

END -

CONTROLLING OFFICER'S REPLY**FSTB(Tsy)021****(Question Serial No. 2527)**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) According to the Stamp Duty Ordinance, the Central People's Government (CPG) and any person acting in his capacity as a public officer of the CPG are exempted from the payment of stamp duty. In 2017, which offices of the CPG in Hong Kong (including their subsidiaries and public officers) were granted remission of stamp duty by the Financial Services and the Treasury Bureau (FSTB)? What is the amount of stamp duty remitted for each office?
- (b) Please set out in the table below the respective numbers of the properties acquired by the offices of the CPG in Hong Kong (including their subsidiaries and public officers) to which the FSTB has granted the remission of stamp duty.

District	Number of the properties acquired by the offices of the CPG in Hong Kong (including their subsidiaries and public officers) to which the FSTB has granted the remission of stamp duty
Central & Western District	
Eastern District	
Southern District	
Wan Chai District	
Kowloon City District	

Kwun Tong District	
Sham Shui Po District	
Yau Tsim Mong District	
Wong Tai Sin District	
Islands District	
Kwai Tsing District	
North District	
Sai Kung District	
Sha Tin District	
Tai Po District	
Tsuen Wan District	
Tuen Mun District	
Yuen Long District	

Asked by: Hon TAM Man-ho, Jeremy (Member Question No. (LegCo use): 525)

Reply:

- (a) & (b) Under section 41 of the Stamp Duty Ordinance (SDO), the Central People's Government (CPG), the Government or any incorporated public officer or any person acting in his capacity as a public officer shall not be liable for the payment of stamp duty chargeable on any instrument. Therefore, the CPG is exempt from paying stamp duty on the acquisition of properties in Hong Kong under the SDO and granting of remission is not required. If the offices of the CPG acquired an immovable property through a subsidiary company in Hong Kong and the property concerned is used as staff quarters of the offices, remission of the stamp duty payable would be granted under section 52 of the SDO. There is no such case in the financial year 2017-18.

- End -

CONTROLLING OFFICER'S REPLY

FSTB(Tsy)022

(Question Serial No. 2528)

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:

Over the past few years, the Government has implemented various tax measures to curb the exuberant property market. Hong Kong permanent residents who buy a property and then sell the one they originally owned as a “flat-for-flat” replacement of their property (hereafter referred to as “property replacement”) may apply for tax refund after selling their original properties within the time limit. Will the Government inform this Committee of the following information in respect of the tax refund?

- (a) Of the transactions conducted by first-time home buyers for property replacement over the past 5 years, how many applications for tax refund were filed within the statutory time limit?
- (b) Of the transactions conducted for property replacement involving the levy of doubled ad valorem stamp duty over the past 5 years, how many applications for tax refund were filed within the statutory time limit?

Asked by: Hon TAM Man-ho, Jeremy (Member Question No. (LegCo use): 539)

Reply:

- (a) Under section 29DF of the Stamp Duty Ordinance (Cap. 117), a Hong Kong permanent resident (HKPR) who is acting on his/her own behalf in changing his/her only residential property is entitled to a partial refund of the ad valorem stamp duty (AVD) paid. The refund is subject to, amongst others, the condition that the HKPR has disposed of his/her only original residential property within 6 months (if the new residential property was acquired between 23 February 2013 and 4 November 2016) or 12 months (if the new residential property was acquired on or after 5 November 2016) from the date of assignment of the new residential property. As they are property replacement cases, they do not belong to “first-time home buyers transactions”.
- (b) The Stamp Duty (Amendment) (No. 2) Ordinance 2014 which introduced AVD at Scale 1 rates was gazetted on 25 July 2014. It is only on or after the date of gazettal that the Inland Revenue Department could collect AVD at Scale 1 rates on instruments executed on or after 23 February 2013. Therefore, all applications for a partial refund of the AVD for change of residential property were received on or after 25 July 2014.

The Stamp Duty (Amendment) Ordinance 2018 (the 2018 Amendment Ordinance) was gazetted on 19 January 2018. According to the 2018 Amendment Ordinance, unless specially exempt or otherwise provided, instruments executed on or after 5 November 2016 for acquisition or transfer of residential property is subject to AVD at Part 1 of Scale 1 rate, i.e. a flat rate of 15% on the consideration or value of the property, whichever is the higher. A HKPR who is acting on his/her own behalf in disposing of his/her only original residential property within 12 months from the date of assignment of the new residential property can apply for a partial refund of the AVD paid.

The total number of applications received for partial refund of AVD paid due to change of residential property between 25 July 2014 and 28 February 2018 is 7 308. The distribution of the applications by financial year (including the cases where AVD was paid at first at Part 1 of Scale 1 rate) is as follows:

Financial Year	No. of applications
2014-15	991
2015-16	3 233
2016-17	1 750
2017-18 (as at 28 February 2018)	1 334

- End -

CONTROLLING OFFICER'S REPLY

FSTB(Tsy)023

(Question Serial No. 3012)

Head: (76) Inland Revenue Department

Subhead (No. & title):

Programme: (1) Assessing Functions, (2) Collection, (3) Investigation and Field Audit, (4) Taxpayer Services

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

Director of Bureau: Secretary for Financial Services and the Treasury

Question:

Would the Government please provide the relevant information on the monitoring of the operation of public organisations?

- (a) A list of the public organisations currently being monitored by the Hong Kong Government;
- (b) The items of tax payable by the public organisations concerned in each of the past 5 years; and
- (c) The amounts of individual tax items paid by the organisations included in the above list.

Asked by: Hon TAM Man-ho, Jeremy (Member Question No. (LegCo use): 501)

Reply:

The Inland Revenue Department (IRD) is mainly responsible for tax administration and collection. Monitoring of the operation of public organisations is not under the purview of the IRD. Moreover, the secrecy provision under section 4 of the Inland Revenue Ordinance prohibits IRD from disclosing tax information of individual cases.

- End -

CONTROLLING OFFICER'S REPLY**FSTB(Tsy)024****(Question Serial No. 3266)**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?

Asked by: Hon TIEN Puk-sun, Michael (Member Question No. (LegCo use): 56)Reply:

The numbers of cases in respect of Ad Valorem Stamp Duty (AVD), Special Stamp Duty (SSD), Buyer's Stamp Duty (BSD) and stamp duty on tenancy agreements for each of the financial years from 2013-14 to 2017-18 are as follows:

Financial year	AVD (Note)	SSD (Note)	BSD (Note)	Stamp duty on tenancy agreements
	No. of cases			
2013-14	83 327	1 133	1 827	554 501
2014-15	111 987	589	4 966	580 579
2015-16	73 799	550	2 191	568 993
2016-17	93 979	557	2 709	593 842
2017-18 (As at 28 February 2018)	90 613	509	4 037	537 982

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

- End -

CONTROLLING OFFICER'S REPLY

FSTB(Tsy)025

(Question Serial No. 0922)

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:

In paragraph 187 of the 2018-19 Budget, the Financial Secretary says “Having regard to our substantial fiscal surplus this year, I will introduce the following measures to share the fruits of our economic success with the community.” In connection with the item (a) of the concessionary measures put forward by the Financial Secretary, please provide the following figures:

- (a) the number of persons filing a tax return for 2017-18;
- (b) the number of taxpayers who were not required to pay tax before taking into account the 75% tax reduction on salaries tax or tax under personal assessment for 2017-18;
- (c) of the taxpayers who benefited from the 75% tax reduction on salaries tax or tax under personal assessment for 2017-18, the number of those who obtained a tax reduction of less than \$6,000; and the amount of government revenue forgone as a result of such tax reduction; and
- (d) of the taxpayers who benefited from the 75% tax reduction on salaries tax or tax under personal assessment for 2017-18, the number of those who obtained a tax reduction within the range of \$6,000 to \$30,000; and the amount of government revenue forgone as a result of such tax refund.

Asked by: Hon TO Kun-sun, James (Member Question No. (LegCo use): 34)

Reply:

(a)&(b) The Inland Revenue Department (IRD) estimates that the number of taxpayers of salaries tax and tax under personal assessment for the year of assessment 2017/18 is around 1.88 million. As the tax returns for individuals for the year of assessment 2017/18 have not been issued, the IRD does not have the statistics on the number of persons filing tax returns or not liable to tax. The proposed one-off reduction of salaries tax or tax under personal assessment by 75 per cent (subject to a ceiling of \$30,000 per case) only applies to taxpayers who are liable to salaries tax or tax under personal assessment.

(c)&(d) For the year of assessment 2017/18, the proposed one-off reduction of salaries tax and tax under personal assessment will benefit about 1.88 million taxpayers of salaries tax and tax under personal assessment, and the government revenue forgone will amount to about \$22.6 billion. Under the proposed one-off tax reduction, the statistics on the estimated numbers of taxpayers, average amount of tax reduction and total amount of tax reduction by assessable income are as follows:

Assessable Income	No. of taxpayers	Average amount of tax reduction	Total amount of tax reduction (\$ million)
\$200,000 and below	307 000	\$590	180
\$200,001 to \$300,000	406 000	\$3,010	1,220
\$300,001 to \$400,000	314 000	\$7,870	2,470
\$400,001 to \$600,000	386 000	\$15,730	6,070
\$600,001 to \$900,000	244 000	\$25,070	6,120
Above \$900,000	219 000	\$29,880	6,540
Total	1 876 000		22,600

- End -

CONTROLLING OFFICER'S REPLY

FSTB(Tsy)026

(Question Serial No. 2927)

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:

Paragraph 184 of the Budget Speech proposes the measures of “widening the tax bands for salaries tax from the current \$45,000 to \$50,000, increasing the number of tax bands from four to five, and adjusting the marginal tax rates to 2 per cent, 6 per cent, 10 per cent, 14 per cent and 17 per cent respectively. These measures will reduce the tax burden of 1.34 million taxpayers and reduce tax revenue by \$4.09 billion a year”.

1. How will the taxpayers of each income group be affected by the increase in the number of tax bands and adjustments to the marginal tax rates according to the projection of the Inland Revenue Department (IRD)? For example, what will be the average/increased/decreased amount of the tax payable for each taxpayer? How many taxpayers will be affected? Please provide an analysis by income groups of taxpayers customarily adopted in the IRD's annual reports.
2. Has the IRD ever assessed the impact on the cost of tax collection as well?

Asked by: Hon TO Kun-sun, James (Member Question No. (LegCo use): 53)

Reply:

1. The Inland Revenue Department (IRD) estimates that after widening and increasing the number of tax bands as well as adjusting the marginal tax rates, the number of taxpayers of salaries tax benefited from this measure and the average amount of tax reduction are as follows:

Annual Income (\$)	No. of taxpayers of salaries tax benefitted	Average amount of tax reduction (\$)	
130,001 - 140,000	--	--	} (Note 1)
140,001 - 150,000	--	--	
150,001 - 180,000	7 000	140	
180,001 - 210,000	101 000	330	
210,001 - 240,000	95 000	660	
240,001 - 270,000	89 000	1,240	
270,001 - 300,000	78 000	1,740	
300,001 - 400,000	251 000	2,550	
400,001 - 500,000	189 000	3,340	
500,001 - 600,000	134 000	3,780	
600,001 - 700,000	100 000	4,060	
700,001 - 800,000	72 000	4,280	
800,001 - 900,000	46 000	4,370	
900,001 - 1,000,000	35 000	4,510	
1,000,001 - 1,500,000	85 000	4,490	
1,500,001 - 2,000,000	33 000	4,330	
2,000,001 - 3,000,000	19 000	4,260	
3,000,001 - 5,000,000	6 000	4,170	
5,000,001 - 7,500,000	--	--	} (Note 2)
7,500,001 - 10,000,000	--	--	
10,000,001 or above	--	--	
Total	1 340 000	2,850	

Note 1: Taxpayers at these income levels are generally subject to salaries tax under the first tax band (i.e. 2%), therefore their salaries tax payable remain unchanged after the implementation of this measure.

Note 2: Taxpayers with annual income above \$5,000,000 are generally subject to salaries tax at standard tax rate.

It is estimated that the above measures will reduce tax revenue of the Government by \$4.09 billion per year, including reduction of tax revenue under salaries tax and tax under personal assessment by \$3.82 billion and \$0.27 billion respectively. The IRD does not make an estimate of tax under personal assessment by income groups, therefore the relevant analysis cannot be provided.

2. The IRD will implement the measures with existing manpower and resources.

- End -

CONTROLLING OFFICER'S REPLY

FSTB(Tsy)027

(Question Serial No. 2339)

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 adjustment to tax bands of salaries tax, would the Government please inform this Committee of the estimated number of taxpayers falling within each new tax band and the estimated total revenue to be collected from each tax band? Has the Government made projection on the amount of revenue forgone in the coming 5 years due to the adjustments? If yes, what is estimated revenue forgone for each year? If not, would the Government please make such projection and inform this Committee of the figures?

Asked by: Hon WONG Kwok-kin (Member Question No. (LegCo use): 47)

Reply:

The 2018-19 Budget proposes to widen the tax bands of salaries tax from the current \$45,000 to \$50,000 and to increase the number of tax bands from four to five with marginal rates at 2 per cent, 6 per cent, 10 per cent, 14 per cent and 17 per cent respectively. These measures will reduce the tax burden of about 1.34 million taxpayers and reduce government revenue by about \$4.09 billion a year.

The Inland Revenue Department does not make an estimate of the number of taxpayers and the total amount of tax revenue for each tax band under the proposed tax bands and tax rates. Therefore, the requested information cannot be provided.

- End -

CONTROLLING OFFICER'S REPLY

FSTB(Tsy)028

(Question Serial No. 2930)

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

1. the number of rates concession cases, together with the number of cases and concession amounts that involve private domestic premises and commercial premises respectively;
2. the amounts involved for the top 100 organisations to receive the highest amounts of rates concession in table form;
3. the number of cases in which private domestic premises and commercial premises to receive rates concession at the ceiling level, 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;
5. the respective numbers of rates concession cases in which properties were held by companies and individuals in 2017-18, together with the respective concession amounts involved; and
6. whether the Administration will consider not granting rates concession to domestic and non-domestic premises held by companies to ensure that companies holding multiple premises as well as the owners of such companies will not receive huge amounts of rates concession? If not, what are the reasons?

Reply:

1. For the 2018-19 financial year, around 3.25 million properties are expected to benefit from rates concession, of which about 1.80 million are private domestic properties and 0.41 million are non-domestic properties. The estimated amounts of rates concession will be \$17.8 billion; comprising about \$12.1 billion for private domestic properties, \$2.9 billion for non-domestic properties and \$2.8 billion for other types of properties such as public housing, etc.
2. For the 2018-19 financial year, the top 100 ratepayers (excluding organisations providing subsidised housing) that are anticipated to receive the largest estimated amounts of rates concession, involving about \$0.51 billion, are as follows:

Ratepayer	Amount of Rates Concession (\$ million)
1 - 10	256.5
11 - 100	258.4
Total	514.9

3. For the 2018-19 financial year, it is estimated that about 360 000 private domestic properties and about 190 000 non-domestic properties will enjoy rates concession at the ceiling level, involving concession amounts of about \$3.6 billion and \$1.9 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 about particular ratepayers. Moreover, RVD does not have records of subsidiary companies, affiliated companies and holding companies.
- 5-6. RVD does not maintain records on ownership information in respect of rateable properties.

- End -

CONTROLLING OFFICER'S REPLY

FSTB(Tsy)029

(Question Serial No. 2993)

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 2018-2019 rates concession.

Asked by: Hon CHAN Chi-chuen (Member Question No. (LegCo use): 17)

Reply:

Regarding the rates concession measure in the 2018-19 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)030

(Question Serial No. 0661)

Head: (162) Rating and Valuation Department

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

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:

The estimated expenditure of Programme (1) for 2018-19 is higher than the revised estimate of the current year by \$19.8 million. Regarding this, please inform the Committee of:

- (1) the post titles and job natures of the newly created 18 posts; and
- (2) the expenditure and manpower resources involved in reviewing and enhancing the computer systems to further improve efficiency and services to the public.

Asked by: Hon CHAN Chun-ying (Member Question No. (LegCo use): 16)

Reply:

- (1) Details of the 18 new posts in the Rating and Valuation Department (RVD) in 2018-19 are tabulated below:

Posts	Area of Work
10 permanent posts including: 1 Valuation Surveyor 2 Senior Valuation Officers 5 Valuation Officers 2 Assistant Clerical Officers 7 time-limited posts (for three years) including: 1 Valuation Surveyor 2 Senior Valuation Officers 3 Valuation Officers 1 Assistant Clerical Officer	Mainly to follow up the recommendations made by the Director of Audit in Report No. 66 and to strengthen staff resources in view of the surging caseload to protect Government revenue
1 permanent Analyst/Programmer I post	To replace a non-civil service contract position in providing information technology support for the Department

- (2) RVD will continue to review and enhance its computer systems using the Department's existing resources and manpower, and will apply for additional funding and manpower as required under established procedures.

- End -

CONTROLLING OFFICER'S REPLY**FSTB(Tsy)031****(Question Serial No. 2960)**Head: (162) Rating and Valuation DepartmentSubhead (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 TreasuryQuestion:

Programme (1): Statutory Valuation and Assessments

In the estimates of 2018-19, the indicator for assessments in the Government Rent Roll at year end is 1 985 000. Please provide the following breakdowns of the numbers of properties and the expenditure involved:

1) Breakdown by property value

Year	Units with value below \$3 million	Units with value between \$3.01 million and \$10 million	Units with value above \$10.01 million	Staff expenditure involved in data processing
2012				
2013				
2014				
2015				
2016				
2017				

2) Breakdown by property ownership

Year	Respective amounts of Government rent paid by the top 10 companies holding agricultural land (company names need not be disclosed)	Number of persons holding Hong Kong Identity Card with prefix “M” who were required to pay Government Rent for the first time	Number of offshore companies which were required to pay Government rent
2012			
2013			
2014			
2015			
2016			
2017			

Asked by: Hon CHU Hoi-Dick (Member Question No. (LegCo use): 513)

Reply:

The Rating and Valuation Department does not maintain any breakdown by property value, nor does it maintain records of owners of assessed properties.

- End -

CONTROLLING OFFICER'S REPLY

FSTB(Tsy)032

(Question Serial No. 0921)

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) As regards the policy of opening up Government data, please list the items of data resources that are currently provided and planned to be opened for public use by the Rating and Valuation Department.
- B) Given that the items and information compiled by the Government are all collated data, will the Government introduce measures to open up more detailed and specific data for public use under the principles of privacy protection?

Asked by: Hon LAM Kin-fung, Jeffrey (Member Question No. (LegCo use): 57)

Reply:

The Rating and Valuation Department (RVD) provides a diverse range of property information on its website, including the stock, actual completion, take-up, vacancy, average rents/prices and indices of different property types.

The statistical data provided by RVD has been subdivided to give more detailed information. For example, data on domestic properties are subdivided by unit size, while data on non-domestic properties are subdivided by property type (such as offices, commercial, industrial, etc.). Statistical data by area or by district are also available for reference by the public.

- End -

CONTROLLING OFFICER'S REPLY

FSTB(Tsy)033

(Question Serial No. 1890)

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:

Please provide information on new completions and stock of private retail floor space by District Council Administration Area in each of the past 5 years. Please also advise on the forecast completions of private retail floor area by district in 2017-18.

Asked by: Hon LEE Wai-king, Starry (Member Question No. (LegCo use): 29)

Reply:

The stock and completions of private retail premises (in terms of floor area) in the 18 districts from 2013 to 2017 are listed in Annexes I and II respectively. The forecast completions in 2018 are listed in Annex III.

Private Retail – Stock at year-end

Floor Area # ('000 m²)

District	2013	2014	2015	2016	2017
Central & Western	982	986	992	964	983
Wan Chai	900	900	920	972	983
Eastern	658	659	663	617	627
Southern	202	203	202	202	201
<i>Hong Kong</i>	<i>2 742</i>	<i>2 748</i>	<i>2 778</i>	<i>2 755</i>	<i>2 794</i>
Yau Tsim Mong	1 728	1 733	1 731	1 754	1 775
Sham Shui Po	594	602	611	611	627
Kowloon City	615	614	623	630	636
Wong Tai Sin	312	312	310	316	317
Kwun Tong	592	595	629	636	645
<i>Kowloon</i>	<i>3 841</i>	<i>3 856</i>	<i>3 904</i>	<i>3 947</i>	<i>4 000</i>
Kwai Tsing	314	315	322	322	334
Tsuen Wan	455	462	465	465	475
Tuen Mun	397	395	394	396	396
Yuen Long	429	427	431	469	472
North	215	228	227	227	227
Tai Po	213	212	216	216	216
Sha Tin	451	451	463	469	479
Sai Kung	285	290	292	305	320
Islands	295	295	300	299	300
<i>New Territories</i>	<i>3 054</i>	<i>3 075</i>	<i>3 109</i>	<i>3 168</i>	<i>3 219</i>
<i>Overall</i>	<i>9 637</i>	<i>9 679</i>	<i>9 791</i>	<i>9 870</i>	<i>10 013</i>

Measured on the basis of "internal floor area" which is defined as the area of all enclosed space of the unit measured to the internal face of enclosing external and/ or party walls.

Notes: Private retail stock is based on rating records. The sum of individual items might not add up to the respective total because of rounding.

Private Retail – Completions

Floor Area # (m²)

District	2013	2014	2015	2016	2017
Central & Western	3 500	7 400	1 100	9 800	14 200
Wan Chai	11 500	900	14 900	15 500	8 400
Eastern	1 800	4 200	700	-	7 900
Southern	200	-	-	400	-
Hong Kong	17 000	12 500	16 700	25 700	30 500
Yau Tsim Mong	4 700	5 400	8 300	10 800	18 200
Sham Shui Po	2 300	6 100	3 300	3 800	15 200
Kowloon City	1 300	3 800	2 800	8 100	4 500
Wong Tai Sin	-	-	-	5 400	1 500
Kwun Tong	2 600	7 500	15 300	7 700	2 700
Kowloon	10 900	22 800	29 700	35 800	42 200
Kwai Tsing	-	-	-	-	5 600
Tsuen Wan	-	800	300	-	-
Tuen Mun	-	-	-	-	1 400
Yuen Long	2 200	2 500	2 300	36 200	-
North	-	12 700	-	-	-
Tai Po	1 600	-	2 000	-	-
Sha Tin	6 700	2 100	11 600	10 800	9 900
Sai Kung	-	3 700	2 500	12 900	13 800
Islands	-	-	3 000	1 400	1 500
New Territories	10 500	21 800	21 700	61 300	32 200
Overall	38 400	57 100	68 100	122 800	104 900

Measured on the basis of "internal floor area" to reflect the area of all enclosed space of the unit measured to the internal face of enclosing external and/ or party walls.

Notes: The sum of individual items might not add up to the respective total because of rounding.

Private Retail – Forecast Completions in 2018

Floor Area # (m ²)	
District	2018
Central & Western	9 400
Wan Chai	800
Eastern	3 500
Southern	100
<i>Hong Kong</i>	<i>13 800</i>
Yau Tsim Mong	35 900
Sham Shui Po	4 500
Kowloon City	6 400
Wong Tai Sin	-
Kwun Tong	2 400
<i>Kowloon</i>	<i>49 200</i>
Kwai Tsing	300
Tsuen Wan	45 100
Tuen Mun	8 800
Yuen Long	200
North	2 300
Tai Po	-
Sha Tin	-
Sai Kung	24 800
Islands	22 200
<i>New Territories</i>	<i>103 700</i>
<i>Overall</i>	<i>166 700</i>

Measured on the basis of "internal floor area" which is defined as the area of all enclosed space of the unit measured to the internal face of enclosing external and/ or party walls.

Notes: The sum of individual items might not add up to the respective total because of rounding.

- End -

CONTROLLING OFFICER'S REPLY**FSTB(Tsy)034****(Question Serial No. 3338)**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 5 years, please provide information on the top 10 ratepayers that would receive the largest estimated amounts of rates concession (including the amount of rates concession and the number of rateable properties held by the ratepayers).

Asked by: Hon SHIU Ka-chun, (Member Question No. 117)Reply:

The Rating and Valuation Department (RVD) does not maintain information on the top 10 ratepayers that would receive the highest amounts of rates concession in 2013-14. The following table sets out the relevant information from 2014-15 to 2017-18 –

Top 10 Ratepayers (excluding organisations providing subsidised housing)	Amount of Rates Concession (\$ million)	Number of Rateable Tenements
2014-15	86.4	40 946
2015-16	126.9	40 333
2016-17	124.2	39 865
2017-18	125.4	40 185

- End -

CONTROLLING OFFICER'S REPLY**FSTB(Tsy)035****(Question Serial No. 3339)**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 5 years, please provide information on the top 100 ratepayers (ratepayers 1-10, 11-50, 51-100) that would receive the largest estimated amounts of rates concession (including the total amount of rates concession and the total number of rateable properties held by the ratepayers in each category).

Asked by: Hon SHIU Ka-chun (Member Question No. 118)Reply:

The Rating and Valuation Department (RVD) does not maintain information on the top 100 ratepayers that would receive the highest amounts of rates concession in 2013-14. The following table sets out the relevant information for 2014-15 to 2017-18 –

Ratepayers (excluding organisations providing subsidised housing)	2014-15		2015-16		2016-17		2017-18	
	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	Amount of Rates Concession (\$ million)	Number of Rateable Tenements
1-10	86.4	40 946	126.9	40 333	124.2	39 865	125.4	40 185
11 – 100 *	85.4	37 787	124.5	36 637	122.3	37 930	123.5	38 374
Total	171.8	78 733	251.4	76 970	246.5	77 795	248.9	78 559

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

- End -

CONTROLLING OFFICER'S REPLY**FSTB(Tsy)036****(Question Serial No. 3340)**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:

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. (LegCo use): 119)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 its responsibilities.

- End -

CONTROLLING OFFICER'S REPLY**FSTB(Tsy)037****(Question Serial No. 3015)**Head: (162) Rating and Valuation DepartmentSubhead (No. & title):Programme: (1) Statutory Valuation and Assessments, (2) Collection and Billing of Rates and Government Rent, (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:

Regarding rates and government properties, will the Government inform this committee:

- (a) in the following table, of the information on the top 1 000 ratepayers (ratepayers 1-10, 1-100 and 1-1 000) that would receive the largest amounts of rates concession and all ratepayers expected to enjoy rates concession (including the respective total amounts of rates concession and the total numbers of rateable private domestic units and non-domestic units held by the ratepayers in each category) as estimated in the Budget in the past 5 years;

Ratepayers (Excluding Organisations Providing Subsidised Housing)	Year		
	Amount of Rates Concession (\$ million)	Number of Rateable Properties	
		Private Domestic Units	Non-domestic Units
1-10			
11-100			
101-1 000			
All Ratepayers			

- (b) in table form, of 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 past 5 years (2013-2014, 2014-2015, 2015-2016, 2016-2017, 2017-2018).

Asked by: Hon TAM Man-ho, Jeremy (Member Question No. (LegCo use): 506)

Reply:

- (a) The Rating and Valuation Department (RVD) does not maintain information on the 101st to the 1000th ratepayers that would receive the highest amounts of rates concession, nor does it maintain relevant information for the top 100 ratepayers in 2013-14. The following table sets out the relevant information from 2014-15 to 2017-18:

Ratepayers (excluding organisations providing subsidised housing)	2014-15		2015-16		2016-17		2017-18	
	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	Amount of Rates Concession (\$ million)	Number of Rateable Tenements
1-10	86.4	40 946	126.9	40 333	124.2	39 865	125.4	40 185
11 – 100	85.4	37 787	124.5	36 637	122.3	37 930	123.5	38 374
Total	171.8	78 733	251.4	76 970	246.5	77 795	248.9	78 559

RVD does not maintain records on ownership information and number of properties held by individual owners, nor does it maintain records on the breakdown of property types by individual ratepayer. The overall number of private domestic properties and non-domestic properties that could enjoy rates concession in the past five financial years and the corresponding amount of rates concession involved are tabulated as follows:

Financial Year	Private domestic properties		Non-domestic properties	
	Number of properties (million)	Amount of Rates Concession (\$ billion)	Number of properties (million)	Amount of Rates Concession (\$ billion)
2013-14	1.71	7.7	0.40	1.8
2014-15	1.72	4.1	0.40	0.9
2015-16	1.74	5.2	0.41	1.3
2016-17	1.76	6.7	0.41	1.4
2017-18	1.78	6.8	0.41	1.4

(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 2017	As at 1 April 2016	As at 1 April 2015	As at 1 April 2014	As at 1 April 2013
3,001 - 29,999	256 542	262 128	276 635	288 610	304 553
30,000 - 59,999	245 323	247 904	276 280	346 892	410 765
60,000 - 89,999	405 167	429 687	493 238	536 614	569 468
90,000 - 119,999	445 811	433 896	416 126	383 359	353 771
120,000 - 199,999	633 350	593 993	532 866	467 857	403 085
200,000 - 299,999	221 675	221 347	192 336	166 279	146 867
300,000 - 399,999	85 049	82 602	74 321	68 234	63 245
400,000 - 499,999	47 452	46 857	44 408	41 740	38 300
500,000 or above	137 215	136 036	128 416	119 307	110 476
Total	2 477 584	2 454 450	2 434 626	2 418 892	2 400 530

- End -

CONTROLLING OFFICER'S REPLY

FSTB(Tsy)038

(Question Serial No. 0554)

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:

One of the items under Programme (1) is “processes applications for Rates and/or Government Rent exemption”. According to section 36(1) of the Rating Ordinance, there are mainly 6 categories of properties exempted from payment of rates. As for Government rent, indigenous villagers may also apply for exemption.

1. In each major category, how many properties were exempted from rates and Government rent in the past 5 years?
2. In each major category, how many new applications for rates or Government rent exemption were received in the past 5 years? Among them, how many were approved?
3. Properties with rateable values not exceeding the “Minimum Rateable Value” are exempted from payment of rates. Please provide the number of such properties by property type (e.g. residential property, parking space, etc.) in each of the past 5 years.

Asked by: Hon TO Kun-sun, James (Member Question No. (LegCo use): 3)

Reply:

The properties specified under section 36(1) of the Rating Ordinance and sections 4 and 11(2) of the Government Rent (Assessment and Collection) Ordinance are exempted from assessment to rates or Government rent. Therefore, such properties are not on the Valuation List and Government Rent Roll, and the Rating and Valuation Department does not possess the related statistics.

- End -

CONTROLLING OFFICER'S REPLY

FSTB(Tsy)039

(Question Serial No. 2925)

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 measure of rates concession in the Budget, please provide the following information on each of the past 3 years and the forecast for this year:

1. How many properties were benefitted each year? Please provide a breakdown by the property types set out in the Supplement to the Budget (i.e. private domestic premises [including small, medium, large], public domestic premises, shops and commercial premises, etc);
2. What is the average amount of rates concession per unit by property type? What is the total amount of rates concessions for each property type;
3. What is the percentage and number of properties held by companies and non-companies in each property type?
4. What is the total amount of rates concession enjoyed by companies and non-companies respectively in each property type?
5. How will the figures in questions 3 and 4 above change if the properties held by charitable institutions and trusts which are exempt from payment of tax under Section 88 of Inland Revenue Ordinance are separately compiled?

Asked by: Hon TO Kun-sun, James (Member Question No. (LegCo use): 1)

Reply:

- 1 & 2: The estimated numbers of properties in the Valuation List to enjoy rates concession with effect from 1 April 2018 and in the past three years are tabulated as follows:

	Estimated Number of Properties to Enjoy Rates Concession (million)
1 April 2015	3.15
1 April 2016	3.17
1 April 2017	3.21
1 April 2018	3.25

The estimated total Government revenue forgone (including the anticipated concession amount for newly assessed properties in the financial year) due to rates concession for the financial years from 2015-16 to 2018-19 are tabulated below. The Rating and Valuation Department (RVD) does not maintain breakdown of the related data for each property type.

Financial Year	Government Revenue Forgone Due to Rates Concession (\$ billion)
2015-16	7.7
2016-17	10.6
2017-18	10.9
2018-19	17.8

The average amount of rates concession per unit by the property types for the financial years from 2015-16 to 2018-19 are tabulated as follows:

Property Type	Estimated Average Amount of Rates Concession for the Whole Year (\$)			
	2015-16	2016-17	2017-18	2018-19
Private Domestic Premises ⁽¹⁾				
Small	2,676	3,756	3,780	6,168
Medium	4,440	3,924	3,924	9,216
Large	4,728	3,960	3,948	9,588
Public Domestic Premises ⁽²⁾	1,392	2,832	2,856	3,106
All Domestic Premises⁽³⁾	2,292	3,288	3,300	5,172
Shops and Commercial Premises	3,864	3,660	3,660	7,872
Offices	4,116	3,936	3,936	8,544
Industrial Premises ⁽⁴⁾	3,336	3,732	3,744	7,212
All Non-domestic Premises⁽⁵⁾	3,264	3,384	3,396	6,816
All Properties	2,424	3,300	3,312	5,376

- (1) Domestic units are classified by saleable areas, as follows -

Small	up to 69.9m ²	(up to 752 ft ²)
Medium	70m ² to 99.9m ²	(753 ft ² – 1 075 ft ²)
Large	100m ² and over	(1 076 ft ² and above)
- (2) Including Housing Authority and Housing Society rental units.
- (3) Including car parking spaces in domestic premises.
- (4) Including factories and storage premises.
- (5) Including miscellaneous premises such as hotels, cinemas, petrol filling stations, schools and car parking spaces in non-domestic premises.

3-5 As rateable values are assessed on a property basis, RVD does not maintain records on ownership information in respect of rateable properties.

- End -

CONTROLLING OFFICER'S REPLY

FSTB(Tsy)040

(Question Serial No. 2926)

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 measure of rates concession in the Budget, please provide the following information on each of the past 3 years and the forecast for this year:

1. How many companies or non-companies have held (a) 1 property, (b) 2-3 properties, (c) 3-10 properties, (d) 11-50 properties, (e) 51-100 properties, (f) 101 or more properties? Please provide the respective numbers in respect of companies and non-companies.
2. What is the average amounts of rates concession enjoyed by companies and non-companies for holding (a) to (f)? What is the highest amount of rates concession received? Please provide the respective figures in respect of companies and non-companies.
3. How will the figures in questions 1 and 2 above change if the properties held by charitable institutions and trusts which are exempt from payment of tax under Section 88 of Inland Revenue Ordinance are separately compiled?

Asked by: Hon TO Kun-sun, James (Member Question No. (LegCo use): 2)

Reply:

The Rating and Valuation Department (RVD) does not maintain records of owners of rateable properties. Where necessary, RVD will obtain owners' records from the Land Registry to discharge its responsibilities.

- End -

CONTROLLING OFFICER'S REPLY**FSTB(Tsy)041****(Question Serial No. 0116)**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:

Will the Government inform this Council of the respective numbers, percentages and cumulative percentages of assessed properties broken down by their monthly rateable values as at 1 April, 2017 and the most recent date this year (tabulated by year in the same format as the table below)?

Monthly rateable values (\$)	Assessed properties		
	Number	Percentage	Cumulative percentage
Less than 5,000			
5,000 to 10,000			
10,001 to 20,000			
20,001 to 30,000			
30,001 to 40,000			
40,001 to 50,000			
50,001 to 60,000			
60,001 to 70,000			
70,001 to 80,000			
80,001 to 90,000			
90,001 to 100,000			
100,001 to 120,000			
120,001 to 140,000			
140,001 to 160,000			
160,001 to 180,000			
180,001 to 200,000			
200,001 or above			

Asked by: Hon WU Chi-wai (Member Question No. (LegCo use): 1)

Reply:

The rateable value of a property is an estimate of its annual open market rental value as at a designated valuation reference date, assuming the property was then vacant and to let. The breakdown of the number of properties by rateable value on the Valuation List as at 1 April 2017 is tabulated at Annex. The information is also published in Table 8 of the Rating and Valuation Department's (RVD) Annual Summary 2016-17 (http://www.rvd.gov.hk/en/publications/annual_summary.html) for reference by the public.

RVD will analyse and make available such information on the rateable values as at 1 April 2018 in its Annual Summary 2017-18 to be published in due course.

Assessed Properties by Rateable Value as at 1 April 2017

Rateable Value (\$)	Hong Kong	Kowloon	New Territories	Total	Percentage	Cumulative percentage^
3 001 - 9 999	2 196	5 691	24 708	32 595	1.3	1.3
10 000 - 19 999	10 037	17 158	78 969	106 164	4.3	5.6
20 000 - 29 999	33 313	26 714	57 756	117 783	4.8	10.4
30 000 - 39 999	20 545	31 469	40 371	92 385	3.7	14.1
40 000 - 49 999	10 124	19 717	47 433	77 274	3.1	17.2
50 000 - 59 999	4 704	21 406	49 554	75 664	3.1	20.3
60 000 - 69 999	7 153	35 291	75 080	117 524	4.7	25.0
70 000 - 79 999	8 548	42 446	84 177	135 171	5.5	30.5
80 000 - 89 999	12 697	44 487	95 288	152 472	6.2	36.6
90 000 - 99 999	16 808	46 476	101 070	164 354	6.6	43.2
100 000 - 119 999	47 067	75 365	159 025	281 457	11.4	54.6
120 000 - 139 999	54 642	57 578	118 468	230 688	9.3	63.9
140 000 - 159 999	54 033	46 461	82 623	183 117	7.4	71.3
160 000 - 179 999	38 289	34 525	47 547	120 361	4.9	76.2
180 000 - 199 999	31 782	29 325	38 077	99 184	4.0	80.2
200 000 - 249 999	49 273	45 701	47 492	142 466	5.8	85.9
250 000 - 299 999	29 663	26 073	23 473	79 209	3.2	89.1
300 000 - 349 999	22 525	19 213	10 600	52 338	2.1	91.2
350 000 - 399 999	13 437	12 307	6 967	32 711	1.3	92.5
400 000 - 449 999	10 916	9 136	5 233	25 285	1.0	93.6
450 000 - 499 999	10 283	7 448	4 436	22 167	0.9	94.5
500 000 - 599 999	13 378	8 064	6 050	27 492	1.1	95.6
600 000 - 749 999	12 650	7 612	6 021	26 283	1.1	96.6
750 000 - 999 999	12 810	6 700	5 400	24 910	1.0	97.6
1 000 000 - 1 499 999	10 996	5 829	4 853	21 678	0.9	98.5
1 500 000 - 1 999 999	4 222	3 209	2 380	9 811	0.4	98.9
2 000 000 - 2 999 999	3 715	2 824	2 443	8 982	0.4	99.3
3 000 000 - 9 999 999	5 398	4 378	3 479	13 255	0.5	99.8
10 millions - 99 999 999	1 787	1 493	1 394	4 674	0.2	100.0
100 millions - 999 999 999	50	30	42	122	*	100.0
1 billion - 99 999 999 999	2	2	4	8	*	100.0
Overall	553 043	694 128	1 230 413	2 477 584	100.0	

* Below 0.05

^ Figures in the “Percentage” and “Cumulative percentage” columns are computed separately, and there may be differences in the last column due to rounding.

- End -

CONTROLLING OFFICER'S REPLY

FSTB(Tsy)042

(Question Serial No. 0578)

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

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

Programme: (2) Revenue and Financial Control

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

Director of Bureau: Secretary for Financial Services and the Treasury

Question:

In the Matters Requiring Special Attention in 2018-19 under Programme (2), it is mentioned that the Treasury Branch will “oversee the legislative amendments to the Inland Revenue Ordinance for implementing the two-tiered profits tax rates regime”. As companies and enterprises operating in Hong Kong have concerns over this initiative, will the Government inform this Committee of the implementation timetable and follow-up actions that will be continuously required after the passage of the legislation?

Asked by: Hon CHAN Chun-ying (Member Question No. (LegCo use): 1)

Reply:

The Government introduced the Inland Revenue (Amendment) (No. 7) Bill 2017 into the Legislative Council (LegCo) in January 2018 for the purpose of implementing the proposed two-tiered profits tax rates regime. The Bill was passed by LegCo on 21 March 2018. The regime will apply in any year of assessment commencing on or after 1 April 2018. Its implementation will be undertaken and followed up by the Inland Revenue Department.

- End -

CONTROLLING OFFICER'S REPLY

FSTB(Tsy)043

(Question Serial No. 2647)

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 Alice LAU)

Director of Bureau: Secretary for Financial Services and the Treasury

Question:

It is stated in paragraph 61 of the Budget Speech that the Housing Reserve will reach \$78.8 billion by 31 March 2018. Could the Financial Secretary make public the specific uses of the Housing Reserve in 2018-19, including on land development, land formation or public housing developments? If there are no specific uses of the Housing Reserve in 2018-19, please specify the reasons and the ways the Financial Secretary is proposing to spend the reserves.

Asked by: Hon CHAN Tanya (Member Question No. (LegCo use): 39)

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.

The Housing Reserve is retained within the Exchange Fund to earn investment return which is kept outside the Government's accounts and does not form part of the fiscal reserves. Government will seek approval of the Finance Committee before offering to draw on the Housing Reserve for injections into the Housing Authority.

- End -

CONTROLLING OFFICER'S REPLY

FSTB(Tsy)044

(Question Serial No. 3196)

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 Alice LAU)

Director of Bureau: Secretary for Financial Services and the Treasury

Question:

It is mentioned in paragraph 58 of the Budget Speech that “the 2017-18 revised estimate on government revenue is \$612.4 billion, 20.6 per cent or \$104.7 billion higher than the original estimate. This is due mainly to much higher-than-expected revenues from land premium and stamp duties.” Please explain in detail why the Government was unable to accurately estimate its revenues from land premium and stamp duties. Will the Government adopt any measures to increase accuracy in estimating these revenues and what are the details? As regards the estimated revenues from land premium and stamp duties in 2018-19, how does the Government ensure that the estimates are accurate? Will the Government adopt any measures in this regard and what are the details?

Asked by: Hon CHAN Tanya (Member Question No. (LegCo use): 54)

Reply:

Revenues from land premium and stamp duties are subject to fluctuations of the property and stock markets. As a result of heated trading in both the property and stock markets in 2017-18, especially the stock market, the revised estimates on revenues from land premium and stamp duties are higher than the original estimates.

When preparing the estimate for the 2018-19 land premium revenue, the Government has taken into consideration mainly the Land Sale Programme and the land supply target of the year, as well as the latest situation of the property market. On the other hand, the estimate on stamp duty revenue is based on the trading in the property and stock markets in recent months. As mentioned above, revenues from land premium and stamp duties are highly sensitive to fluctuations of the property and stock markets. The Government will make the best forecasts based on the information available at the time of preparing the estimates.

- End -

CONTROLLING OFFICER'S REPLY

FSTB(Tsy)045

(Question Serial No. 2601)

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 Alice LAU)

Director of Bureau: Secretary for Financial Services and the Treasury

Question:

It is stated under Programme (2) of this Head that the Government will combat tax evasion and minimise opportunities for tax avoidance. In this connection, please inform this Committee of, in point form, the supporting measures in taking forward this initiative and the estimated expenditure involved in each measure.

Asked by: Hon CHOW Ho-ding, Holden (Member Question No. (LegCo use): 44)

Reply:

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

All along, the Field Audit and Investigation Unit (FAIU) of the IRD has been implementing various measures to combat tax evasion and tax avoidance. They include:

- (1) making use of information technology and strengthening liaison between the FAIU and other assessing units to enhance the efficiency of risk management for combating tax evasion and tax avoidance;
- (2) adjusting the criteria for identifying cases for audit from time to time in response to the changing social circumstances and business practices, with a view to adopting more targeted measures to tackle high-risk cases; and
- (3) strengthening on-the-job training of officers, and enhancing their professional knowledge, practical experience and investigative skills through job rotation as well as participation in local and international tax and investigation seminars and training programmes.

In the financial year 2018-19, the FAIU is headed by an Assistant Commissioner and has an establishment and supporting departmental staff totalling 268, including staff in the Assessor, Taxation Officer and clerical grades. The estimated provision for the FAIU in the financial year 2018-19 is \$240 million. The IRD does not have a breakdown of the expenditure for the above measures.

- End -

CONTROLLING OFFICER'S REPLY

FSTB(Tsy)046

(Question Serial No. 2602)

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 Alice LAU)

Director of Bureau: Secretary for Financial Services and the Treasury

Question:

As stated in Matters Requiring Special Attention in 2018-19 under Programme (2) of this Head, the Branch will strive to streamline financial regulations within the Government, and to streamline and expedite tendering procedures. In this regard, please advise this Committee in table form of the specific measures implemented in the past 5 years and those expected to be introduced in the 2018-19 financial year, as well as their effectiveness and the expenditures involved.

Asked by: Hon CHOW Ho-ding, Holden (Member Question No. (LegCo use): 45)

Reply:

The Government reviews internal financial regulations and improves the procurement arrangements from time to time. The specific work of the Financial Services and the Treasury Bureau (the Treasury Branch) in these two areas between 2013 and 2017 included-

Areas of Work	Measures
Internal financial regulations	<ul style="list-style-type: none"> ● 59 Financial Circulars were consolidated or streamlined to 49 ● covered relevant guidelines and requirements in areas such as government procurement, capital works projects and handling reports of the Director of Audit
Procurement arrangements	<ul style="list-style-type: none"> ● delegated the approving authority from relevant tender boards to Controlling Officers for the procurement of low-value goods, services and revenue contracts to streamline the approval procedures ● encouraged procuring departments to simplify tender invitation documents, and to consider limiting the length of tender submissions to reduce the workload of both procuring departments and tenderers ● dispensed with the need to conduct financial vetting for low-value and/or low risk procurements to expedite procurement process ● simplified the legal vetting requirement for tender documents to expedite their preparation

On procurement arrangements, we will examine the effectiveness of the measures by making reference to the feedback and data of departments collated by the Government Logistics Department (GLD). The expenses for implementing the above measures are met by existing resources allocated to the Treasury Branch and the GLD.

In 2018-19, the Treasury Branch will continue to make the best use of its existing resources to review, and to suitably consolidate or streamline, financial regulations and the procurement arrangements from time to time.

- End -

CONTROLLING OFFICER'S REPLY

FSTB(Tsy)047

(Question Serial No. 2603)

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

Subhead (No. & title):

Programme: (3) Service Departments

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

Director of Bureau: Secretary for Financial Services and the Treasury

Question:

As stated in Matters Requiring Special Attention in 2018-19 under Programme (3) of this Head, the Government will co-ordinate the allocation of resources for minor building works. In this connection, would the government set out the specific details and expenses of the work involved and the criteria for prioritising the projects?

Asked by: Hon CHOW Ho-ding, Holden (Member Question No. (LegCo use): 47)

Reply:

The Accommodation Strategy Group, which comprises members of the Financial Services and the Treasury Bureau (The Treasury Branch) and the relevant departments, deliberates and allocates the block allocations for minor building works under Head 703 Subhead 3101GX of the Capital Works Reserve Fund. Minor building works mainly involve the fitting-out, alteration, addition and improvement of existing buildings. The Group will consider whether the projects meet the Government's policy objectives, and the need to meet health, safety and security requirements or the latest statutory requirements, etc. when prioritising the projects.

The Treasury Branch undertakes the work mentioned above with its existing resources.

- End -

CONTROLLING OFFICER'S REPLY

FSTB(Tsy)048

(Question Serial No. 2604)

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 Alice LAU)

Director of Bureau: Secretary for Financial Services and the Treasury

Question:

It is stated under Programme (2) of this Head that the Government will manage the fiscal reserves to meet the daily operational needs of the Government and secure investment income. In this connection, will the Government provide details of the specific measures and the key investment projects involved?

Asked by: Hon CHOW Ho-ding, Holden (Member Question No. (LegCo use): 48)

Reply:

In preparing the Budget each year, the Government reviews the levels of revenue, expenditure and fiscal reserves with a view to meeting its operational needs and striking an appropriate balance. Fiscal reserves are kept to cater for the Government's future expenditure needs, meet the contingencies and generate investment income. The reserves are placed with the Exchange Fund for investment return. In 2018-19, the estimated investment income from the Exchange Fund is \$39.8 billion.

- End -

CONTROLLING OFFICER'S REPLY

FSTB(Tsy)049

(Question Serial No. 2090)

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 Alice LAU)

Director of Bureau: Secretary for Financial Services and the Treasury

Question:

Though with a record high surplus of \$138 billion this year, the Government is only willing to share it with 40% of Hong Kong citizens. Except for grassroots “N have-nots”, those who have just retired, aged below 65 and are not eligible for Old Age Allowance, and living in rented private flats are not covered in the Budget. Will the Government consider a cash handout for everyone to benefit the entire community?

Asked by: Hon CHU Hoi-dick (Member Question No. (LegCo use): 24)

Reply:

As stated in the 2018-19 Budget Speech, the Financial Secretary (FS) will carefully take into account the source and nature of the annual surplus, and make optimal allocation of resources in the light of the external and local economic environment, social needs and public expectations when considering how the surplus is to be deployed. In addition to the initiatives proposed in the Budget, the FS also announced the introduction of the Caring and Sharing Scheme on 23 March to extend the coverage of the initiatives proposed in the Budget aiming to share the fruits of our success and to benefit more people.

- End -

CONTROLLING OFFICER'S REPLY

FSTB(Tsy)050

(Question Serial No. 0617)

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 Alice LAU)

Director of Bureau: Secretary for Financial Services and the Treasury

Question:

The Treasury Branch's work under this Programme is to, among others, enhance tax transparency, combat tax evasion and minimise opportunities for tax avoidance. Please advise this Committee of how effective the work on combating tax evasion was in 2017-18, the expenditure involved, whether tax evasion cases are on a rising trend in recent years and the people or sectors mainly involved in such cases. Are there any performance indicators for 2018-19? What is the expenditure involved? Is additional funding and manpower required for this purpose?

Asked by: Hon CHUNG Kwok-pan (Member Question No. (LegCo use): 28)

Reply:

One of the responsibilities of the Treasury Branch of the Financial Services and the Treasury Bureau is to formulate, co-ordinate and support policies to combat tax evasion, whereas the relevant implementation and 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 prevent loss of tax revenue. According to the information available to the IRD, there is no indication that tax evasion cases are on the rise, nor is there any sign that the problem is particularly serious for any particular group of persons or type of business. In the financial year 2017-18, the number of field audit and investigation cases anticipated to be completed and the associated amount of back tax and penalty assessed by the IRD are as follows:

	<u>2017-18</u> (Revised Estimate)
Cases completed	1 800
Total back tax and penalty assessed (\$m)	2,500

In the financial year 2018-19, the estimated number of completed cases and the estimated amount of back tax and penalty involved are similar to those of 2017-18. The establishment required (including the supporting departmental staff) is similar to that of 2017-18, while the provision will increase by \$8.3 million (or 3.6%) as compared with the revised estimate for 2017-18, amount to \$240 million.

– End –

CONTROLLING OFFICER'S REPLY

FSTB(Tsy)051

(Question Serial No. 1151)

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 Alice LAU)

Director of Bureau: Secretary for Financial Services and the Treasury

Question:

In relation to the newly proposed two-tiered profits tax rates regime under the Inland Revenue (Amendment) (No.7) Bill, please provide a breakdown of the estimated reduction of profit tax revenue after the implementation of the regime, and the operational costs of implementing this regime, especially with the monitoring of "connected entities" proposed under the bill.

Asked by: Hon KWOK Wing-hang, Dennis (Member Question No. (LegCo use): 11)

Reply:

The Inland Revenue (Amendment) (No. 7) Bill 2017 was passed by the Legislative Council on 21 March 2018 to implement the two-tiered profits tax rates regime. The regime will be applicable to the years of assessment commencing on or after 1 April 2018.

Under the two-tiered profits tax rates regime, a tax-paying corporation or unincorporated business (UB) may save up to \$165,000 and \$150,000 each year respectively. To ensure that the tax benefits will target at small and medium enterprises, the application of the two-tiered rates is restricted to only one enterprise nominated among connected entities. There are about 111 900 enterprises in Hong Kong (comprising 82 500 corporations and 29 400 UBs) with assessable profits of \$2 million or below, and some 23 900 enterprises (comprising 21 300 corporations and 2 600 UBs) with assessable profits above \$2 million.

On the assumption that 20% of the tax-paying enterprises are connected enterprises, the estimated tax revenue forgone under the two-tiered profits tax rates regime will be about \$5.8 billion per year.

Examining tax returns and conducting audit are part of the day-to-day work of an assessor. The Inland Revenue Department will implement the regime with its existing manpower and resources.

- End -

CONTROLLING OFFICER'S REPLY

FSTB(Tsy)052

(Question Serial No. 0277)

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 Alice LAU)

Director of Bureau: Secretary for Financial Services and the Treasury

Question:

The Financial Secretary announced in the Budget last year that the Financial Services and the Treasury Bureau had earmarked \$3.5 million for the creation of 4 non-directorate posts in the tax policy unit. The unit would, on the one hand, seek to align our tax practices with international standards and actively study the introduction of tax measures including enhanced deduction for I&T expenditure, and enhance our tax regime and explore broadening the tax base and increasing revenue on the other so as to ensure that adequate resources are available to support the sustainable development of our society. In this connection, please inform this Committee of: (1) the progress of the tax policy unit over the past year; and (2) whether the 4 posts created last year will be retained this year and whether the expenditure involved has been included in this year's Estimates.

Asked by: Hon LAU Ip-keung, Kenneth (Member Question No. (LegCo use): 32)

Reply:

The Tax Policy Unit (TPU) has been set up since end-April 2017. At this stage, the first priority of the TPU is to facilitate the development of Hong Kong's industries and economy through of tax policy. Over the recent past, the TPU was actively engaged in formulating the two-tiered profits tax rates system; working on the implementation details relating to the provision of enhanced tax deduction on research and development expenditure; and introducing amendments to the Inland Revenue Ordinance.

The TPU currently has 2 tax professionals and 1 clerical support officer. Relevant expenses for manpower have been earmarked in the 2018-19 estimates of expenditure of the Financial Services and the Treasury Bureau.

- End -

CONTROLLING OFFICER'S REPLY

FSTB(Tsy)053

(Question Serial No. 2365)

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 Alice LAU)

Director of Bureau: Secretary for Financial Services and the Treasury

Question:

It is stated in the 2017-18 Budget that a tax policy unit would be set up under the Financial Services and the Treasury Bureau. In this connection, would the Government inform this Committee of:

1. the composition and staffing of the unit as well as the expenditure involved;
2. the scope of the tax reviews and studies conducted and the results of its work in the past year; and
3. its work plan in the coming year?

Asked by: Hon LEUNG Kenneth (Member Question No. (LegCo use): 2.06)

Reply:

The Tax Policy Unit (TPU) has been set up since end-April 2017. At this stage the first priority of the TPU is to facilitate the development of Hong Kong's industries and economy through tax policy. Over the recent past, the TPU was actively engaged in formulating the two-tiered profits tax rates system; working on the implementation details relating to the provision of enhanced tax deduction on research and development expenditure; and introducing amendments to the Inland Revenue Ordinance.

The TPU currently has 2 tax professionals and 1 clerical support officer. Relevant expenses for manpower of about \$3 million have been earmarked in the 2018-19 estimates of expenditure of the Financial Services and the Treasury Bureau.

In the coming year, the TPU will work with relevant bureaux/departments to study other tax measures that are beneficial to the economic development of Hong Kong.

- End -

CONTROLLING OFFICER'S REPLY

FSTB(Tsy)054

(Question Serial No. 2374)

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

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

Programme: (2) Revenue and Financial Control

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

Director of Bureau: Secretary for Financial Services and the Treasury

Question:

The Commerce and Economic Development Bureau (Commerce, Industry and Tourism Branch) aims to develop Hong Kong as a competitive and knowledge-based economy by increasing the added value and productivity of Hong Kong's industries and enhancing the long-term competitiveness of small and medium enterprises (SME).

The Inland Revenue Ordinance allows for , a full deduction for capital expenditure on plant and machinery related to manufacturing, and on computer hardware and software.

- a. What is the breakdown of the manpower and expenditure involved in monitoring and reviewing the above policy?
- b. What is the number of cases qualified for the tax deduction in each of the financial year since the implementation of the aforementioned profits tax measure? If available, what is the total amount of tax saved by the public in each respective financial year since the implementation of the policy?
- c. Has the Bureau analysed the effectiveness in terms of economic benefits of the aforementioned profits tax deduction? If no, why not? If yes, what are the conclusions drawn?

Asked by: Hon LEUNG Kenneth (Member Question No. (LegCo use): 1.05)

Reply:

- a. As monitoring and reviewing the deduction for capital expenditure incurred on manufacturing machinery and plant and on computer hardware and software are part of the Inland Revenue Department's day-to-day responsibilities, there is no breakdown of manpower and expenditure involved in this regard.
- b. The number of tax assessment and the amount regarding the capital expenditure on manufacturing machinery and plant and on computer hardware and software in the past 5 years are as follows:

Financial Year	Capital expenditure on manufacturing machinery and plant		Capital expenditure on computer hardware and software	
	No. of assessment	Amount (\$ million)	No. of assessment	Amount (\$ million)
2013/14	1 113	1,553	32 890	15,653
2014/15	868	1,511	31 036	18,828
2015/16	773	1,051	29 386	20,387
2016/17	702	879	27 597	18,408
2017/18*	607	1,022	24 929	23,564

* As at 28 February 2018

Note: The deduction for capital expenditure on manufacturing machinery and plant and on computer hardware and software has taken effect since the year of assessment 1998/99. To ensure timely response to the question, we only provide the relevant information for the past 5 years.

- c. The expenditure deduction concerned serves to encourage enterprises in enhancing their productivity and facilitate the development of the relevant professions. Although it is difficult to quantify the specific economic benefits, the deduction has a positive impact on boosting the economic development of Hong Kong.

- End -

CONTROLLING OFFICER'S REPLY

FSTB(Tsy)055

(Question Serial No. 2362)

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

Subhead (No. & title): (700) General non-recurrent

Programme: Not specified

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

Director of Bureau: Secretary for Financial Services and the Treasury

Question:

The Government introduced a total of four rounds of electricity charges subsidy scheme in 2008, 2011, 2012 and 2013 respectively to provide electricity charges subsidy to each eligible residential account. The validity period was originally scheduled to last until end-June 2018. In this connection, please inform this Committee of the following:

1. the number of households receiving electricity charges subsidy in each of the 4 years;
2. further to the above, the latest position on (i) the number of accounts with unused subsidy and (ii) the average and total amount of unused subsidy; and
3. whether the Government will consider further extending the validity period as many people have indicated that they cannot use up the subsidy before its expiry; if yes, the details; if no, the reasons.

Asked by: Hon LEUNG Yiu-chung (Member Question No. (LegCo use): 47)

Reply:

About 2.5 million households in Hong Kong benefited from four rounds of electricity charges subsidy. As at end of February 2018, there were some 88,000 electricity accounts with unused subsidy. The amount of unused subsidy of the scheme was about \$280 million and the average unused subsidy of each electricity account was around \$3,200. Subject to the passage of the Appropriation Bill 2018 in the Legislative Council, the validity period of the electricity charges subsidy scheme will be further extended by two years to 30 June 2020. Any unused subsidy can be carried forward to pay billed electricity charges under the same account until 30 June 2020 or the close of the account (whichever is earlier).

- End -

CONTROLLING OFFICER'S REPLY

FSTB(Tsy)056

(Question Serial No. 0841)

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 Alice LAU)

Director of Bureau: Secretary for Financial Services and the Treasury

Question:

It is mentioned in paragraph 31 of the Budget Speech that the Government will introduce measures to support industries with strengths and development potentials, tap new markets, and review regulatory and tax requirements to remove red tape and create a business-friendly environment. In this regard, will the Government advise this Committee:

1. whether sections 39E and 16EC of the Inland Revenue Ordinance (IRO) are included in the review of the relevant laws and tax system? Please provide details about the review of the IRO and its timetable? What are the manpower and expenditures involved in conducting the review? Will the Government follow the recommendation to offer profits tax deduction for capital expenditures on machinery and equipment as well as intellectual property rights incurred by Hong Kong enterprises outside Hong Kong? If yes, what are the details? If no, what are the reasons?
2. whether the Government is currently reviewing other laws and tax system? If yes, what are the details of the reviews? What are the manpower and expenditures involved? When will the reviews be expected to complete respectively?

Asked by: Hon NG Wing-ka, Jimmy (Member Question No. (LegCo use): 61)

Reply:

(1) & (2)

With the surge of innovation and technology and the fierce competition between economies, the current-term Government plays the active roles of a "facilitator" and a "promoter" by adopting a forward-looking and strategic perspective, introducing timely and appropriate measures to support industries in their development and tapping of new markets, and creating a business-friendly environment. Insofar as the tax system is concerned, the implementation of the two-tiered profits tax rates regime and the provision of an enhanced tax deduction for research and development expenditure are some of the examples.

In the light of possible economic integration that may be brought about by the development of the Bay Area, the HKSAR Government is re-examining sections 16EC and 39E of the Inland Revenue Ordinance regarding the arrangement of offering tax deduction for capital expenditures on intellectual property rights, machinery and equipment incurred by Hong Kong enterprises outside Hong Kong, and will explore feasible options that comply with the principles of "tax symmetry" and transfer pricing, etc. Other tax measures that are conducive to the economic development of Hong Kong will also be examined.

Since the review of tax measures is one of the day-to-day responsibilities of the Treasury Branch of this Bureau, the breakdown on manpower or expenditure involved is not available.

- End -

CONTROLLING OFFICER'S REPLY**FSTB(Tsy)057****(Question Serial No. 0049)**

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 Alice LAU)

Director of Bureau: Secretary for Financial Services and the Treasury

Question:

Will the Administration fill out the table provided below about total government expenditure in each of the financial years since 2011-12?

	(a) Total government expenditure and (% of GDP)	(b) Recurrent expenditure and (% of government expenditure)	(c) Actual cost of inflation incurred and (% of government expenditure)	(d) Civil Service Emoluments plus Emoluments of principal officials and (% of government expenditure)	(e) Administrative expenses excluding (d) and (% of government expenditure)	(f) Recurrent expenditure after deducting (c), (d) and (e) and (% of government expenditure)	(g) Recurrent expenditure after deducting (c), (d) and (e) and (% of GDP)
2011-12							
2012-13							
2013-14							
2014-15							
2015-16							
2016-17							
2017-18							

Asked by: Hon SHEK Lai-him, Abraham (Member Question No. (LegCo use): 66)

Reply:

The government expenditure for the financial years 2011-12 to 2017-18 is set out below:

	(a) Total government expenditure and (% of GDP)	(b) Recurrent expenditure and (% of government expenditure)	(d) Civil Service Emoluments plus Emoluments of principal officials and (% of government expenditure)	(e) Other recurrent expenditure (including administrative expenses) excluding (d) and (% of government expenditure)
2011-12	\$364.0 billion (18.8%)	\$242.5 billion (66.6%)	\$54.7 billion (15.0%)	\$187.8 billion (51.6%)
2012-13	\$377.3 billion (18.5%)	\$262.3 billion (69.5%)	\$58.3 billion (15.4%)	\$204.0 billion (54.1%)
2013-14	\$433.5 billion (20.3%)	\$284.4 billion (65.6%)	\$60.8 billion (14.0%)	\$223.6 billion (51.6%)
2014-15	\$396.2 billion (17.5%)	\$305.1 billion (77.0%)	\$64.6 billion (16.3%)	\$240.5 billion (60.7%)
2015-16	\$435.6 billion (18.2%)	\$324.5 billion (74.5%)	\$68.2 billion (15.7%)	\$256.3 billion (58.8%)
2016-17	\$462.0 billion (18.6%)	\$344.6 billion (74.6%)	\$71.8 billion (15.5%)	\$272.8 billion (59.1%)
2017-18 (Revised Estimate)	\$474.4 billion (17.8%)	\$363.7 billion (76.7%)	\$74.8 billion (15.8%)	\$288.9 billion (60.9%)

As the Government does not have the information on the actual cost of inflation incurred ((c)), she is not able to provide the recurrent expenditure after deducting the actual cost of inflation incurred and its percentage of government expenditure and GDP ((f) and (g)).

- End -

CONTROLLING OFFICER'S REPLY

(Question Serial No. 1728)

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 Alice LAU)

Director of Bureau: Secretary for Financial Services and the Treasury

Question:

In response to a Member's question, the Government has provided information about local buyers who purchased properties from developers in LC Paper No. CB(1)369/13-14(02). Would the Government set out in table form:

- (a) the proportion of transactions where buyers purchasing residential properties from developers were Hong Kong Identity Card (HKIC) holders and did not own any property in Hong Kong at the time of acquisition in the past 10 years; and
- (b) the respective proportions of transactions where buyers who were HKIC holders disposed of their other residential properties within 6 months and 6 to 12 months from the date of acquisition of residential property in the past 10 years?

Asked by: Hon TAM Man-ho, Jeremy (Member Question No. (LegCo use: 538))

Reply:

Any instruments executed on or after 23 February 2013 for the sale and purchase or transfer of residential properties, unless exempted or provided otherwise, are subject to Ad valorem stamp duty (AVD) at the rates under Scale 1. The main exemption is where the purchaser/transferee of the residential property is a Hong Kong permanent resident (HKPR) who is acting on his/her own behalf and does not own any other residential property in Hong Kong at the time of acquisition. In such case, the instrument will be subject to AVD at lower rates (Scale 2).

An HKPR who acquires a new residential property to replace his/her original property may apply for partial refund of the AVD paid provided that his/her original property has been disposed of within a specified period after the date of conveyance of the new property. If the new property is acquired between 23 February 2013 and 4 November 2016, the specified period is 6 months; if the new property is acquired on or after 5 November 2016, the specified period is extended to 12 months.

Among the total number of agreements for sale and purchase of residential properties acquired from developers in the past 5 financial years, the percentage of buyers who were HKPRs and did not own any other residential properties in Hong Kong at the time of acquisition is as follows:

Financial Year (Note)	Percentage
2013-14	76.6%
2014-15	58.0%
2015-16	58.3%
2016-17	63.9%
2017-18 (As at 28 February 2018)	79.2%

Note: To ensure quality and timely response to the question, we only provide relevant information for the past 5 years.

Among the total number of agreements for sale and purchase of residential properties in the past 5 financial years, the respective percentages of buyers who were HKPRs and disposed of their other residential properties within 6 months and 6 to 12 months from the date of acquisition of residential property are as follows:

Financial Year (Note 1)	Percentage of buyers who disposed of their other residential properties within 6 months (Note 2)
2013-14	5.6%
2014-15	6.3%
2015-16	4.7%
2016-17	3.7%
2017-18 (As at 28 February 2018)	2.2%

Financial Year (Note 1)	Percentage of buyers who disposed of their other residential properties within 6 to 12 months (Note 2)
2013-14	1.4%
2014-15	1.2%
2015-16	1.2%
2016-17	0.9%
2017-18 (As at 28 February 2018)	0.1%

Note 1: To ensure quality and timely response to the question, we only provide relevant information for the past 5 years.

Note 2: Figures include disposal of one or more other residential properties.

- End -

CONTROLLING OFFICER'S REPLY

FSTB(Tsy)059

(Question Serial No. 1096)

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

Subhead (No. & title): (700) General non-recurrent

Programme: Not Specified

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

Director of Bureau: Secretary for Financial Services and the Treasury

Question:

The Government plans to extend the validity period of the electricity charges subsidy scheme (the scheme) to 30 June 2020. In this regard, would the government inform this Committee:

- (1) of the amount of unused subsidy under the scheme;
- (2) of the number of electricity accounts which have not used up the subsidy and its percentage in the total number of electricity accounts;
- (3) whether the Government has plans in place to provide the public with electricity subsidy again or to implement other measures that can reduce the public's electricity expenses?

Asked by: Hon TIEN Puk-sun, Michael (Member Question No. (LegCo use): 15)

Reply:

In order to continue to reduce the public's electricity expenses, the Government plans to extend the validity period of the electricity charges subsidy scheme by two years to 30 June 2020. As at end of February 2018, there were some 88,000 electricity accounts with unused subsidy, accounting for about 3.5% of the total number of eligible electricity accounts. The amount of unused subsidy of the scheme was about \$280 million. Separately, the Financial Secretary has proposed an array of measures to share the fruits of economic success with the community in this year's Budget.

- End -

CONTROLLING OFFICER'S REPLY

FSTB(Tsy)060

(Question Serial No. 0648)

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 Alice LAU)

Director of Bureau: Secretary for Financial Services and the Treasury

Question:

In paragraph 187 of the Budget Speech 2018-19, the Financial Secretary has mentioned that “having regard to our substantial fiscal surplus this year, I will introduce the following measures to share the fruits of our economic success with the community”. One of the concessionary measures proposed by the Financial Secretary is to invite the Community Care Fund (CCF) to consider providing short-term relief for low-income households not living in public housing and not receiving Comprehensive Social Security Assistance (CSSA) (commonly known as the “N have-nots households”). However, there are no such concessionary measures as public housing rental waiver, electricity tariff subsidy and rent allowance for private housing in the budget. Several millions of grassroots are unable to share the fruits of our economic success, thus generating a new group of “N have-nots households”. They include non-property owners who cannot benefit from rates exemption; low-income employees, full-time housewives or retirees who are not required to pay taxes and thus cannot benefit from tax rebate, or will only receive tens to hundreds of dollars from the rebate; and people not receiving CSSA or other types of assistance who are not covered by the concessionary measures announced in this year’s budget.

In this connection, would the Financial Secretary advise on the following:

- (a) Instead of providing short-term relief, will consideration be given to injecting additional funding into the CCF to introduce a one-off measure for these millions of “new N have-nots”, so as to share the fruits of our economic success with them?
- (b) For taxpayers who will receive a tax rebate of less than \$6,000 for 2017-18, if the CCF offers them a one-off living allowance (at an amount derived by deducting the amount of their tax payable for this year from the sum of \$6000), what will be the expenditure involved and how many low-income taxpayers will benefit?

(c) For people aged 18 or above who do not have to report their earnings to the Inland Revenue Department for 2017-18 (except those already receiving CSSA or benefitting from the assistance schemes mentioned in this year's budget), if the CCF offers them a one-off living allowance, how many people will benefit and what will be the expenditure involved if the allowance is set at \$6000 per person?

(d) For recipients of CSSA, Low-income Working Family Allowance and Work Incentive Transport Subsidy who will receive an extra two months' allowance according to this year's budget but the extra payment turns out to be less than \$6,000, if the CCF offers them a one-off allowance to top up the amount that falls short of the sum of \$6,000, how many people will benefit and what will be the additional expenditure involved?

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

Reply:

Apart from a series of measures proposed in the 2018-19 Budget to share the fruits of our economic success with the community, the Financial Secretary also announced the introduction of the Caring and Sharing Scheme (the Scheme) on 23 March to extend the coverage of the measures to benefit more people.

Under the Scheme, an eligible person who does not pay salaries tax in 2017-18 will receive \$4,000, and one who receives tax concession will get the difference between \$4,000 and the amount of tax concession received. People who pay no salaries tax and live in self-owned domestic properties that benefit less than \$4,000 in rates concession, or those who pay salaries tax but benefit less than \$4,000 through tax and rates concession in aggregate, can also apply for the balance. While the Working Family and Student Financial Assistance Agency will announce implementation details of the Scheme as soon as possible, the Government will propose Committee Stage Amendments to the Appropriation Bill 2018 in due course to obtain the funding needed for implementing the Scheme.

Meanwhile, the Budget has proposed to provide extra allowance, which is equivalent to 2 months of such allowance, to social security recipients. Taking into account the implementation of the Scheme, such social security recipients will receive the difference between \$4,000 and the extra payments received.

- End -

CONTROLLING OFFICER'S REPLY

FSTB(Tsy)061

(Question Serial No. 1157)

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 Alice LAU)

Director of Bureau: Secretary for Financial Services and the Treasury

Question:

With regard to “oversee the legislative amendments to the Inland Revenue Ordinance (Cap. 112) for implementing the two-tiered profits tax rates regime”:

1. According to the latest projection, how many enterprises are expected to benefit and what will be the estimated reduction in annual revenue after implementing the two-tiered profits tax rates regime? Please provide the numbers of companies benefited by the amount of assessable profits.
2. Given the profits tax rate of 8.25% applicable to the assessable profits of the first \$2 million for enterprises, which is far lower than the standard rate of salaries tax of 15%, will the Government consider a review of the standard rate correspondingly?
3. Will the Government consider the introduction of a three-tiered profits tax rates regime to slightly raise the profits tax rates of large enterprises with assessable profits exceeding a specific amount?

Asked by: Hon TO Kun-sun, James (Member Question No. (LegCo use): 54)

Reply:

1. The Inland Revenue (Amendment) (No. 7) Bill 2017 was passed by the Legislative Council on 21 March 2018 to implement the two-tiered profits tax rates regime. The regime will be applicable to the years of assessment commencing on or after 1 April 2018.

Under the two-tiered profits tax rates regime, a tax-paying corporation or unincorporated business (UB) may save up to \$165,000 and \$150,000 each year respectively. To ensure that the tax benefits will target small and medium enterprises, the application of the two-tiered rates is restricted to only one enterprise nominated among connected entities. In 2016-17, there were about 111 900 enterprises in Hong Kong (comprising 82 500 corporations and 29 400 UBs) with assessable profits of \$2 million or below, and some 23 900 enterprises (comprising 21 300 corporations and 2 600 UBs) with assessable profits above \$2 million.

On the assumption that 20% of the tax-paying enterprises are connected enterprises and based on the profits tax statistics of 2016-17, the Inland Revenue Department estimated that the tax revenue forgone under the two-tiered profits tax rates regime will be about \$5.8 billion per year, or around 4% of the total profits tax received in 2016-17. Of this, the tax forgone with regard to tax-paying corporations will amount to about \$5 billion, while that with regard to tax-paying UBs will be about \$0.8 billion.

2. The salaries tax regime of Hong Kong provides various types of allowances and deductions with progressive tax bands. The standard tax rate of 15% is only a maximum rate. In the year of assessment 2015-16, for example, only 1.6% of salaries taxpayers were required to pay tax at the standard rate of 15%, while the average effective tax rate for all salaries taxpayers was 8%. In the 2018-19 Budget, the Financial Secretary proposed a number of measures, which include widening and increasing the number of salaries tax bands, adjusting the marginal tax rates, increasing child allowances and the allowances for maintaining a dependent parent or grandparent, and raising the deduction ceiling for elderly residential expenses, to further alleviate the tax burdens on salaries taxpayers.
3. In view of the international trend to reduce corporate tax rates to enhance economic competitiveness, no consideration will be given to raising the profits tax rate for the time being.

- End -

CONTROLLING OFFICER'S REPLY

FSTB(Tsy)062

(Question Serial No. 1990)

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

Subhead (No. & title): (700) General non-recurrent

Programme: Not Specified

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

Director of Bureau: Secretary for Financial Services and the Treasury

Question:

Both items 835 and 881 under Operating Account involve the electricity charges subsidy schemes. The revised estimated expenditure of the two items for 2017-18 was about \$66 million with a balance at around \$610 million. It is stated in the footnote that “the operation of the two schemes will be further extended to 30 June 2020 while keeping the cost ceiling and other terms unchanged”.

Has the Government looked into the current number of electricity accounts which have still not used up the subsidy provided? Has it compiled any statistics on the number of these accounts by different amounts of unused subsidy? If yes, what are the details?

Asked by: Hon TO Kun-sun, James (Member Question No. (LegCo use): 52)

Reply:

As at end of February 2018, there were some 88,000 electricity accounts with unused subsidy. The Government does not have any statistics on the number of these accounts by different amounts of unused subsidy.

- End -

CONTROLLING OFFICER'S REPLY

FSTB(Tsy)063

(Question Serial No. 2236)

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 Alice LAU)

Director of Bureau: Secretary for Financial Services and the Treasury

Question:

As mentioned in paragraph 61 of the Budget, by 31 March 2018, fiscal reserves are expected to reach \$1,092 billion, while the Housing Reserve will reach \$78.8 billion. With the accumulation of the Exchange Fund and other funds, the HKSAR Government is in possession of over \$2,500 billion in capital. Even if the money is used to invest conservatively in US dollar bonds with a 2% return, there will be a year-on-year return of \$50 billion. Will the Secretary give details of the following:

- 1) How does the Government hold its fiscal reserves, Housing Reserve and various types of funds set up as announced in the Budgets of the recent 5 years?
- 2) How much were last year's investment returns from the above reserves and funds?
- 3) What is the difference between the total amount of returns mentioned in second part of the question and the 2% performance returns?

Asked by: Hon TSE Wai-chun, Paul (Member Question No. (LegCo use): 16)

Reply:

This question is not directly relevant to Head 147.

Investment income on the fiscal reserves is mainly calculated in accordance with an arrangement entered into with the Hong Kong Monetary Authority in 2007, on the basis of the average annual investment return of the Exchange Fund's Investment Portfolio for the past six years or the average annual yield of three-year Exchange Fund Notes^(Note) for the previous year subject to a minimum of zero percent, whichever is the higher.

(Note: “Three-year Exchange Fund Notes” has been replaced by “three-year government bond” with effect from 1 January 2016.)

The Future Fund placement is held in the Exchange Fund for securing higher investment returns over a ten-year investment period. The composite rate of return on the Future Fund placement is 4.5% for the calendar year 2016. The Future Fund, together with investment income not received and compounded on an annual basis, is retained within the Exchange Fund until 31 December 2025 or upon decision of the Financial Secretary for withdrawal, whichever is the earlier.

The Housing Reserve, which is also retained within the Exchange Fund, earns the same rate of investment return of the fiscal reserves as stipulated above. However, it is kept outside the Government’s accounts and does not form part of the fiscal reserves.

The management of various funds falls within the remit of different bureaux/departments (b/ds) or organisations. This bureau does not have any information on investment returns of the relevant funds. Members may approach respective b/ds for information on specific funds.

- End -

CONTROLLING OFFICER'S REPLY

FSTB(Tsy)064

(Question Serial No. 1198)

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

Subhead (No. & title): (700) General non-recurrent

Programme: Not Specified

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

Director of Bureau: Secretary for Financial Services and the Treasury

Question:

The government has decided this year to further extend the validity period of the electricity charges subsidy scheme from 30 June 2018 to 30 June 2020.

1. What was the total number of eligible accounts with unused subsidy as at end-January 2018 and its percentage against the total number of eligible accounts?
2. What was the distribution of these accounts by nature of property (private properties, public rental housing and other government-subsidised housing)?

Asked by: Hon WONG Ting-kwong (Member Question No. (LegCo use): 48)

Reply:

As at end of February 2018, there were some 88,000 electricity accounts with unused subsidy, accounting for about 3.5% of the total number of eligible electricity accounts. The Government does not have any information on the distribution of these accounts by nature of property.

- End -

CONTROLLING OFFICER'S REPLY

FSTB(Tsy)065

(Question Serial No. 1199)

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 Alice LAU)

Director of Bureau: Secretary for Financial Services and the Treasury

Question:

The Branch will continue to expand Hong Kong's network of comprehensive avoidance of double taxation agreements (CDTAs) with trading partners, in particular countries along the Belt and Road.

1. What are the plans and position of implementing the work this year? How much resources will be allocated?
2. Given a total of 36 CDTAs already signed until now, what are the Government's targets in the short, medium and long terms?

Asked by: Hon WONG Ting-kwong (Member Question No. (LegCo use): 54)

Reply:

The Hong Kong Special Administrative Region (HKSAR) Government has all along endeavoured to expand Hong Kong's network of Comprehensive Avoidance of Double Taxation Agreements (CDTAs). So far, we have signed CDTAs with 39 jurisdictions, 13 of which are among Hong Kong's top 20 major trading partners, accounting for about 73% of Hong Kong's world trade. The HKSAR Government will proactively identify potential negotiation partners, in particular countries along the Belt and Road, with a view to bringing the total number of CDTAs to 50 over the next few years.

At present, we are pursuing CDTA negotiations with 12 jurisdictions, namely Bahrain, Bangladesh, Cambodia, Cyprus, Finland, Germany, Israel, the Macao Special Administrative Region, Macedonia, Mauritius, Nigeria and Turkey. The HKSAR Government will strive for early conclusion of the negotiations with the relevant tax jurisdictions so as to sign the CDTAs as early as possible.

A Deputy Commissioner of the Inland Revenue Department (IRD) is responsible for overseeing the CDTA negotiations and leading the Tax Treaty Section to take up the relevant tasks. Since such work forms part of the regular duties of the IRD, the manpower and expenditure involved have been included in the overall establishment and expenditure of the IRD.

- End -

CONTROLLING OFFICER'S REPLY

FSTB(Tsy)066

(Question Serial No. 3256)

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 Alice LAU)

Director of Bureau: Secretary for Financial Services and the Treasury

Question:

Over the years, the SAR Government has implemented various measures to relieve the public of their burden. In some years, these measures included both paying rents for public housing tenants and providing rates waiver.

1. Since rates are already included in public housing rents, double-counting of concession arose when both relief measures were implemented simultaneously. How did the Bureau deal with the amounts of concession that had been double-counted?
2. Please state these amounts of concession by year.

Asked by: Hon WONG Ting-kwong (Member Question No. (LegCo use): 56)

Reply:

In implementing the Government's rates concession measures, the Hong Kong Housing Authority would effect the concession by adjusting the rent payable by a tenant in the rental bill. The apportioned amount of rates concession will be passed to a tenant on a monthly basis by offsetting the monthly rent payable. In case the Government also pays rents for public rental housing tenants, the Government will only pay on their behalf the net rents after deducting the rates concession. These two measures will therefore not result in double-counting of concession.

- End -

CONTROLLING OFFICER'S REPLY

FSTB(Tsy)067

(Question Serial No. 0122)

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 Alice LAU)

Director of Bureau: Secretary for Financial Services and the Treasury

Question:

One of the major areas of work under Programme (2) is government financial control. In the past Budgets, the Financial Secretary (FS) earmarked provisions for different policies from time to time. For example, the FS set aside \$50 billion for healthcare financing, \$50 billion for retirement protection and \$200 billion for the Ten-year Hospital Development Plan in the 2008-09, 2015-16 and 2016-17 Budgets respectively.

1. What is the total amount of financial commitments earmarked by the Government for implementing different policies since 2008-09 apart from the above 3 commitment items?
2. Besides the total commitments, please provide the details of the earmarked provisions, including the dates when they were earmarked, their amounts, the policy initiatives involved and the current use of the provisions.
3. Given that plenty of the provisions have been earmarked for years but remain unspent, will the Government put in place a mechanism to ensure that the provisions will be used within a specific timeframe? Currently, is there any mechanism to ensure that the provisions are used for their original purposes?
4. During the examination of the Estimates of Expenditure 2017-18 at the special meetings of the Finance Committee, a government representative indicated that the Medium Range Forecast (MRF) in the Supplement of the Budget contained information on large earmarked provisions. However, only the forecast expenditure of the Ten-Year Hospital Development Plan was set out in last year's MRF. The MRF in this year's Budget does not even contain any relevant information. At present, how is the information on such financial commitments presented in the Budget?

Asked by: Hon WU Chi-wai (Member Question No. (LegCo use): 8)

Reply:

This question is not directly relevant to Head 147.

1-2. By earmarking provisions, it demonstrates the financial commitments of the Government in specific policy areas. Items with provisions earmarked in the fiscal reserves since 2008-09 are set out below –

Budget Year	Provision Earmarked / Item	Use of Provision
2017-18	\$30 Billion Providing support to the elderly and the disadvantaged	<ul style="list-style-type: none">• The Chief Executive announced various measures on elderly services and rehabilitation services for persons with disabilities in October 2017. The expenditure to be incurred will be included in the Estimates of relevant financial years. \$2.9 billion has so far been included in the 2018-19 Estimates and Medium Range Forecast (MRF).
2017-18	\$20 Billion Launching 26 sports and recreation facilities projects in different districts	<ul style="list-style-type: none">• Ten projects are planned to be submitted to the Legislative Council (LegCo) in the 2017-18 legislative session for funding approval.
2017-18	\$10 Billion Supporting innovation and technology development in Hong Kong	<ul style="list-style-type: none">• \$0.6 billion has been included in the 2018-19 Estimates and MRF for two items, namely Digital Transformation for Agile Delivery of e-Government Services (with a total commitment of \$0.5 billion) and Electronic Identity (with a total commitment of \$0.1 billion).
2017-18	\$18.7 Billion Education	<ul style="list-style-type: none">• \$3.5 billion has been included in the 2018-19 Estimates and MRF, including an injection into the Research Endowment Fund (\$3 billion) and implementing suitable projects under the T-excel@hk strategic work plan of the Committee on Professional Development of Teachers and Principals and various measures to enhance the professional development of teachers and principals (\$0.5 billion).

Budget Year	Provision Earmarked / Item	Use of Provision
2016-17	\$200 Billion Implementing the Hospital Authority (HA)'s first Ten-year hospital development plan	<ul style="list-style-type: none"> • The Finance Committee (FC) has so far approved a commitment of about \$8.4 billion for launching seven hospital development / redevelopment projects. • Five more projects will be submitted to FC in the 2017-18 legislative session for funding approval.
2016-17 and 2015-16	\$50 Billion Improving retirement protection for the elderly in need	<ul style="list-style-type: none"> • The Government announced in January 2017 measures to strengthen the retirement protection system, including measures to enhance the Old Age Living Allowance (OALA) and improve healthcare for elderly persons. The above retirement protection measures will incur an estimated additional recurrent expenditure of over \$90 billion in the first ten years. The expenditure incurred has been and will continue to be included in the Estimates of the relevant financial years.
2011-12	\$1 Billion Injecting into the Health and Medical Research Fund	<ul style="list-style-type: none"> • In 2011, FC approved a commitment of \$1.415 billion for the Health and Medical Research Fund, which included an injection of \$1 billion as announced in the 2011-12 Budget.
2008-09	\$1 Billion Providing subsidy for the elderly in need to carry out maintenance or safety improvement works for their self-occupied properties	<ul style="list-style-type: none"> • In 2008, FC approved a new commitment of \$1 billion for implementing the Building Maintenance Grant Scheme for Elderly Owners.

Budget Year	Provision Earmarked / Item	Use of Provision
2008-09	\$50 Billion Implementing healthcare reform	<ul style="list-style-type: none"> In 2016, the FC approved the establishment of a \$10 billion endowment fund for the HA to pursue public-private partnership initiatives and provision of a loan of \$4.03 billion to the Chinese University of Hong Kong for developing a non-profit-making private teaching hospital. Besides, the Government will implement the Voluntary Health Insurance Scheme and provide tax deduction to those who buy certified plans.

The FS also announced in the Budget Speech the following earmarked provisions in 2018-19 –

Purpose	Provision Earmarked
Support the second Ten-year hospital development plan, improve the clinic facilities in the Department of Health, and upgrade and increase healthcare teaching facilities	\$300 Billion
Launch the first phase development of the Hong Kong-Shenzhen Innovation and Technology Park in the Lok Ma Chau Loop	\$20 Billion
Improve and develop cultural facilities in the coming ten years	\$20 Billion
Support the abolition of MPF “offsetting” arrangement	\$15 Billion
Support package for research centres run by non-profit-making institutions in the two research clusters	\$10 Billion
Funding support for Hong Kong Science and Technology Parks Corporation to build R&D infrastructure and facilities, and to enhance support for tenants and incubatees	\$10 Billion
Development of district facilities	\$8 Billion
Market Modernisation Programme over the next ten years	\$2 Billion
Optimising the use of vacant government sites and school premises	\$1 Billion
Youth development	\$1 Billion
Strengthen support for ethnic minorities	\$0.5 Billion
Provide subsidies for drugs for treating uncommon diseases	\$0.5 Billion

Purpose	Provision Earmarked
Funding support for Cyberport to enhance support for start-ups and to promote the development of digital technology ecosystem	\$0.2 Billion
Promote the development of e-sports	\$0.1 Billion

3. The relevant policy bureaux will work out the implementation details of the items in due course and ensure that the earmarked provisions are used for their original purposes. As the implementation details of the items vary from one another, it is difficult to set a timeframe on when the provisions will be used.
4. While the FS gives a clear illustration in the Budget Speech the items with provisions earmarked, the Government also includes the expenditure items in the Estimates of the relevant financial year or the relevant LegCo papers in accordance with established procedures.

- End -

CONTROLLING OFFICER'S REPLY

FSTB(Tsy)068

(Question Serial No. 0416)

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 Alice LAU)

Director of Bureau: Secretary for Financial Services and the Treasury

Question:

One of the initiatives under Programme 2 is to “manage the fiscal reserves to meet the daily operational needs of the Government, secure investment income, provide for unfunded liabilities and commitments, and serve as a cushion against future uncertainties, etc.”. It is stated in paragraph 56 of the Budget Speech that “the Budget is prepared on a cash basis and mainly reflects the projected cash receipts and disbursements of the new financial year with forecasts for the following four years. It does not fully reflect our liabilities and committed expenditure, such as the outstanding commitment of over \$350 billion for ongoing works projects”.

1. Regarding “the outstanding commitment of over \$350 billion for ongoing works projects”, please set out the project titles, the dates of funding approval, the approved project estimates, the latest actual expenditure and the anticipated dates of completion for those projects costing \$1 billion or above.

2. The Medium Range Forecast (MRF) of the Budget shows that the expenditure under the Capital Works Reserve Fund (CWRP) will increase to \$123.869 billion in 2022-23. What is the estimated number of new projects from now to 2023? Please set out the project titles and the relevant information of the projects costing \$1 billion or above.

3. According to the Summary of Payments by Heads under the CWRP, the outstanding commitment for Heads 701-711 is about \$439.3 billion and that for the Public Works Programme is around \$401.7 billion. How did the Government arrive at this figure of \$350 billion as stated in the Budget?

Asked by: Hon WU Chi-wai (Member Question No. (LegCo use): 18)

Reply:

- (1) Among the existing projects with estimated expenditure in 2018-19, there are 106 projects with approved project estimate amounting to \$1 billion each or above and the total approved project estimate amount to about \$767,000 million. The project titles, approved project estimate and actual expenditure as at 31 March 2017 are listed on pages 22 to 83 under the Capital Works Reserve Fund (CWRP) in VOLUME II of the 2018-19 Budget (<http://www.budget.gov.hk/2018/eng/estimates.html>).
- (2) For the estimated expenditure of the CWRP from 2017-18 to 2022-23 as shown in the Medium Range Forecast of the Budget, the expenditure from 2019-20 to 2022-23 is forecast figure. The Government expects that there will be a total of 28 projects which are estimated to cost \$1 billion or above individually among the projects to be created under the CWRP in 2018-19. Please refer to items classified as “Category B” in CWRP in VOLUME II of the 2018-19 Budget (<http://www.budget.gov.hk/2018/eng/estimates.html>) for details.
- (3) The outstanding commitment of the existing projects listed under the CWRP in VOLUME II of the 2018-19 Budget is estimated to be about \$350,711 million, which is derived by deducting the actual expenditure as at 31 March 2017 and the revised estimate for 2017-18 from the total approved estimate of the projects under Heads 702 to 707, 708 (Capital Subventions), 709 and 711. Please refer to paragraph 11 of the Memorandum Note under the CWRP in VOLUME II of the 2018-19 Budget (<https://www.budget.gov.hk/2017/eng/pdf/e-cwrf-2.pdf>) for details.

- End -

CONTROLLING OFFICER'S REPLY**FSTB(Tsy)069****(Question Serial No. 0417)**

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 Alice LAU)

Director of Bureau: Secretary for Financial Services and the Treasury

Question:

In last year's Budget, it was estimated in the medium range forecast that an annual deficit would surface in the Capital Account as from 2018-19 and in the Consolidated Account as from 2020-21. However, in the medium range forecast of this year's Budget, apart from 2021-22 in which an annual deficit may be recorded in the Capital Account, all other years will see a surplus in the Operating, Capital and Consolidated Accounts.

The large disparity between the medium range forecasts is mainly attributable to the use of different assumptions on the expected rate of investment return in the Budget. In last year's Budget, "the rate of investment return is assumed to be in the range of 2.4% to 3.3% a year for 2018 to 21", but in this year's Budget, "the rate of investment return is assumed to be in the range of 3.7% to 4.9% a year for 2019 to 2022".

1. Does the rate of investment return mentioned above refer to the rate of fee payment from the Exchange Fund to the fiscal reserves? Or are there any other components included? If yes, how is the rate of investment return calculated?
2. What basis is used in this year's Budget to assume that the range in the rate of investment return for 2019 to 2022 will significantly increase by over 1 percentage point?
3. As fiscal surplus is predicted for the coming 5 years in this year's medium range forecast and our fiscal surplus will continue to account for over 35% of GDP (or equivalent to more than 21 months of government expenditure), will the Government set a benchmark for future relief measures or even put in place a "cash handout mechanism" so that when fiscal surplus reaches a preset level, relief measures in the form of "cash handout" will be considered in the Budget?

Reply:

This question is not directly relevant to Head 147.

- 1-2. Investment income on the fiscal reserves is mainly calculated in accordance with an arrangement entered into with the Hong Kong Monetary Authority in 2007, on the basis of the average annual investment return of the Exchange Fund's Investment Portfolio for the past six years or the average annual yield of three-year Exchange Fund Notes^(Note) for the previous year subject to a minimum of zero percent, whichever is the higher.

The global economy and financial markets in 2017 performed well, the rate of investment return of the Exchange Fund is better than expected. According to the above agreement in 2007, the rate of return for fiscal reserves is 4.6% for 2018 (2.8% for 2017). The assumed rates of return for 2019 to 2022 thus increase accordingly.

(Note: "Three-year Exchange Fund Notes" has been replaced by "three-year government bond" with effect from 1 January 2016.)

3. As pointed out in the Financial Secretary's speech for the Appropriation Bill 2018, when considering how the annual surplus is to be deployed, the Government will carefully take into account the source and nature of the surplus, and make optimal allocation of resources in the light of the external and local economic environment, social needs and public expectations.

- End -

CONTROLLING OFFICER'S REPLY

FSTB(Tsy)070

(Question Serial No. 0447)

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 Alice LAU)

Director of Bureau: Secretary for Financial Services and the Treasury

Question:

As advised by the Financial Secretary last year, our fiscal reserves were at a safe level, sufficient to meet government expenditure for 18 months. According to the medium range forecast of this year's Budget, we will continue to have fiscal surplus in the next 5 years; and by 2022-23, we still will have nearly \$20 billion of fiscal surplus while our fiscal reserves will exceed \$1,200 billion, equivalent to 21 months of government expenditure or representing 35.6% of GDP:

1. Has the Financial Secretary or the Treasury Branch assessed what the safe level of our fiscal reserves should be? What are the factors that the government will consider for assessing whether the level of fiscal reserves is in excess of our actual needs?
2. Will the government set any benchmarks for reducing the fiscal reserves by the amount in excess of our actual needs when the fiscal reserves exceed a certain level (say equivalent to 30 months of government expenditure), by means of increasing the non-recurrent expenditure/recurrent expenditure or adopting other means for such purpose?

Asked by: Hon WU Chi-wai (Member Question No. (LegCo use): 92)

Reply:

This question is not directly relevant to Head 147.

In preparing the Budget each year, the Financial Secretary reviews the levels of revenue, expenditure and fiscal reserves with a view to striking an appropriate balance. For the purpose of preparing the Medium Range Forecast, the Government aims to achieve, over time, a balance in the consolidated account and maintain adequate reserves in the long run.

- End -

CONTROLLING OFFICER'S REPLY

FSTB(Tsy)071

(Question Serial No. 0448)

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 Alice LAU)

Director of Bureau: Secretary for Financial Services and the Treasury

Question:

It was stated in the 2008-09 Budget that the Government “will increase the share of public health care expenditure to 17 per cent of government recurrent expenditure in the next few years”. Thereafter, the Budgets have progressively increased the share of healthcare expenditure to about 16%-17% in recent years. In this year’s Budget Speech, it was mentioned in paragraph 140 that “the Government will progressively increase the recurrent provision for the Hospital Authority (HA) on a triennium basis, having regard to population growth and demographic changes”; and the percentage share of healthcare expenditure will rise to a record high of over 17% to 17.5% of government expenditure this year.

1. Did the Government ever set a ceiling for each policy area group with regard to the percentage share of their expenditure over recurrent public expenditure or recurrent government expenditure? If yes, what was the ceiling for each policy area group? What is their respective expenditure ceiling this year?
2. The 2008-09 Budget set a target for increasing healthcare expenditure. Is the Government going to set similar targets for specific groups (such as healthcare or education)? If yes, what are the details?

Asked by: Hon WU Chi-wai (Member Question No. (LegCo use): 93)

Reply:

This question is not directly relevant to Head 147.

This term of Government does not set a ceiling for each policy area group with regard to the percentage share of their expenditure over recurrent public expenditure or recurrent government expenditure. In preparing the Budget, the Government reviews the levels of revenue, expenditure and fiscal reserves with a view to striking an appropriate balance in the face of various development needs of society and the economy.

- End -

CONTROLLING OFFICER'S REPLY**FSTB(Tsy)072****(Question Serial No. 6085)**Head: (25) Architectural Services DepartmentSubhead (No. & title): (000) Operational ExpensesProgramme: (2) Facilities UpkeepControlling Officer: Director of Architectural Services (Mrs Sylvia LAM)Director of Bureau: Secretary for Financial Services and the TreasuryQuestion:

Did the Architectural Services Department hire any outsourced arborists in the past 5 years to provide tree care and pruning services? If yes, what was the sum of outsourced contracts per year? How often were tree care, pruning and felling works conducted each year? How many trees were involved?

Asked by: Hon HUI Chi-fung (Member Question No. (LegCo use): 65)Reply:

The Architectural Services Department (ArchSD) hires qualified arborists through contractors to carry out tree maintenance work for about 200 000 trees. Contractors are required to conduct maintenance work according to the Guidelines for Tree Risk Assessment and Management Arrangement formulated by the Tree Management Section under the Development Bureau, and assess the risk of trees under the care of the ArchSD at least once a year. For valuable trees or those in need of close monitoring, inspection frequency is increased to twice a year. Additional inspections will also be carried out after rainstorms and typhoons. The ArchSD will arrange tree maintenance operations such as tree pruning, cutting and removal, depending on the condition of the trees at the time of inspection.

The expenditure on tree or plant maintenance work in the past 5 financial years is as follows:

	Financial year				
	<u>2013-2014</u>	<u>2014-2015</u>	<u>2015-2016</u>	<u>2016-2017</u>	<u>2017-2018</u> (as at December 2017)
Expenditure (\$million)	67	67	67	69.4	50.1

- End -

CONTROLLING OFFICER'S REPLY**FSTB(Tsy)073****(Question Serial No. 3698)**Head: (31) Customs and Excise DepartmentSubhead (No. & title): (000) Operational expensesProgramme: (4) Revenue Protection and CollectionControlling Officer: Commissioner of Customs and Excise (Hermes TANG)Director of Bureau: Secretary for Financial Services and the TreasuryQuestion:

Please set out in tabular form the sales figures of duty-free cigarettes, tobacco and cigars 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. (LegCo use): 195)Reply:

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

	2015	2016	2017
Cigarettes (million sticks)	4 459	4 138	3 775
Tobacco (kg)	13 369	13 006	12 926
Cigars (kg)	22 368	23 580	21 849

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

- End -

CONTROLLING OFFICER'S REPLY**FSTB(Tsy)074****(Question Serial No. 3700)**Head: (31) Customs and Excise DepartmentSubhead (No. & title):Programme: (4) Revenue Protection and CollectionControlling Officer: Commissioner of Customs and Excise (Hermes TANG)Director of Bureau: Secretary for Financial Services and the TreasuryQuestion:

Please set out in tabular form the amounts of illicit cigarettes, tobacco and cigars seized; the numbers of cases detected; and the numbers of persons arrested by the Customs and Excise Department (C&ED) in 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. (LegCo use): 197)Reply:

The numbers of local illegal activities and other relevant information involving illicit cigarettes, tobacco and cigars detected by the Customs and Excise Department from 2015 to 2017 are as follows:

Illicit cigarettes

	2015	2016	2017
Number of cases	10 231	8 287	7 944
Number of persons arrested	10 285	8 355	7 986
Amount of illicit cigarettes (million sticks)	52	62	60
Total value (\$ million)	140	170	160
Total dutiable value (\$ million)	99	119	115

Illicit tobacco

	2015	2016	2017
Number of cases	58	50	43
Number of persons arrested	63	42	34
Amount of illicit tobacco (kg)	1 200	110	19 700
Total value (\$ thousand)	470	35	9,000
Total dutiable value (\$ thousand)	2,600	160	45,500

Illicit cigars

	2015	2016	2017
Number of cases	91	71	94
Number of persons arrested	88	70	88
Amount of illicit cigars (kg)	20	13	180
Total value (\$ thousand)	85	81	1,800
Total dutiable value (\$ thousand)	49	31	447

- End -

CONTROLLING OFFICER'S REPLY**FSTB(Tsy)075****(Question Serial No. 3701)**Head: (31) Customs and Excise DepartmentSubhead (No. & title):Programme: (4) Revenue Protection and CollectionControlling Officer: Commissioner of Customs and Excise (Hermes 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 duty-paid cigarettes, tobacco and cigars sold within Hong Kong in the past 3 years.

Asked by: Hon CHAN Chi-chuen (Member Question No. (LegCo use): 198)Reply:

In the past 3 years, the amounts of duty-paid cigarettes, tobacco and cigars sold within Hong Kong, and the total amount of duty collected by the Customs and Excise Department (C&ED) from dutiable tobacco products are as follows:

	2015	2016	2017
Cigarettes (million sticks)	3 270	3 334	3 268
Tobacco (kg)	10 088	8 612	8 646
Cigars (kg)	20 763	18 027	21 919
Total amount of duty collected from dutiable tobacco products (\$ million)	6,302	6,413	6,299

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

- End -

CONTROLLING OFFICER'S REPLY**FSTB(Tsy)076****(Question Serial No. 5335)**Head: (31) Customs and Excise DepartmentSubhead (No. & title):Programme: (1) Control and EnforcementControlling Officer: Commissioner of Customs and Excise (Hermes TANG)Director of Bureau: Secretary for Financial Services and the TreasuryQuestion:

Please advise this Committee on the following:

1. The numbers of cases involving duty-not-paid cigarettes and the amounts of illicit cigarettes detected by the Customs and Excise Department (C&ED) in the past 3 years;
2. Some members of the tobacco industry consider that the increase in the proportion of health warnings on cigarette packets after the passage of the Smoking (Public Health) (Notices) (Amendment) Order 2017 will aggravate the illicit cigarette problem because it will be more difficult to include labels with anti-forgery feature on cigarette packets. In this regard, has C&ED compared the situation of the illicit cigarette problem in Hong Kong since the passage of the Amendment Order with that in the same periods in the past 3 years? What are the changes?

Asked by: Hon CHAN Pierre (Member Question No. (LegCo use): 99)Reply:

1. The numbers of cases of local illegal activities involving duty-not-paid cigarettes and the amounts of illicit cigarettes detected by the Customs and Excise Department (C&ED) from 2015 to 2017 are as follows:

	2015	2016	2017
Number of cases	10 231	8 287	7 944
Amount of duty-not-paid cigarettes (million sticks)	52	62	60

2. The Smoking (Public Health) (Notices) (Amendment) Order 2017 (Amendment Order) has come into effect since 21 December 2017, with a transitional period of 6 months. Since the transitional period has not ended, C&ED will, in due course, pay attention to whether the Amendment Order has any impact on local illegal activities involving duty-not-paid cigarettes.

- End -

CONTROLLING OFFICER'S REPLY**FSTB(Tsy)077****(Question Serial No. 5648)**Head: (31) Customs and Excise DepartmentSubhead (No. & title):Programme: (4) Revenue Protection and CollectionControlling Officer: Commissioner of Customs and Excise (Hermes TANG)Director of Bureau: Secretary for Financial Services and the TreasuryQuestion:

What were the numbers of cases of selling illicit cigarettes through telephone ordering detected, amounts of illicit cigarettes seized and numbers of persons arrested by the Customs and Excise Department (C&ED) in the past 5 years? What are the estimated provision and number of staff to be deployed for combating telephone ordering of illicit cigarettes by C&ED in 2018-2019?

Asked by: Hon CHAN Tanya (Member Question No. (LegCo use): 179)Reply:

The numbers of cases involving telephone ordering of illicit cigarettes detected by the Customs and Excise Department (C&ED) in the past 5 years and the relevant information are as follows:

	2013	2014	2015	2016	2017
Number of cases	195	318	452	428	426
Amount of illicit cigarettes seized (million sticks)	2	3	1.4	3.8	4.6
Number of persons arrested	225	329	465	441	439

In 2018-19, C&ED will deploy a total of 26 officers to combat telephone ordering of illicit cigarettes, involving an expenditure of about \$10.21million.

- End -

CONTROLLING OFFICER'S REPLY**FSTB(Tsy)078****(Question Serial No. 6380)**Head: (31) Customs and Excise DepartmentSubhead (No. & title):Programme: (1) Control and EnforcementControlling Officer: Commissioner of Customs and Excise (Hermes 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 in Hong Kong to intercept dutiable commodities and the estimated provision involved in 2018-2019?
2. What were the actual amounts of illicit cigarettes seized by C&ED at various control points, the numbers of officers and the actual expenditures involved in the past 5 years? What are the number of officers to be deployed by C&ED for combating illicit cigarette activities and the actual expenditure in 2018-2019?

Asked by: Hon CHAN Tanya (Member Question No. (LegCo use): 176)Reply:

1. In 2018-19, the expenditure for the work under Programme (1) Control and Enforcement carried out by the Customs and Excise Department (C&ED) is about \$3.415 billion, involving 5 826 posts. Since the front-line officers deployed at various entry and exit points are tasked with clearance duties at the same time, it is difficult for C&ED to separately quantify the number of officers and the estimated expenditure involved in intercepting dutiable commodities.
2. The amounts of illicit cigarettes seized by C&ED at various control points from 2013 to 2017 are as follows:

	2013	2014	2015	2016	2017
Amount of illicit cigarettes (million sticks)	47.2	38.3	38.4	50.9	44.2

Since the front-line officers deployed at various entry and exit points are tasked with clearance duties at the same time, it is difficult for C&ED to separately quantify the number of officers and the expenditure involved in intercepting illicit cigarettes.

Apart from intercepting illicit cigarettes at boundary control points, C&ED will also keep up its efforts to combat the storage, distribution and peddling (including telephone ordering) of illicit cigarettes. In 2018-19, C&ED will continue to deploy 61 officers dedicated to combating illicit cigarette activities, involving an expenditure of approximately \$23.93 million.

- End -

CONTROLLING OFFICER'S REPLY

FSTB(Tsy)079

(Question Serial No. 3750)

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:

Please set out in table form the non-government properties currently leased for use as government offices, including name of departments, location, area and monthly rental expenses involved. Does the Government have any plans to relocate these departments so as to ease the rental pressure and release office accommodation for use by business companies?

Asked by: Hon CHAN Chi-chuen (Member Question No. (LegCo use): 248)

Reply:

As at December 2017, information on the premises leased for use as government offices is at Annex. The Government's accommodation policy is to accommodate government offices in government-owned premises as far as practicable. Leasing premises for use by departments will only be considered if government-owned premises are unable to meet their locational requirement or operational needs. Subject to departments' operational needs and individual circumstances, we will accord priority to relocate government offices accommodated in leased premises (especially those in Central Business Districts) to suitable government-owned premises so as to reduce rental expenses as well as to release these premises back to the private market.

Premises Leased for Use as Government Offices
(As at December 2017)

District in which the Premises are located	Internal Floor Area (m²)(Approx.)	Monthly Rent (\$million)(Approx.)	No. of User Bureaux/ Departments
Central & Western	4,000	2	6
Eastern	23,600	8	20
Southern	11,900	3	11
Wan Chai	20,000	14	22
Kowloon City	4,300	1	3
Kwun Tong	62,500	21	26
Sham Shui Po	17,400	5	16
Wong Tai Sin	12,100	2	6
Yau Tsim Mong	28,700	13	12
Islands	31,000	2	17
Kwai Tsing	17,300	4	13
North	7,400	2	6
Sai Kung	8,100	1	7
Sha Tin	17,700	4	11
Tai Po	3,300	1	7
Tsuen Wan	12,700	3	10
Tuen Mun	22,300	3	15
Yuen Long	11,800	3	9

Note: The above monthly rental expenses, inclusive of management fees and air-conditioning charges, were borne by the Government Property Agency and other relevant bureaux/departments.

- End -

CONTROLLING OFFICER'S REPLY**FSTB(Tsy)080****(Question Serial No. 5637)**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 incur for reviewing under-utilised sites managed by government bureaux and departments in 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. (LegCo use): 168)Reply:

1. Government Property Agency (GPA) has been reviewing sites of government bureaux and departments (B/Ds) with existing manpower and does not have the breakdown of such expenditure.
2. The GPA reviews under-utilised sites managed by the B/Ds and, if conditions permit, assists the relevant B/Ds in releasing them for alternative uses or disposal as appropriate. In 2017, under GPA's arrangement, two government sites which were found suitable for alternative uses or disposal were handed over to relevant department/organisation for 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
Murray Road Multi-storey Carpark Building	2 880	Not applicable	Car park, government offices and public toilets	Commercial use
Prince of Wales Hospital Staff Quarters Block E	2 150	Not applicable	Quarters	Hospital

- End -

CONTROLLING OFFICER'S REPLY

FSTB(Tsy)081

(Question Serial No. 4182)

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:

According to the Government's guidelines for tendering of outsourced services revised in 2016, if the outsourced service involves employment of a large number of non-skilled workers and adopts a marking scheme for assessing the tenders, the procuring department should include the tenderers' proposed wages and working hours of non-skilled workers as an evaluation item during the assessment of tenders. Regarding this, would the Government inform this Committee of the following:

1. details of "other criteria" listed as an evaluation item alongside "wages" and "working hours" in the present marking scheme and the respective weighting assigned to each item;
2. the number and value of outsourced service contracts involving a large number of non-skilled workers awarded by your department in each year since the implementation of the guidelines; and the number of non-skilled workers involved in outsourced services in each year;
3. in light of the new guidelines, the adjustments made by the Government to the assessment criteria in respect of wages and working hours for the outsourced service contracts involving a large number of non-skilled workers; and if no relevant information is available, the reasons for that;
4. whether there has been any increase in the average wage for workers under outsourced service contracts involving employment of a large number of non-skilled workers since the implementation of the guidelines; if yes, the rate of increase in the wage and the number of contracts involved; if no relevant information is available, the reasons for that;
5. the Government's measures to evaluate the effectiveness of the new tendering guidelines;

6. the annual number of cases involving contractors of government outsourced services who are in breach of the service contracts, the Employment Ordinance or the Occupational Safety and Health Ordinance as revealed by the inspections conducted by the Government, and the annual number of complaints lodged by the outsourced service staff; and
7. further to the above, details of follow-up actions on the aforementioned non-compliance and/or complaint cases; as well as the number and details of cases involving contractors being punished for non-compliance and/or substantiated complaints.

Asked by: Hon LEUNG Yiu-chung (Member Question No. (LegCo use): 130)

Reply:

- 1-4. Since the implementation of the relevant revised guidelines in 2016, the Government Property Agency (GPA) has not awarded any outsourced service contract involving employment of non-skilled workers. When GPA awarded the 6 outsourced property management services contracts (PMSCs) in 2015, committed wages and maximum daily working hours of non-skilled workers had already been included as technical assessment criteria for the evaluation of tenders, weighting of which was 18% of the technical score. Other technical assessment criteria included management plan, contingency plan, experience in property management and record of demerit points under the “demerit point system”, etc.
5. As GPA has not awarded any outsourced service contract involving employment of non-skilled workers after implementation of the relevant revised guidelines, we have not reviewed the effectiveness of the revised guidelines.
- 6-7. As far as the above 6 PMSCs are concerned, GPA has not noticed any case in which any of the contractors was in breach of the service contracts and/or the relevant Ordinances, nor has it received any complaint lodged by the outsourced service staff.

- End -

CONTROLLING OFFICER'S REPLY

FSTB(Tsy)082

(Question Serial No. 6036)

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:

It is learnt that Radio Television Hong Kong (RTHK) and the Government Laboratory have terminated their study on developing a joint-user building. Regarding this, please inform this Committee of the following:-

1. How many government departments are current users of joint-user buildings? What are the details?
2. At present, how many government departments intend to set up their offices in joint-user buildings? What are the details?
3. What are the details of vacant government offices?
4. Has the Agency offered any advice or other feasible options regarding the construction project of the New Broadcasting House of RTHK? What are the details?

Asked by: Hon MO Claudia (Member Question No. (LegCo use): 54)

Reply:

1. At present, there are about 70 bureaux/departments (b/ds) with offices accommodated in 45 joint-user office buildings (JUBs) under the purview of the Government Property Agency (GPA).
2. Under GPA's purview, there are 3 new JUB projects currently under planning or construction. Details are listed in Annex.
3. As at 31 December 2017, there was no vacant office accommodation in JUBs under GPA's purview.

4. The New Broadcasting House under planning by Radio Television Hong Kong is a specialist/departmental building. The relevant department proposing the construction project of such a building is responsible for its planning and development. Based on the established arrangement, GPA will, upon request of project proponents, advise them on how to optimise the utilisation of government sites, including to assist them in identifying other b/ds that are interested in participating in the development project as joint users.

New joint-user government office building projects under planning or construction under the purview of the Government Property Agency

	Net Operational Floor Area (m²)	Estimated / approved project cost (in money-of-the-day prices)	Target completion date	Bureaux/departments to be accommodated
West Kowloon Government Offices (under construction)	50 500	\$4,742.5 million for design-and-build contract (Approved by the Finance Committee (FC) of the Legislative Council (LegCo) in June 2015)	Early 2019	Buildings Department Civil Engineering and Development Department Lands Department Leisure and Cultural Services Department Government Property Agency Social Welfare Department (SWD) Transport Department (TD) Department of Health (DH)
Treasury Building (under planning)	26 500	\$103.2 million for pre-construction consultancy service and site investigation works (Approved by FC in November 2015) \$2,281 million for construction works (Pending FC's funding approval)	Mid 2022	Security Bureau Treasury Office of the Government Chief Information Officer Office of the Communications Authority Labour Department (LD) Registration and Electoral Office Hongkong Post (HK Post) Efficiency Office Food and Health Bureau (FHB) / Hospital Authority (HA) SWD

	Net Operational Floor Area (m²)	Estimated / approved project cost (in money-of-the-day prices)	Target completion date	Bureaux/departments to be accommodated
Tseung Kwan O Government Offices* (under planning)	40 000	The estimated construction cost will be provided when Public Works Subcommittee of LegCo is consulted on the project.	Early 2024	Census and Statistics Department Education Bureau Environmental Protection Department Innovation and Technology Commission Independent Commission Against Corruption Department of Justice FHB / HA DH SWD LD HK Post TD

*Official name of the building to be confirmed

- End -

CONTROLLING OFFICER'S REPLY

FSTB(Tsy)083

(Question Serial No. 6107)

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 issuance of Report No. 50 of the Director of Audit 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 2018, the respective number of former PRH sites sold in each of the past 3 years. What are their respective site area, height restriction and plot ratio?
- (3) as at 31 March 2018, the respective number of former government quarters (including disciplined services quarters) sold in each of the past 3 years. What are their respective site area, height restriction and plot ratio?
- (4) as at 31 March 2018, the respective number of former government office buildings sold in each of the past 3 years. What are their respective site area, height restriction and plot ratio?
- (5) as at 31 March 2018, the respective number of former government buildings and facilities sold in each of the past 3 years. What are their respective site area, height restriction and plot ratio?

Asked by: Hon MO Claudia (Member Question No. (LegCo use): 99)

Reply:

The Government regularly reviews sites occupied by bureaux/departments with a view to optimising the utilisation of land resources and releasing the development potential involved through sale, redevelopment or revitalisation. Upon confirming that there is no need to retain a site for its original or other government/institution/community uses, the Government will assess suitability of the site 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 departments 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 2 former government quarters sites and 13 former government buildings and facilities sites over the past 3 years i.e. financial years of 2015-16 to 2017-18 (up to end February 2018), 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 (m²) (approximate)	Height restriction specified in the conditions of sale	Maximum gross floor area (GFA) specified in the conditions of sale (m²)
2015-16	--			
2016-17	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
2017-18 (up to end February 2018)	Cheung Sha, Lantau Island, New Territories (Former Water Supplies Department Holiday Bungalow)	2 480	Not more than 7.6 metres above the mean formation level and not more than 2 storeys	992

Former Government Buildings and Facilities 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)
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	28 557 (including the GFA of the refuse collection point)
2016-17	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	The northern portion of the site as demarcated on the sale plan: Not more than 100 metres above the Hong Kong Principal Datum. The southern portion of the site as demarcated on the sale plan: Not more than 80 metres above the Hong Kong Principal Datum.	52 650
	Castle Peak Road – Castle Peak Bay, Area 48, Tuen Mun, New	15 400	Not more than 70 metres above the Hong Kong	61 600

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)
	Territories		Principal Datum	
	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	52 650 (including the GFA of an arts and cultural centre and office premises)
	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
2017-18 (up to end February 2018)	Murray Road, Central, Hong Kong	2 880	Not more than 190 metres above the Hong Kong Principal Datum	43 200
	Junction of Wing Hong Street, Yu Chau West Street and Wing Ming Street, Cheung Sha Wan, Kowloon	2 870	Not more than 130 metres above the Hong Kong Principal Datum	34 476 (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)
	Ma Kok Street, Tsuen Wan, New Territories	1 970	Not more than 100 metres above the Hong Kong Principal Datum	18 742

- End -

CONTROLLING OFFICER'S REPLY**FSTB(Tsy)084****(Question Serial No. 5151)**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:

Please provide in the table below, the name of property, respective District Council (DC) district, address, duration of vacancy and site area in respect of the vacant government properties as at 31 December 2017.

Name of government property	DC district	Address	Duration of vacancy	Site area

Asked by: Hon TAM Man-ho, Jeremy (Member Question No. (LegCo use): 545)Reply:

As at 31 December 2017, the relevant information on government properties under the management of Government Property Agency (GPA) is as follows:

- (i) Joint-user office buildings: there is no vacancy in all the 45 buildings.
- (ii) Government quarters: there are 22 quarters pending allocation to eligible officers and hence temporarily vacant.
- (iii) Domestic premises: there are 30 properties under preparation for leasing and hence temporarily vacant.

The properties mentioned in (ii) and (iii) above which are temporarily vacant have had designated uses. They are mainly situated in Eastern District, Wan Chai District, Central and Western District and Kowloon City District. Areas of these properties range from about 150m² to 480m². These properties do not include domestic premises pending sale.

Information on the surplus properties without designated use which are under the management of GPA and other bureaux/departments has been uploaded to GPA's website <http://www.gpa.gov.hk/english/let/let.html>. Members of the public may access the relevant information and application procedure for using these properties by non-governmental organisations.

The Government will endeavour to identify suitable alternative uses for surplus government properties with a view to optimising their utilisation.

- End -

CONTROLLING OFFICER'S REPLY

FSTB(Tsy)085

(Question Serial No. 6344)

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:

Regarding rates and government properties, would the Government inform this Committee of:

- (i) the total number of domestic premises managed by the Government Property Agency (GPA) for leasing in the past 5 years tabulated by year;
- (ii) details of the vacant domestic premises and government quarters managed by GPA in 2017-18, including their respective numbers, addresses, sizes and future uses in a table; and
- (iii) the number of domestic premises managed by GPA for leasing in 2017-18 in a table, 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 TAM Man-ho, Jeremy (Member Question No. (LegCo use): 506)

Reply:

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

Year	Number of domestic premises for leasing
2013	317
2014	332
2015	297
2016	285
2017	272

- (ii) As at 28 February 2018, the vacant domestic premises under the management of GPA include 26 temporarily vacant government quarters which were pending allocation to eligible officers and 35 temporarily vacant premises which were under preparation for leasing. These two types of temporarily vacant premises are mainly situated in Eastern District, Tai Hang and the Peak. Areas of these premises range from about 130m² to 480m². These premises will continue to be used for domestic purpose. The above information does not include domestic premises pending sale.
- (iii) As at 28 February 2018, the numbers of domestic premises for leasing by GPA as categorised by the 2017-18 rateable values of Rating and Valuation Department are as follows:

2017-18 (Annual) Rateable value	Number of domestic premises for leasing ^{Note}
\$0-149,999	0
\$150,000-179,999	33
\$180,000-209,999	26
\$210,000-239,999	25
\$240,000-299,999	5
\$300,000-359,999	6
\$360,000-419,999	2
\$420,000-479,999	6
\$480,000 or above	139

^{Note} 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)086

(Question Serial No. 3702)

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 digitise 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 amount of printed materials, in tabular form, produced by GLD for different government departments last year;
- (2) the amount of printed materials produced by GLD for the 2017 Policy Address published in October 2017;
- (3) the amount of printed materials produced by GLD for the 2018-19 Budget;
- (4) the amount 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. (LegCo use): 199)

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 amount of printed materials produced in 2017 (enumerated by bureau/department) is tabulated in the Annex.

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

Item	Amount (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)	235 000

- (3) The amount of printed materials produced by GLD for the 2018-19 Budget is as follows:

Item	Amount (copy)
Budget Speech (Chinese and English versions in total)	56 000
Budget leaflet (Chinese and English versions in total)	275 000

- (4) The amount of printed materials produced by GLD for the Basic Law in 2017 is as follows:

Item	Amount (copy)
Basic Law booklet (Chinese and English versions in total)	61 000

- (5) GLD provides printing services according to the requirements of bureaux/departments and will render professional advice in the course of providing the services. When determining their printing requirements, bureaux/departments will try to strike a balance between readers' needs and environmental factors when considering various suitable forms and channels (including electronic means) for publishing information.

Bureau/Department	Amount of printed materials in 2017 (copy/set)
Administration Wing	268 000
Agriculture, Fisheries and Conservation Department	1 469 000
Architectural Services Department	285 000
Audit Commission	14 000
Auxiliary Medical Service	57 000
Buildings Department	1 250 000
Census and Statistics Department	4 494 000
Chief Executive's Office	142 000
Civil Aid Service	21 000
Civil Aviation Department	415 000
Civil Engineering and Development Department	558 000
Civil Service Bureau	802 000
Commerce and Economic Development Bureau (Commerce, Industry and Tourism Branch)	107 000
Commerce and Economic Development Bureau (Communications and Creative Industries Branch)	68 000
Companies Registry	1 385 000
Constitutional and Mainland Affairs Bureau	145 000
Correctional Services Department	211 000
Customs and Excise Department	984 000
Department of Health	30 475 000
Department of Justice	497 000
Development Bureau (Planning and Lands Branch)	51 000
Development Bureau (Works Branch)	33 000
Drainage Services Department	146 000
Education Bureau	10 116 000
Electrical and Mechanical Services Department	1 307 000
Environment Bureau	7 000
Environmental Protection Department	2 527 000
Financial Services and the Treasury Bureau (Financial Services Branch)	2 661 000
Financial Services and the Treasury Bureau (The Treasury Branch)	250 000
Fire Services Department	669 000
Food and Environmental Hygiene Department	5 935 000
Food and Health Bureau (Food Branch)	44 000
Food and Health Bureau (Health Branch)	1 598 000
Government Flying Service	67 000
Government Laboratory	15 000
Government Logistics Department	232 000
Government Property Agency	134 000
Highways Department	127 000
Home Affairs Bureau	1 656 000

Home Affairs Department	1 814 000
Hong Kong Observatory	54 000
Hong Kong Police Force	13 821 000
Hongkong Post	14 548 000
Housing Department	6 658 000
Immigration Department	98 059 000
Independent Commission Against Corruption	1 083 000
Information Services Department	1 418 000
Inland Revenue Department	70 580 000
Innovation and Technology Bureau	14 000
Innovation and Technology Commission	190 000
Insurance Authority	5 000
Intellectual Property Department	205 000
Joint Secretariat for the Advisory Bodies on Civil Service and Judicial Salaries and Conditions of Service	7 000
Judiciary	3 639 000
Labour and Welfare Bureau	591 000
Labour Department	6 696 000
Land Registry	4 326 000
Lands Department	2 759 000
Legal Aid Department	646 000
Leisure and Cultural Services Department	9 374 000
Marine Department	972 000
Office of the Communications Authority	70 000
Office of the Government Chief Information Officer	180 000
Official Receiver's Office	591 000
Planning Department	336 000
Public Service Commission	14 000
Radio Television Hong Kong	67 000
Rating and Valuation Department	18 279 000
Registration and Electoral Office	7 705 000
Secretariat, Commissioner on Interception of Communications and Surveillance	10 000
Security Bureau	247 000
Social Welfare Department	3 455 000
Trade and Industry Department	694 000
Transport and Housing Bureau (Transport Branch)	478 000
Transport Department	9 852 000
Treasury	1 210 000
University Grants Committee Secretariat	60 000
Water Supplies Department	16 652 000
Working Family and Student Financial Assistance Agency	11 808 000

- End -

CONTROLLING OFFICER'S REPLY**FSTB(Tsy)087****(Question Serial No. 5096)**Head: (59) Government Logistics DepartmentSubhead (No. & title):Programme: (3) Land TransportControlling Officer: Director of Government Logistics (Miss Mary CHOW)Director of Bureau: Secretary for Financial Services and the TreasuryQuestion:

- 1) Please set out in tabular form the current number of electric vehicles purchased by government departments and their main uses.
- 2) Please set out in tabular form the number of electric vehicles purchased by government departments in each of the past 5 years.

Asked by: Hon CHEUNG Chiu-hung, Fernando (Member Question No. (LegCo use): 7228)Reply:

- 1) As at end December 2017, details of the electric vehicles used by government departments are tabulated as follows:

Bureau/Department	Number of electric vehicles purchased	Main uses
Hong Kong Police Force	122	Transportation of officers to carry out duties, e.g. performing patrol and traffic duties, response to emergency calls and other special operations, etc.
Water Supplies Department	17	Transportation of officers to carry out duties, e.g. meter reading and on-site inspection
Electrical and Mechanical Services Department	12	Transportation of officers to carry out duties, e.g. on-site inspection and delivery of equipment

Agriculture, Fisheries and Conservation Department	10	Transportation of officers to carry out duties, e.g. performing patrol duties in country parks and conservation areas and delivery of equipment
Hongkong Post	9	Transportation of officers to carry out mail delivery work
Buildings Department	8	Transportation of officers to carry out duties, e.g. on-site inspection
Food and Environmental Hygiene Department	7	Transportation of officers to carry out duties, e.g. provision of environmental hygiene services, law enforcement and monitoring of food safety
Lands Department	7	Transportation of officers to carry out duties, e.g. inspection of government sites, carrying out land and squatter control duties and delivery of equipment
Drainage Services Department	6	Transportation of officers and equipment to carry out duties, e.g. on-site inspection
Fire Services Department	6	Transportation of officers and equipment to carry out duties, e.g. inspection of fire safety facilities
Customs and Excise Department	5	Transportation of officers to carry out customs and excise duties, e.g. inspection of border control points, delivery of documents and exhibits
Leisure and Cultural Services Department	5	Transportation of officers to carry out duties, e.g. inspection of leisure and cultural venues
Transport Department	5	Transportation of officers and delivery of equipment to carry out duties, e.g. driving tests, on-site inspection, tunnel traffic control and maintenance work
Civil Aviation Department	4	Transportation of officers to carry out duties, e.g. attending meetings and on-site inspection
Housing Department	4	Transportation of officers to carry out duties, e.g. inspection of estates
Social Welfare Department	3	Transportation of officers to carry out duties, e.g. inspection of social welfare service institutions and facilities
Environmental Protection Department	3	Transportation of officers to carry out duties, e.g. on-site inspection and handling complaints
Administration Wing	2	Transportation of officers to attend meetings and official functions

Civil Engineering and Development Department	2	Transportation of officers to carry out duties, e.g. on-site inspection
Independent Commission Against Corruption	2	Transportation of officers to attend meetings and official functions and to implement corruption prevention education programmes
Labour Department	2	Transportation of officers to attend meetings and official functions
Working Family and Student Financial Assistance Agency	2	Transportation of officers to carry out duties, e.g. on-site inspection
Architectural Services Department	1	Transportation of officers to carry out duties, e.g. on-site inspection
Chief Executive's Office	1	Transportation of officers to attend meetings and official functions
Correctional Services Department	1	Transportation of officers to carry out duties, e.g. inspection of correctional institutions
Department of Health	1	Transportation of officers to carry out duties, e.g. inspection of clinics
Environment Bureau	1	For use by the Secretary of the Environment
Government Logistics Department	1	Provision of transportation services to government departments for carrying out their duties
Highways Department	1	Transportation of officers to carry out duties, e.g. on-site inspection
Home Affairs Bureau	1	Transportation of officers to attend meetings and official functions
Office for Film, Newspaper and Article Administration	1	Transportation of officers to attend meetings and official functions
Planning Department	1	Transportation of officers to carry out duties, e.g. inspection of new development areas
Radio Television Hong Kong	1	Transportation of officers to attend meetings and official functions

- 2) A total of 80 electric vehicles were purchased by government departments in the past 5 years, details of which are as follows:

Bureau/Department	2013	2014	2015	2016	2017
Agriculture, Fisheries and Conservation Department	3	2	-	1	1
Customs and Excise Department	1	1	2	2	-
Commerce and Economic Development Bureau	-	-	-	-	1
Administration Wing	-	-	1	-	-
Drainage Services Department	-	-	7	-	-
Electrical and Mechanical Services Department	3	2	1	7	1
Environment Bureau	-	-	1	-	-
Food and Environmental Hygiene Department	2	-	2	-	-
Fire Services Department	1	2	2	1	-
Government Logistics Department	-	-	-	1	1
Hongkong Post	2	-	-	1	-
Immigration Department	-	-	-	-	1
Labour Department	-	-	-	1	-
Lands Department	-	-	1	-	-
Leisure and Cultural Services Department	-	-	2	-	-
Office for Film, Newspaper and Article Administration	-	-	-	-	1
Working Family and Student Financial Assistance Agency	-	1	1	-	-
Transport Department	-	-	-	1	-
Water Supplies Department	4	5	1	-	1
Civil Aviation Department	-	2	-	-	-
Home Affairs Bureau	-	1	-	-	-
Housing Department	1	2	-	-	-
Planning Department	-	1	-	-	-
Radio Television Hong Kong	1	-	-	-	-

- End -

CONTROLLING OFFICER'S REPLY**FSTB(Tsy)088****(Question Serial No. 6157)**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. (LegCo use): 2752)

Reply:

The Government Logistics Department (GLD) is responsible for auctioning the items confiscated by various departments under the law. Due to the wide variety, as well as different condition and degree of wear and tear of the confiscated items, GLD cannot provide details regarding the value of these items.

Information on the proceeds from the confiscated items auctioned by GLD for various departments in the past 5 years is provided as follows:

Department	Auction proceeds (HK\$) [Number of lots] (Note 1)				
	2013	2014	2015	2016	2017
Customs and Excise Department	78,336,510 [235]	24,981,370 [230]	35,457,100 [172]	20,893,050 [89]	22,307,170 [115]
Hong Kong Police Force	1,495,220 [209]	914,600 [165]	1,722,360 [125]	2,584,070 [114]	2,103,240 [141]
Food and Environmental Hygiene Department	242,970 [59]	207,600 [43]	230,900 [42]	163,500 [29]	121,500 [18]
Lands Department	158,990 [27]	106,130 [27]	102,100 [9]	49,100 [6]	238,670 [31]
Independent Commission Against Corruption	246,250 [7]	760 [6]	1,200 [4]	- [-]	850 [2]
Immigration Department	19,100 [5]	- [-]	196,000 [1]	- [-]	1,800 [1]
Housing Department	6,100 [1]	- [-]	18,500 [2] (Note 2)	- [-]	9,200 [1]
Office of the Communications Authority	29,000 [1]	217,000 [2]	- [-]	- [-]	- [-]
Transport Department	120 [1]	4,000 [2]	4,600 [3]	2,300 [3]	1,850 [3]
Department of Health	- [-]	3,900 [1] (Note 3)	- [-]	- [-]	- [-]
Agriculture, Fisheries and Conservation Department	- [-]	1,700 [2]	- [-]	- [-]	- [-]
Companies Registry	- [-]	- [-]	59,000 [1]	- [-]	7,800 [1]
Marine Department	- [-]	- [-]	- [-]	182,000 [3]	- [-]

Notes:

1. As the nature and denomination of the items auctioned are different, GLD does not keep statistics on the quantity of individual items. The sale of items at auction is recorded by number of lots instead.
2. One of the lots auctioned for the Housing Department in 2015 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)089****(Question Serial No. 4305)**Head: (59) Government Logistics DepartmentSubhead (No. & title):Programme: (1) ProcurementControlling Officer: Director of Government Logistics (Miss Mary CHOW)Director of Bureau: Secretary for Financial Services and the TreasuryQuestion:

Please provide the following information:

- (1) the quantity of bottled drinking water purchased by various Government offices and the respective expenses in the past 5 years; and
- (2) the quantity of bottled drinking water purchased by government departments and organisations for the activities they held and the respective expenses in the past 5 years.

Asked by: Hon KWOK Ka-ki (Member Question No. (LegCo use): 259)Reply:

- (1) Details of the distilled water procured by the Government Logistics Department (GLD) in the past 5 years are as follows:

Contract period	Estimated contract quantity	Contract amount (HK\$)
18.9 litre bottled distilled water for daily consumption by staff in various bureaux/departments		
23 June 2013 to 22 June 2015	2 697 460 carboys	38,195,438.00
23 June 2015 to 22 June 2017	3 103 983 carboys	58,091,240.00
23 June 2017 to 22 June 2019	2 926 000 carboys	67,650,100.00

Contract period	Estimated contract quantity	Contract amount (HK\$)
Bottled distilled water of other volume (0.8 litre and 4.5 litre) (Note)		
29 December 2017 to 28 December 2018	(i) 0.8 litre: 80 000 bottles (ii) 4.5 litre: 32 220 bottles	914,125.00

Note: Under the Enhanced Water Quality Monitoring Programme, if the test results confirmed that the drinking water supplied to particular users is contaminated by metals, the Government will take into account individual circumstances and provide bottled distilled water to the parties concerned as an interim mitigation measure.

- (2) Apart from the individual items procured by GLD on behalf of other departments upon their requests, government bureaux/departments may, with effect from July 2013 and according to their actual operational needs, procure directly goods (including drinking water) not exceeding HK\$5 million in value if such goods are not items held in GLD's unallocated stock and not covered by bulk contracts arranged by GLD. GLD does not have information on the quantity of bottled drinking water purchased directly by bureaux/departments and the associated expenses.

- End -

CONTROLLING OFFICER'S REPLY**FSTB(Tsy)090****(Question Serial No. 5480)**Head: (59) Government Logistics DepartmentSubhead (No. & title):Programme: (1) ProcurementControlling 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 regarding promotion of sustainable development:

- (1) the weighting given to sustainable development when the Government Logistics Department (GLD) evaluates tenders; and
- (2) the proportion of recycled products, products with recycled contents, products manufactured through a process that adopts clean technology and/or complies with renewable energy efficiency in all the goods purchased by GLD in the last 3 years.

Asked by: Hon TAM Man-ho, Jeremy (Member Question No. (LegCo use): 188)Reply:

- (1) When the Government Logistics Department (GLD) makes procurements, it will take into account product availability as well as resources and cost effectiveness considerations, and actively adopt the green specifications formulated by the Environmental Protection Department for commonly used products, i.e. procure products that are recycled, more recyclable, energy efficient, more durable and have more recycled contents.
- (2) In the last 3 years, products meeting green specifications represented 13% to 26% of all goods procured by GLD. Details are as follows:

Contract	2015 (\$million)	2016 (\$million)	2017 (\$million)
(a) Total amount of contracts awarded	4,030	2,210	3,560
(b) Total amount of goods procured that comply with the green specifications prescribed at tender invitation	610	580	460
As a percentage of all the contracts awarded [(b) / (a) x 100%]	15%	26%	13%

- End -

CONTROLLING OFFICER'S REPLY

FSTB(Tsy)091

(Question Serial No. 5481)

Head: (59) Government Logistics Department

Subhead (No. & title):

Programme: (1) Procurement, (3) Land Transport

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

Director of Bureau: Secretary for Financial Services and the Treasury

Question:

As regards the additional and replacement vehicles used by government departments, please inform this Committee of:

- (1) the number of electric vehicles, hybrid vehicles and driverless vehicles purchased by the Government Logistics Department (GLD) in the past 5 years and the respective user departments;
- (2) whether GLD will increase the proportion and number of electric vehicles, hybrid vehicles and driverless vehicles to be purchased in the future; and
- (3) the criteria adopted by GLD in the procurement of electric vehicles, hybrid vehicles and driverless vehicles.

Asked by: Hon TAM Man-ho, Jeremy (Member Question No. (LegCo use): 189)

Reply:

- (1) In the past 5 years, the Government did not purchase any driverless vehicle. Information on the electric vehicles and hybrid vehicles purchased by the Government is listed in the Annex.
- (2)&(3) When procuring vehicles, the Government takes into various factors, such as the actual operational needs of the user department, whether there are suitable models in the market and availability of resources, etc. when assessing if electric vehicles could be procured or priority could be given to procuring environment-friendly vehicles (including liquefied petroleum gas light buses, hybrid vehicles and vehicles meeting the Environmental Protection Department's tax incentive schemes). At present, the Government does not have any plan to purchase driverless vehicles.

**Information on the electric vehicles and
hybrid vehicles procured from 2013 to 2017**

Year	Vehicles purchased	Number of vehicles	User departments
2013	Electric vehicles	18	Agriculture, Fisheries and Conservation Department; Customs and Excise Department; Electrical and Mechanical Services Department; Food and Environmental Hygiene Department; Fire Services Department; Housing Department; Hongkong Post; Radio Television Hong Kong and Water Supplies Department
	Hybrid vehicles	0	-
2014	Electric vehicles	19	Agriculture, Fisheries and Conservation Department; Customs and Excise Department; Civil Aviation Department; Electrical and Mechanical Services Department; Fire Services Department; Home Affairs Bureau; Housing Department; Planning Department; Working Family and Student Financial Assistance Agency and Water Supplies Department
	Hybrid vehicles	76	Customs and Excise Department; Fire Services Department; Administration Wing; Home Affairs Department; Hong Kong Police Force and Independent Commission Against Corruption
2015	Electric vehicles	21	Customs and Excise Department; Drainage Services Department; Electrical and Mechanical Services Department; Environment Bureau; Food and Environmental Hygiene Department; Fire Services Department; Administration Wing; Lands Department; Leisure and Cultural Services Department; Working Family and Student Financial Assistance Agency and Water Supplies Department
	Hybrid vehicles	79	Buildings Department; Customs and Excise Department; Chief Executive's Office; Fire Services Department; Government Logistics Department; Commerce and Economic Development Bureau; Constitutional and Mainland Affairs Bureau; Education Bureau; Environment Bureau; Food and Health Bureau; Home Affairs Bureau; Innovation and Technology Bureau; Labour and Welfare Bureau; Security Bureau; Transport and Housing Bureau; Home Affairs Department; Hong Kong Police Force; Judiciary; Leisure and Cultural Services Department; Public Service Commission and Registration and Electoral Office

Year	Vehicles purchased	Number of vehicles	User departments
2016	Electric vehicles	15	Agriculture, Fisheries and Conservation Department; Customs and Excise Department; Electrical and Mechanical Services Department; Fire Services Department; Government Logistics Department; Hongkong Post; Labour Department and Transport Department
	Hybrid vehicles	28	Customs and Excise Department; Chief Executive's Office; Fire Services Department; Civil Service Bureau; Development Bureau; Education Bureau; Financial Services and the Treasury Bureau; Home Affairs Bureau; Security Bureau; Home Affairs Department; Hong Kong Police Force and Judiciary
2017	Electric vehicles	7	Agriculture, Fisheries and Conservation Department; Commerce and Economic Development Bureau; Electrical and Mechanical Services Department; Government Logistics Department; Immigration Department; Office for Film, Newspaper and Article Administration and Water Supplies Department
	Hybrid vehicles	4	Food and Environmental Hygiene Department and Water Supplies Department

- End -

CONTROLLING OFFICER'S REPLY**FSTB(Tsy)092****(Question Serial No. 5486)**Head: (59) Government Logistics DepartmentSubhead (No. & title):Programme: (3) Land TransportControlling Officer: Director of Government Logistics (Miss Mary CHOW)Director of Bureau: Secretary for Financial Services and the TreasuryQuestion:

As regards the additional and replacement vehicles, please inform this Committee of:

the number of additional and replacement motorcycles, as well as the respective user department(s) in the past 5 years.

Asked by: Hon TAM Man-ho, Jeremy (Member Question No. (LegCo use): 183)Reply:

Information on the motorcycles purchased by the Government in the past 5 years is as follows:

Year	Number of additional motorcycles	Number of replacement motorcycles	User departments
2013	0	17	Agriculture, Fisheries and Conservation Department, Food and Environmental Hygiene Department, Water Supplies Department and Electrical and Mechanical Services Department
2014	0	108	Agriculture, Fisheries and Conservation Department, Civil Aid Service, Hong Kong Police Force and Transport Department
2015	0	23	Civil Aid Service, Food and Environmental Hygiene Department, Fire Services Department, Leisure and Cultural Services Department and Transport Department
2016	0	0	-
2017	0	0	-

- End -

CONTROLLING OFFICER'S REPLY

FSTB(Tsy)093

(Question Serial No. 5487)

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:

Please inform this Committee of the following information regarding promotion of Unmanned Aircraft Systems (UAS):

- (1) whether the Government Logistics Department has considered the use of UAS for carrying out transportation services; and
- (2) if yes, what are the plans; if no, will its use be actively considered?

Asked by: Hon TAM Man-ho, Jeremy (Member Question No. (LegCo use): 184)

Reply:

According to the Civil Aviation Department's (CAD's) operational guide to Unmanned Aircraft Systems (UAS), the general operational parameters for safe operation of non-recreational UAS include, inter alia, the following.

- (A) The UAS operator shall be on site and keep the UAS within visual line of sight during the period of the flight, i.e. the UAS operator shall be able to maintain direct visual contact with the UAS to monitor its flight path.
- (B) The UAS shall not be flown over or within 50 metres of any person, vessel, vehicle or structure not under the control of the UAS operator, except that during take-off and landing, the UAS must not be flown over or within 30 metres of any person.
- (C) No objects may be dropped from the UAS.

At present, the Government Logistics Department (GLD) has to transport goods stored at the Government Logistics Centre to various Government offices located in different areas, and most of the goods involved are relatively heavy. Therefore, using UAS for transporting goods is not feasible.

GLD will keep track of local developments in the use of UAS as a means of transportation and in the operational parameters set by CAD for the operation of UAS. As and when necessary, GLD will re-examine the feasibility of using the UAS as a means of transportation.

- End -

CONTROLLING OFFICER'S REPLY

FSTB(Tsy)094

(Question Serial No. 5488)

Head: (59) Government Logistics Department

Subhead (No. & title):

Programme: (3) Land Transport

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

Director of Bureau: Secretary for Financial Services and the Treasury

Question:

As regards the additional and replacement vehicles, please inform this Committee of:

- (1) whether there were additional and replacement official cars purchased for directorate grade civil servants in the past 3 years; and
- (2) if yes, the estimated number, the vehicle costs of the replaced and new vehicles, as well as the estimated expenditure involved.

Asked by: Hon TAM Man-ho, Jeremy (Member Question No. (LegCo use): 185)

Reply:

- (1)&(2) Civil servants (including directorate and non-directorate officers) use the cars that belong to the bureaux or departments in which they work. Therefore, the Government Logistics Department does not have statistics on the cars purchased for directorate officers. In the executive authorities, politically appointed officials at the level of Directors of Bureaux or above are allocated a saloon car for their use.

- End -

CONTROLLING OFFICER'S REPLY

FSTB(Tsy)095

(Question Serial No. 5489)

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:

As regards the disposal of confiscated, used/surplus and unclaimed stores which could not be sold through auctions arranged by the Government Logistics Department (GLD), please inform this Committee of:

- (1) the methods adopted by GLD to dispose of these stores;
- (2) the stock position of these stores; and
- (3) whether GLD has taken into account factors on sustainable development when arranging disposal of these stores? If yes, how is this implemented? If no, what are the reasons?

Asked by: Hon TAM Man-ho, Jeremy (Member Question No. (LegCo use): 186)

Reply:

Government departments shall arrange disposal of confiscated goods, used/surplus and unclaimed stores in accordance with the provisions of the Stores and Procurement Regulations (SPR). When arranging the disposal of these stores, the department in control of the stores shall first assess whether the stores concerned are serviceable and have resaleable and residual value (e.g. for display, training or preservation). If the department assesses that the stores concerned are “serviceable” or “unserviceable” but still have residual value, the department shall confirm that the stores are not required within the Government before considering disposal by donation to non-government organisations or commercial methods arranged by the Government Logistics Department (GLD), including auctions. When determining the disposal method, the department shall consider factors such as the residual and resaleable value, as well as the public interest.

If the stores concerned are assessed to be “unserviceable” and without residual value, the department in control of the stores could, after taking into account various factors such as departmental operations, market demand, cost effectiveness and safety issues of the stores concerned, arrange recycling or request GLD to sell them by commercial methods.

As regards confiscated goods, the department concerned shall arrange disposal of the goods in accordance with the relevant legislation or provisions of the SPR mentioned above. If the confiscated goods are in a dangerous condition or might endanger life or property, the department may immediately dispose of them.

If the stores (including stores assessed to be “serviceable” and “unserviceable”) are disposed by GLD through auctions but cannot be sold after several attempts, GLD will advise the department concerned to use other suitable disposal methods such as recycling or, if no recycler could be found, dumping.

Therefore, factors on sustainable development have already been taken into account when the department concerned considers the disposal method and when GLD advises departments on the disposal method. As the department concerned shall make the final decision on how to dispose of stores which could not be sold through auctions, GLD could not provide information on the stock level of these stores and their final disposal methods.

- End -

CONTROLLING OFFICER'S REPLY**FSTB(Tsy)096****(Question Serial No. 5490)**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 the confiscated, used/surplus and unclaimed stores handled by the Government Logistics Department in the past 3 years:

- (1) the respective number of auctions held; and
- (2) the respective auction proceeds from the confiscated, used/surplus and unclaimed stores.

Asked by: Hon TAM Man-ho, Jeremy (Member Question No. (LegCo use): 187)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 number of auctions held, the auction proceeds and the number of lots (Note 1) involved in the auctions held by GLD in the past 3 years is provided as follows:

Year	Number of auctions	Proceeds (\$million) [Number of lots]			
		Confiscated items	Used/Surplus stores (Note 2)	Unclaimed items	Total
2015	24	37.79 [359]	3.47 [1 228]	3.22 [456]	44.48 [2 043]
2016	24	23.87 [244]	2.77 [1 065]	1.79 [359]	28.43 [1 668]
2017	24	24.79 [313]	3.81 [1 175]	1.83 [363]	30.43 [1 851]

Notes:

1. As the nature and denomination of the items under auction are different, all items are recorded by number of lots instead of the quantity of individual items.
2. Used/Surplus stores include unserviceable and/or technically obsolete stores.

- End -

CONTROLLING OFFICER'S REPLY**FSTB(Tsy)097****(Question Serial No. 6155)**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) According to the Stamp Duty Ordinance, the Central People's Government (CPG), the Government, any incorporated public officer (including the Financial Secretary Incorporated, the Permanent Secretary for Education Incorporated, the Director of Social Welfare Incorporated and the Secretary for Home Affairs Incorporated) or any person acting in his capacity as a public officer are exempt from stamp duty. Which offices of the CPG in Hong Kong and public officers were granted the remission of stamp duty by the Financial Services and the Treasury Bureau (FSTB) from 2012 to 2016?
- (b) If the subsidiaries of the offices of the CPG in Hong Kong acquire properties, will the FSTB grant the remission of stamp duty for such subsidiary offices?
- (c) Please set out in the table below the respective amounts of stamp duty remitted by the FSTB for the offices of the CPG in Hong Kong (including their subsidiaries and public officers) from 2012 to 2016.

Offices of the CPG in Hong Kong (including their subsidiaries and public officers)	Amount of stamp duty remitted by the FSTB for properties acquired by the offices of the CPG in Hong Kong (\$'000)				
	2012	2013	2014	2015	2016

- (d) Regarding the properties acquired by the offices of the CPG in Hong Kong (including their subsidiaries and public officers) to which the FSTB has granted the remission of stamp duty, please set out in the table below the respective numbers and geographical distribution of such properties from 2012 to 2016.

District	Number of properties acquired by the offices of the CPG in Hong Kong (including their subsidiaries and public officers) to which the FSTB has granted the remission of stamp duty				
	2012	2013	2014	2015	2016
Central & Western District					
Eastern District					
Southern District					
Wan Chai District					
Kowloon City District					
Kwun Tong District					
Sham Shui Po District					
Yau Tsim Mong District					
Wong Tai Sin District					
Islands District					
Kwai Tsing District					
North District					
Sai Kung District					
Sha Tin District					
Tai Po District					
Tsuen Wan District					
Tuen Mun District					
Yuen Long District					

Reply:

- (a) Under section 41 of the Stamp Duty Ordinance (SDO), the Central People's Government (CPG), the Government or any incorporated public officer or any person acting in his capacity as a public officer shall not be liable for the payment of stamp duty chargeable on any instrument. Therefore, the CPG is exempt from paying stamp duty on the acquisition of properties in Hong Kong under the SDO and granting of remission is not required.
- (b) If the offices of the CPG acquired an immovable property through a subsidiary company in Hong Kong and the property concerned is used as staff quarters of the offices, remission of the stamp duty payable under section 52 of the SDO will be granted.

(c) & (d)

In respect of the immovable properties acquired by the offices of the CPG through subsidiary companies for use as staff quarters of the offices, the amount of the stamp duty remitted by the Financial Services and the Treasury Bureau, and the number and location of the immovable properties involved for the financial years from 2012-13 to 2016-17 are tabulated below:

Financial Year	2012-13	2013-14	2014-15	2015-16	2016-17
Stamp duty remitted (\$)	1,920,528	0	0	15,613,300	8,416,800
Number and location of immovable properties involved	15 (Eastern)			5 (Central and Western) 10 (Sha Tin)	6 (Central and Western) 2 (Kowloon City)

- End -

CONTROLLING OFFICER'S REPLY**FSTB(Tsy)098****(Question Serial No. 6271)**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:

1. 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, small houses, etc.) for each year.
2. 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).
3. 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. (LegCo use): 2739)Reply:

The Inland Revenue Department (IRD) does not maintain the statistics requested. The numbers of property tax assessments made by the IRD in the past five financial years are tabulated below:

Financial years	2012/13	2013/14	2014/15	2015/16	2016/17
Number of assessments^	552 000	571 000	573 000	599 000	625 000

^Rounded to nearest thousand

- End -

CONTROLLING OFFICER'S REPLY**FSTB(Tsy)099****(Question Serial No. 6272)**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. (LegCo use): 2740)Reply:

According to the information obtained 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 from the financial years 2012-13 to 2016-17 are as follows (as at the end of each financial year (i.e. 31 March)) :

Number of Property	2012-13	2013-14	2014-15	2015-16	2016-17
	Number of People *				
1	1 551 081	1 563 885	1 580 232	1 590 447	1 604 461
2	297 219	296 429	294 237	294 731	293 675
3	89 654	89 338	88 908	89 234	89 308
4	35 823	36 227	36 006	36 637	36 815
5	16 815	17 004	17 275	17 340	17 587
6 to 10	20 879	21 416	21 797	22 468	22 968
11 to 30	5 509	5 778	6 029	6 347	6 590
31 to 50	488	507	562	558	591
51 to 90	206	220	231	236	236
91 to 100	10	11	13	12	14
101 or above	28	29	34	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)100****(Question Serial No. 4947)**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. (LegCo use): 127)Reply:

The Inland Revenue Department (IRD) does not maintain the statistics concerned, and therefore cannot provide the information requested. The numbers of property tax assessments made by the IRD in the past five financial years are tabulated below:

Financial year	2012/13	2013/14	2014/15	2015/16	2016/17
Number of assessments [^]	552 000	571 000	573 000	599 000	625 000

[^]Rounded to nearest thousand

- End -

CONTROLLING OFFICER'S REPLY**FSTB(Tsy)101****(Question Serial No. 4948)**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 SHIU Ka-chun (Member Question No. (LegCo use): 128)Reply:

According to the information obtained 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 from the financial years 2012-13 to 2016-17 are as follows (as at the end of each financial year (i.e. 31 March)) :

Number of Properties	2012-13	2013-14	2014-15	2015-16	2016-17
	Number of people *				
1	1 551 081	1 563 885	1 580 232	1 590 447	1 604 461
2	297 219	296 429	294 237	294 731	293 675
3	89 654	89 338	88 908	89 234	89 308
4	35 823	36 227	36 006	36 637	36 815
5	16 815	17 004	17 275	17 340	17 587
6 to 10	20 879	21 416	21 797	22 468	22 968
11 to 30	5 509	5 778	6 029	6 347	6 590
31 to 50	488	507	562	558	591
51 to 90	206	220	231	236	236
91 to 100	10	11	13	12	14
101 or above	28	29	34	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)102****(Question Serial No. 6298)**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, small houses, etc.) for each year.

Asked by: Hon SHIU Ka-chun (Member Question No. (LegCo use): 125)Reply:

The Inland Revenue Department (IRD) does not maintain the statistics requested. The numbers of property tax assessments made by the IRD in the past five financial years are tabulated below:

Financial years	2012/13	2013/14	2014/15	2015/16	2016/17
Number of assessments^	552 000	571 000	573 000	599 000	625 000

^Rounded to nearest thousand

- End -

CONTROLLING OFFICER'S REPLY**FSTB(Tsy)103****(Question Serial No. 6299)**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 number of sub-divided housing units (commonly known as sub-divided flats) that have been charged with property tax by the Government over the past 5 years.

Asked by: Hon SHIU Ka-chun (Member Question No. (LegCo use): 126)Reply:

The Inland Revenue Department (IRD) does not maintain the statistics requested. The numbers of property tax assessments made by the IRD in the past five financial years are tabulated below:

Financial year	2012-13	2013-14	2014-15	2015-16	2016-17
Number of assessments^	552 000	571 000	573 000	599 000	625 000

^Rounded to nearest thousand

- End -

CONTROLLING OFFICER'S REPLY

FSTB(Tsy)104

(Question Serial No. 5649)

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:

What measures will the Government take in year 2018-2019 to improve the accuracy in estimating rates revenue?

Asked by: Hon CHAN Tanya (Member Question No. (LegCo use): 180)

Reply:

For more accurate estimates of rates revenue for the next financial year, the Rating and Valuation Department has all along been making reference to the new rateable values after revaluation and the number of newly completed properties.

- End -

CONTROLLING OFFICER'S REPLY**FSTB(Tsy)105****(Question Serial No. 5853)**Head: (162) Rating and Valuation DepartmentSubhead (No. & title):Programme: (3) Provision of Valuation and Property InformationControlling Officer: Commissioner of Rating and Valuation (TANG Ping Kwong)Director of Bureau: Secretary for Financial Services and the TreasuryQuestion:

Did the Rating and Valuation Department assess the land premiums of 66 private recreational leases for other departments? If yes, please provide such data. If no, can the Rating and Valuation Department provide relevant data (i.e. Government rent, rates and land premium)?

Asked by: Hon CHAN Tanya (Member Question No. (LegCo use): 264)Reply:

Currently, there are 66 private recreational leases. The Rating and Valuation Department (RVD) is responsible for the assessment and collection of rates and Government rent for the land involved in accordance with the Rating Ordinance (Cap. 116) and the Government Rent (Assessment and Collection) Ordinance (Cap. 515). RVD does not assess land premium. The rates (with the effect of rates concession in the year concerned reflected) and Government rent collected in the 2017-18 financial year are tabulated as follows:

	Lot Number and Location	Amounts collected in 2017-18 (\$)	
		Rates	Government Rent
1	NKIL 6535, Fung Shing Street, Diamond Hill	71,600	45,360
2	Lot 719 in DD 256, Tsam Chuk Wan, Sai Kung	5,240	3,380.4
3	AIL 454, Shum Wan Road, Brick Hill	257,000	156,600
4	Lot 676 in DD 257, Wong Yi Chau, Sai Kung	70,400	43,750.8

	Lot Number and Location	Amounts collected in 2017-18 (\$)	
		Rates	Government Rent
5	Lot 1870 in DD, Cheung Chau	123,200	64,627.2
6	IL 9040, Tung Lo Wan Road	1,742,000	1,047,600
7	Lot 269 in DD 241, Po Toi O, Sai Kung	2,752,000	1,656,000
8	KIL 11221	566,000	342,000
9	IL 9031, No. 188 Wong Nai Chung Road	1,322,000	795,600
10	Lot 195 SD5, Mau Wu Tsai, Hang Hau	44,600	29,160
11	Lot 76 in DD 254, Wong Yi Chau, Sai Kung	40,400	24,508.8
12	STTL 366, No. 2 On Chun Street, Shatin	1,118,000	642,913.2
13	KIL 11219, Off Gascoigne Road, King's Park	404,000	244,800
14	KIL 11222, Wylie Road	115,400	71,640
15	Lot 1208 in DD217, Pak Sha Wan	233,000	140,400
16	TPTL 220, Hang Ha Po, Tai Po	57,200	36,720
17	Lot 175 in DD4, Cheung Tung Road, Tung Chung, Lantau Island	7,400	6,840
18	STTL 573, Yuen Wo Road, Sha Tin	60,800	38,880
19	KIL 11224, No. 8 Wylie Road	98,600	61,560
20	RBL 1195, No. 188 Wong Chuk Hang Road	902,000	543,600
21	IL 9019, No. 137 Wong Nai Chung Gap Road	992,000	597,600
22	IL 9033, No. 3 Sports Road, Happy Valley	2,240,000	1,346,400
23	IL 9034, No. 141 Wong Nai Chung Gap Road	56,000	36,000
24	Lot 1754 in DD 122, Ping Shan, Yuen Long	50,600	32,760
25	Lot 2544 in DD 92, Hang Tau Road, Kwu Tung South, Sheung Shui	105,800	65,880
26	KIL 10734, Junction of Gascoigne Road and Wylie Road	233,000	Not Applicable (Note)
27	RBL 1194, Deep Water Bay	884,000	532,800
28	Lot 942 RP in DD 94, Sheung Shui	4,220,000	2,534,400
29	TWTL 419, Chuen Lung, Tsuen Wan	80,600	50,760
30	IL 8847, No. 1 Sports Road and Wong Nai Chung Road	20,432,000	12,261,600
31	Lot 2416 in DD 118, Tai Tong, Yuen Long	12,932	11,952
32	Lot 739 in DD 2, Mui Wo, Lantau Island	19,700	14,220
33	KIL 11226, Tin Kwong Road	86,000	54,000
34	Lot 752 in DD 332, Cheung Sha, Lantau Island	100,400	62,640
35	Lot 240 in DD Ngong Ping, Ngong Ping	0	1,152

	Lot Number and Location	Amounts collected in 2017-18 (\$)	
		Rates	Government Rent
36	TPTL 133, Tai Mei Tuk	26,000	18,000
37	KIL 11223, Gascoigne Road	143,000	88,200
38	IL 9039, No. 63 Caroline Hill Road, So Kon Po	266,000	162,000
39	IL 8895, No. 2 Creasy Road, Jardine's Lookout	218,000	133,200
40	KIL 11217, Austin Road	218,000	133,200
41	KIL 11216, Cox's Road	836,000	504,000
42	NKIL 6528, No. 113A Waterloo Road, Kowloon Tong	404,000	244,800
43	NKIL 6529, No. 10A Cambridge Road	236,000	144,000
44	KIL 11165, J/O Ivy Street & Beech Street	129,800	80,280
45	KIL 11225, Wylie Path, King's Park	77,600	48,960
46	Lot 718 in DD 256, Tai Mong Tsai, Sai Kung	197,000	120,600
47	KIL 11220, Princess Margaret Road	66,200	42,120
48	Lot 2419 DD 118, Tai Tong, Yuen Long	488,000	295,200
49	Lot 675 in DD 257, Pak Tam Chung, Sai Kung	416,000	225,086.4
50	ML 709, Kellett Island	1,142,000	Not Applicable (Note)
51	RBL 1181, Middle Island	84,800	35,640
52	Lot 341 and Extension in DD 212, Che Keng Tuk	152,000	93,600
53	NKIL 6530, No. 11 Rutland Quadrant	12,800	10,080
54	Lot 1207 in DD 217, Pak Sha Wan, Sai Kung	62,600	30,369.6
55	STTL 592, Sha Tin	1,814	4,104
56	IL 8961, Mansion Street, North Point	8,120	7,272
57	Lot 131 in DD 60, Au Tau, Yuen Long	6,860	6,516
58	TPTL 190, Tung Tsz, Tai Po	77,000	48,600
59	KCTL 511, No. 308 Wo Yi Hop Road, Kwai Chung	152,000	93,600
60	STTL 591, Shui Chuen Au Street, Sha Tin	77,500	51,300
61	IL 9041, No. 88 Caroline Hill Road, So Kon Po	3,494,000	2,098,800
62	KIL 11218, Wylie Path	167,000	102,600
63	TPTL 216, On Cheung Road, Tai Po	349,000	214,200
64	Lot 316 in DD 252, Sai Kung	56,000	31,320
65	NKIL 6508, No. 7 Cassia Road, Yau Yat Chuen	842,000	507,600
66	YLTL 520, Yuen Long	316,600	194,760

Note: The Government rent payable is spelt out in exact amount in the lease and is not assessed under the Government Rent (Assessment and Collection) Ordinance (Cap. 515).

- End -

CONTROLLING OFFICER'S REPLY**FSTB(Tsy)106****(Question Serial No. 4416)**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:

(a) Please provide information on the top 1 000 payers (excluding organisations providing subsidised housing) that are expected to receive the largest amounts of rates concession in 2017-18.

Ratepayers (Excluding Organisations Providing Subsidised Housing)	Amount of Rates Concession	Number of Rateable Properties Held
1		
2		
3		
4		
5		
6		
7		
8		
9		
10		
11-100		
100-1 000		

(b) Please provide information, by property type, on the top 10 payers (excluding organisations providing subsidised housing) that are expected to receive the largest amounts of rates concession in 2017-18.

Ratepayers (Excluding Organisations Providing Subsidised Housing)	Amount of Rates Concession	Total Number of Rateable Properties Held	Number of Private Domestic Premises	Number of Car Parking Spaces	Number of Shops and Commercial Premises	Number of Offices	Number of Industrial Premises	Number of Non-domestic Premises
1								
2								
3								
4								
5								
6								
7								
8								
9								
10								

Asked by: Hon CHEUNG Chiu-hung, Fernando (Member Question No. (LegCo use): 64)

Reply:

The Rating and Valuation Department (RVD) maintains neither the breakdowns on tenement figures in respect of the top 10 ratepayers that are expected to receive the highest amounts of rates concession, nor the information on ratepayers ranked from the 101st to the 1000th. The following table sets out the relevant information for the top 100 ratepayers in 2017-18 –

Ratepayers (excluding organisations providing subsidised housing)	2017-18	
	Amount of Rates Concession (\$ million)	Number of Rateable Tenements
1-10	125.4	40 185
11-100	123.5	38 374
Total	248.9	78 559

- End -

CONTROLLING OFFICER'S REPLY

FSTB(Tsy)107

(Question Serial No. 4893)

Head: (162) Rating and Valuation Department

Subhead (No. & title):

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

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

Director of Bureau: Secretary for Financial Services and the Treasury

Question:

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. (LegCo use): 7040)

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 of residential units completed within three calendar years at the time of survey, and a random sample 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 will incorporate the relevant vacancy data 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 an outsourced contractor selected in accordance with established tender procedures. Total expenditure on the survey in the past five years is as follows:

Financial Year	Expenditure (\$ million)
2013-14	1.61
2014-15	1.76
2015-16	1.72
2016-17	1.68
2017-18	1.72

- End -

CONTROLLING OFFICER'S REPLY**FSTB(Tsy)108****(Question Serial No. 4895)**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 are expected to receive the largest estimated amounts of rates concession (including the amount of rates concession and the number of rateable properties held by the ratepayers).

Asked by: Hon CHEUNG Chiu-hung, Fernando (Member Question No. 7042)Reply:

The Rating and Valuation Department (RVD) does not maintain information on the top 10 ratepayers to receive the highest amounts of rates concession in 2013-14. The following table sets out the relevant information from 2014-15 to 2017-18:

Top 10 Ratepayers (excluding organisations providing subsidised housing)	Amount of Rates Concession (\$ million)	Number of Rateable Tenements
2014-15	86.4	40 946
2015-16	126.9	40 333
2016-17	124.2	39 865
2017-18	125.4	40 185

- End -

CONTROLLING OFFICER'S REPLY

FSTB(Tsy)109

(Question Serial No. 4156)

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:

Regarding the provision of sign language interpretation services in the past five years, will the Government inform this Committee of the following:

- (1) Did the Government provide sign language interpretation services? If yes, what were the frequency, occasions, and causes for providing sign language interpretation services in each year?
- (2) Further to the above question, how many sign language interpreters were involved in each year, and what were their pay and the organisations to which they belong? What was the total expenditure involved in each year?
- (3) Whether the Government will consider allocating more resources to improve the services for communicating with the deaf and/or persons with hearing impairment in future? If yes, what are the details (including the measures, manpower and expenditure involved and timetable, etc.)? If no, what are the reasons?

Asked by: Hon LEUNG Yiu-chung (Member Question No. (LegCo use): 94)

Reply:

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

- End -

CONTROLLING OFFICER'S REPLY

FSTB(Tsy)110

(Question Serial No. 5149)

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 measure of rates concession, please provide this Committee with the following information by district in tables:

- (a) the number of rates concession cases, together with the number of cases that involve domestic premises and commercial properties and the respective concession amounts involved in the past 5 financial years and the coming financial year. For figures on domestic premises, please list in a table by unit size classification (small domestic premises, medium domestic premises, large domestic premises and public domestic premises);
- (b) the number of properties held by the top one, 10th and 100th property owners holding the largest number of properties in Hong Kong in the past 5 financial years and the coming financial year, together with the respective rates concession amounts involved;
- (c) the total number of properties held by the top 100 (1, 2-10, 11-100) property owners holding the largest number of properties in Hong Kong in the past 5 financial years and the coming financial year, together with the respective rates concession amounts involved;
- (d) for cases expected to receive rates concession at the ceiling level, the number of cases that involve private domestic premises and commercial properties and the respective concession amounts involved in the past 5 financial years and the coming financial year.

Asked by: Hon TAM Man-ho, Jeremy (Member Question No. (LegCo use): 543)

Reply:

The Rating and Valuation Department (RVD) does not maintain breakdown of rates concession by district. Other information on rates concession is as follows:

- (a) The estimated numbers of properties in the Valuation List to enjoy rates concession with effect from 1 April 2018 and in the past five years are tabulated as follows:

	Estimated Number of Properties to Enjoy Rates Concession (million)
1 April 2013	3.08
1 April 2014	3.11
1 April 2015	3.15
1 April 2016	3.17
1 April 2017	3.21
1 April 2018	3.25

The estimated total Government revenue forgone (including the anticipated concession amounts for newly assessed properties in the financial year) due to rates concession for the financial years from 2013-14 to 2018-19 are tabulated below. RVD does not maintain breakdown of the related data for each property type.

Financial Year	Government Revenue Forgone Due to Rates Concession (\$ billion)
2013-14	11.6
2014-15	6.1
2015-16	7.7
2016-17	10.6
2017-18	10.9
2018-19	17.8

- (b) - (c) As rateable value is assessed on a property basis, RVD does not maintain records on ownership information in respect of rateable properties.
- (d) The estimated numbers of private domestic properties and non-domestic properties to enjoy rates concession at the ceiling level from 2013-14 to 2018-19 and the corresponding amounts of rates concession involved are tabulated as follows:

Financial Year	Private Domestic Premises		Non-domestic Premises	
	Number of Properties (million)	Amount of Rates Concession (\$ billion)	Number of Properties (million)	Amount of Rates Concession (\$ billion)
2013-14	0.54	3.3	0.20	1.2
2014-15	0.63	1.9	0.22	0.7
2015-16	0.27	1.3	0.17	0.8
2016-17	1.38	5.5	0.29	1.2
2017-18	1.42	5.7	0.29	1.2
2018-19	0.36	3.6	0.19	1.9

- End -

CONTROLLING OFFICER'S REPLY

FSTB(Tsy)111

(Question Serial No. 6360)

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 2017-18;
- 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 (2013-2014, 2014-2015, 2015-2016, 2016-2017 and 2017-18); 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 (2013-2014, 2014-2015, 2015-2016, 2016-2017 and 2017-18).

Asked by: Hon TIEN Puk-sun, Michael (Member Question No. (LegCo use): 55)

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 numbers of properties on the Valuation List of the past five financial years, sorted by rateable value, are tabulated below:

Rateable Value (\$)	As at 1 April 2017	As at 1 April 2016	As at 1 April 2015	As at 1 April 2014	As at 1 April 2013
3 001 - 29 999	256 542	262 128	276 635	288 610	304 553
30 000 - 59 999	245 323	247 904	276 280	346 892	410 765
60 000 - 89 999	405 167	429 687	493 238	536 614	569 468
90 000 - 119 999	445 811	433 896	416 126	383 359	353 771
120 000 - 199 999	633 350	593 993	532 866	467 857	403 085
200 000 - 299 999	221 675	221 347	192 336	166 279	146 867
300 000 - 399 999	85 049	82 602	74 321	68 234	63 245
400 000 - 499 999	47 452	46 857	44 408	41 740	38 300
500 000 or above	137 215	136 036	128 416	119 307	110 476
Total	2 477 584	2 454 450	2 434 626	2 418 892	2 400 530

- End -

CONTROLLING OFFICER'S REPLY

FSTB(Tsy)112

(Question Serial No. 4168)

Head: (188) Treasury

Subhead (No. & title):

Programme:

Controlling Officer: Director of Accounting Services (Charlix Wong)

Director of Bureau: Secretary for Financial Services and the Treasury

Question:

Regarding the provision of sign language interpretation services in the past 5 years, will the Government inform this Committee of the following:

1. Whether sign language interpretation services are provided? If yes, what are the frequency, occasions and causes for providing such services in each year?
2. Further to the above question, what is the number of sign language interpreters involved in each year? What are their pay, the organisations to which they belong and the total expenditure involved in each year?
3. Whether the Government will consider allocating more resources to improve the services for communicating with the deaf and/or persons with hearing impairment in future? If yes, what are the details (including the measures, manpower and expenditure involved and timetable, etc.)? If no, what are the reasons?

Asked by: Hon LEUNG Yiu-chung (Member Question No. (LegCo use): 107)

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.

The Treasury will deploy suitable resources in case of need in future to ensure that the deaf and persons with hearing impairment are provided with appropriate services.

- End -

CONTROLLING OFFICER'S REPLY**FSTB(Tsy)113****(Question Serial No. 6365)**Head: (106) Miscellaneous ServicesSubhead (No. & title): (284) CompensationProgramme:Controlling Officer: Permanent Secretary for Financial Services and the Treasury (Treasury) (Ms Alice LAU)Director of Bureau: Secretary for Financial Services and the TreasuryQuestion:

With regard to accidents 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. (LegCo use): 73)Reply:

In the 2017-18 financial year (as at 28 February 2018), 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:

	2017-18 (as at 28 February 2018)
Number of claims	72
Number of compensation cases (Note)	23
Total amount of compensation (\$'000)	4,410

Note: The number of compensation cases included part of the claims made against the Government in or before the 2017-18 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. 3642)

Head: (184) Transfers to Funds

Subhead (No. & title): (988) Payment to the Loan Fund

Programme: Not Specified

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

Director of Bureau: Secretary for Financial Services and the Treasury

Question:

Will the Government set out in table form the amount of transfer to each subhead of the Loan Fund under this Subhead in 2018-19? It is mentioned in paragraph 107 of the 2018-19 Budget that “I will ... allocate a total of \$310 million in the next few years to support the Ocean Park in developing education and tourism projects”. Please inform this Committee whether this expenditure has been included in the transfer to the Loan Fund for 2018-19; if yes, of the amount of transfer to the Loan Fund relating to the support to the Ocean Park in developing education and tourism projects.

Asked by: Hon CHAN Chi-chuen (Member Question No. (LegCo use): 81)

Reply:

The level of transfers to the Loan Fund is assessed with regard to its overall commitments and forecast cash flow. The information on heads funded under the Loan Fund is set out on pages 134 to 135 of the 2018-19 Estimates (Volume II) which is available at the following link -

<https://www.budget.gov.hk/2018/eng/pdf/loan.pdf>

Regarding “support the Ocean Park in developing education and tourism projects” as mentioned in paragraph 107 of the 2018-19 Budget, the relevant expenditure for 2018-19 has been included under the General Revenue Account in the Estimates of Head 152 Government Secretariat: Commerce and Economic Development Bureau (Commerce, Industry and Tourism Branch).

- End -

CONTROLLING OFFICER'S REPLY**FSTB(Tsy)115****(Question Serial No. 3664)**

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 Alice LAU)

Director of Bureau: Secretary for Financial Services and the Treasury

Question:

Will the Government set out in table form the respective staff establishment and estimated expenditure on salaries of A, B, C, H and G Divisions under the Deputy Secretary for Financial Services and the Treasury (Treasury) (1) in 2018-19?

Asked by: Hon CHAN Chi-chuen (Member Question No. (LegCo use): 83)

Reply:

The estimated staff establishment of five Divisions under the Deputy Secretary for Financial Services and the Treasury (Treasury) (1) in 2018-19 and related salary expenditure are tabulated as follows-

	Staff establishment	Salary expenditure
A Division	14 posts	\$13.56m
B Division	13 posts	\$12.58m
C Division	15 posts	\$13.79m
H Division	15 posts	\$11.91m
G Division	45 posts	\$18.91m
Total	102 posts	\$70.75m

- End -

CONTROLLING OFFICER'S REPLY

FSTB(Tsy)116

(Question Serial No. 5532)

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 Alice LAU)

Director of Bureau: Secretary for Financial Services and the Treasury

Question:

It is mentioned in paragraph 51 of the Budget Speech that the Financial Secretary (FS) has decided to share with the community about 40 per cent of the annual surplus, and to use the remaining for improving services and investing in the future. Based on what criteria did the FS decide to share with the community about 40% of the surplus but not all of it? Could the FS guarantee that the 40% of the annual surplus will be shared with the community in its entirety without any deductions of administration expenses? Please list the specific projects where the annual surplus will be used for improving services and investing in the future, their implementation timetables and the amounts involved.

Asked by: Hon CHAN Tanya (Member Question No. (LegCo use): 55)

Reply:

As pointed out by the Financial Secretary in the 2018-19 Budget Speech, when considering how the annual surplus is to be deployed, the Government will carefully take into account the source and nature of the surplus, and make optimal allocation of resources in the light of the external and local economic environment, social needs and public expectations. The amount of annual surplus to be shared with the community as proposed by the Financial Secretary will be fully used to implement the relevant measures without any deductions of administration expenses. Moreover, the Government has earlier announced the introduction of the Caring and Sharing Scheme, which reflects the Government's objective of building a caring and sharing community and sharing the fruits of economic success with the community.

Specific projects where the annual surplus will be used for improving services and investing in the future are listed below:

Project	Amount (\$ million)
Improve and develop cultural facilities in the coming 10 years	20,000
Abolition of MPF “offsetting” arrangement	15,000
Support package for research centres run by non-profit-making institutions in the two research clusters	10,000
Funding support for Hong Kong Science and Technology Parks Corporation to build R&D infrastructure and facilities, and to enhance support for tenants and incubatees	10,000
Inject \$8.5 billion into the Continuing Education Fund and raise subsidy ceiling	8,500
Inject additionally into the Elite Athletes Development Fund	5,000
Launch the eighth round of Matching Grant Scheme in the publicly-funded post-secondary institutions	2,500
Expedite installation of lifts for public sector schools as needed	2,000
Market Modernisation Programme over the next 10 years	2,000
Set up Construction Innovation and Technology Fund	1,000
Optimise the use of vacant government sites and school premises	1,000
Youth development	1,000
Inject \$800 million into Gifted Education Fund	800
Inject \$800 million into the HKSAR Government Scholarship Fund	800
Further promote the installation of small scale renewable energy facilities at government buildings, venues and community facilities	800
Set up a Major Sports Events Matching Grant Scheme	500
Enhance healthcare services – set up a fund for development of Chinese Medicine	500
Provide subsidies for drugs for treating uncommon diseases	500
Strengthen support for ethnic minorities	500
Further support to arts and culture initiatives and infrastructure –	
- Acquire museum collections and hold exhibitions;	500
- Inject \$500 million into the Art Development Matching Grants Pilot Scheme; and	500
- Strengthen the protection, promotion and transmission of intangible cultural heritage	300
Promote reading in the community	204
Launch a five-year District Sports Programmes Funding Scheme	100
Total	84,004

The relevant policy bureaux will work out the details of the above projects, implement them as soon as possible and ensure that the earmarked provisions are used for their original purposes.

- End -

CONTROLLING OFFICER'S REPLY

FSTB(Tsy)117

(Question Serial No. 4734)

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 Alice LAU)

Director of Bureau: Secretary for Financial Services and the Treasury

Question:

The Chief Executive, Mrs Carrie Lam, openly stated in January 2018 that all government departments would be granted an additional 3% of their departmental expenditure in the 2018-19 Budget with a view to providing them with sufficient resources for proposing new tendering arrangements. Please advise this Committee whether the use of the additional funding will be specified and whether the Government will ensure that the additional funding will be used for the income improvement of elementary workers employed by outsourced service contractors. If no, what are the reasons?

Asked by: Hon CHEUNG Chiu-hung, Fernando (Member Question No. (LegCo use): 2526)

Reply:

The expenditure envelopes for 2018-19 given out to policy bureaux have included additional resources equivalent to 3% of the recurrent non-personal emoluments portion of their envelopes to provide them with greater operational flexibility to address price adjustments and implement new measures or enhance services. Policy bureaux may deploy resources in light of the needs of departments under their purview, including to allow the departments concerned to handle outsourcing matters.

As mentioned by the Financial Secretary in the Budget, the inter-bureaux/departmental working group set up by the Government is exploring options to improve the government outsourcing system with a view to enhancing the protection of the reasonable employment terms and conditions as well as labour benefits of these non-skilled employees. It is expected that the working group will complete the review within this year. The Government will provide the necessary financial support having regard to the outcome of the review.

- End -

CONTROLLING OFFICER'S REPLY

FSTB(Tsy)118

(Question Serial No. 6313)

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 Alice LAU)

Director of Bureau: Secretary for Financial Services and the Treasury

Question:

Members of the public are very upset with this Budget which is actually returning wealth to the wealthy. Please advise whether the Government will:

1. waive public housing rents for 2 months;
2. grant waivers of electricity and gas tariffs to the public;
3. increase the amount of allowances granted to low-income families;
4. provide a living allowance for people aged 60-64; and
5. give cash handouts of \$10,000 to all residents as a relief measure.

Asked by: Hon CHU Hoi-dick (Member Question No. (LegCo use): 79)

Reply:

As pointed out by the Financial Secretary (FS) in the 2018-19 Budget Speech, when considering how the annual surplus is to be deployed, he will carefully take into account the source and nature of the surplus, and make optimal allocation of resources in the light of the external circumstances and local economic environment, social needs and public expectations. In view of the fiscal position of the Government this year, a series of measures have been proposed in the Budget to share the fruits of economic success with the community. The FS also announced the introduction of the Caring and Sharing Scheme on the 23rd of March to extend the coverage of the measures that are aimed at sharing the fruits of success to benefit more people.

- End -

CONTROLLING OFFICER'S REPLY

FSTB(Tsy)119

(Question Serial No. 6312)

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 Alice LAU)

Director of Bureau: Secretary for Financial Services and the Treasury

Question:

It is recommended by the Government that measures be implemented through the Community Care Fund to plug gaps in the existing system by providing support to those needy persons not benefited from the “Caring and Sharing” programmes in the Budget. Please advise this Committee of the following:

1. The groups that were unable to benefit from the Budget, their characteristics and the number of people involved as identified by the Government in the past 5 years;
2. The ways taken so far to define the above groups of people (e.g. the “N have-nots” or “plugging gaps in the existing system”) by the Government in the past 5 years;
3. The reasons for the Government to define the above groups of people; and
4. The initiatives to be taken by the Government to ensure that the alleviating measures are implemented properly to align with some allocation principles (e.g. “the most in need”, “equality”, “fairness”, etc), so as to avoid resulting in the mismatch of resources or the situation of the poor getting poorer and the rich getting richer.

Asked by: Hon CHU Hoi-dick (Member Question No. (LegCo use): 248)

Reply:

Over the past 5 years, the Community Care Fund (CCF) launched the One-off Living Subsidy for Low-income Households Not Living in Public Housing and Not Receiving CSSA assistance programme (assistance programme) on 3 occasions (i.e. December 2013, January 2015 and January 2016) to provide one-off assistance to the so-called “N have-nots households”. The beneficiaries should be renting accommodation in private housing, industrial or commercial buildings on a monthly basis (or for longer tenures); or renting bedspaces offered under the Home Affairs Department’s Singleton Hostel Programme; or residing in temporary housing; or living on board vessels; or homeless persons. Their monthly household income must not exceed the specified limits and they should not be receiving Comprehensive Social Security Assistance or owning any properties in Hong Kong. For those renting accommodation in private housing, industrial buildings or commercial buildings, their monthly rent paid should not exceed the specified rental limits. A total of 179 597 households have benefited from the 3 launches of the assistance programme, involving about \$1.4939 billion.

Proposed by the CCF Task Force to the Commission on Poverty (CoP), the target recipients, amount of subsidies and relevant details of the assistance programme are endorsed by the CoP. The assistance programme is in conformity with the main objective of the CCF, which is to provide assistance to people facing economic difficulties, in particular those who fall outside the social safety net or those within the net but have special circumstances that are not covered.

As indicated by the Financial Secretary (FS) in the 2018-19 Budget Speech, when considering how the annual surplus is to be deployed, he will carefully take into account the source and nature of the surplus, and make optimal allocation of resources in the light of the external circumstances and local economic environment, social needs and public expectations. In addition to a series of measures proposed in the Budget and after giving due consideration to the views of the community and political parties, the FS also announced the introduction of the Caring and Sharing Scheme on the 23rd of March to extend the coverage of the measures in the Budget that are aimed at sharing the fruits of success to benefit more people.

- End -

CONTROLLING OFFICER'S REPLY

FSTB(Tsy)120

(Question Serial No. 6388)

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 Alice LAU)

Director of Bureau: Secretary for Financial Services and the Treasury

Question:

Please inform this Committee of the details, amount and expenditure of short-term relief measures for low-income households not receiving Comprehensive Social Security Assistance (CSSA) and not living in public housing in the coming year.

Asked by: Hon KWOK Wai-keung (Member Question No. (LegCo use): 19)

Reply:

This question is not related to Head 147.

The One-off Living Subsidy for Low-income Households Not Living in Public Housing and Not Receiving CSSA assistance programme launched by the Community Care Fund has ended. If these people meet the eligibility criteria, they can make applications under the Caring and Sharing Scheme. The details of the Caring and Sharing Scheme are provided in the information note submitted to the Finance Committee on 20 April. According to our estimation, a maximum of about 3 million citizens will be eligible under the Scheme and the total payout will be about \$11 billion, subject to the final number of successful applicants.

- End -

CONTROLLING OFFICER'S REPLY

FSTB(Tsy)121

(Question Serial No. 4149)

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 Alice LAU)

Director of Bureau: Secretary for Financial Services and the Treasury

Question:

Regarding the provision of sign language interpretation services in the past 5 years, will the Government inform this Committee of the following:

1. Whether sign language interpretation services are provided? If yes, what are the frequency, occasions and causes for providing such services in each year?
2. Further to the above question, what is the number of sign language interpreters involved in each year? What are their pay, the organisations to which they belong and the total expenditure involved in each year?
3. Whether the Government will consider allocating more resources to improve the services for communicating with the deaf and/or persons with hearing impairment in future? If yes, what are the details (including the measures, manpower and expenditure involved and timetable, etc.)? If no, what are the reasons?

Asked by: Hon LEUNG Yiu-chung (Member Question No. (LegCo use): 87)

Reply:

In the past five years, there was no occasion requiring the provision of sign language interpretation services in Financial Services and the Treasury Bureau (The Treasury Branch). If such services are required in the future, suitable arrangements will be made to ensure that members of the public are provided with the necessary services.

- End -

CONTROLLING OFFICER'S REPLY

FSTB(Tsy)122

(Question Serial No. 5441)

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 Alice LAU)

Director of Bureau: Secretary for Financial Services and the Treasury

Question:

Please set out the fund(s) under the Bureau's purview, the date on which the fund(s) was established, the capital injection amount, as well as the annual balance, investment or other income and total expenditure involved.

Asked by: Hon MA Fung-kwok (Member Question No. (LegCo use): 105)

Reply:

Head 147 did not set up or make injection into any funds.

- End -

CONTROLLING OFFICER'S REPLY

FSTB(Tsy)123

(Question Serial No. 5152)

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 Alice LAU)

Director of Bureau: Secretary for Financial Services and the Treasury

Question:

Regarding the rates concession announced in the Budgets in the past 5 years, please inform this Committee of the number of properties held by companies which enjoyed rates concession, the number of the ratepayers concerned and the total amount of rates concession involved.

Asked by: Hon TAM Man-ho, Jeremy (Member Question No. (LegCo use): 546)

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 its responsibilities.

- End -

CONTROLLING OFFICER'S REPLY**FSTB(Tsy)124****(Question Serial No. 5170)**

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 Alice LAU)

Director of Bureau: Secretary for Financial Services and the Treasury

Question:

Regarding residential property transactions and stamp duty, please advise this Committee of the following:

- (a) What were the numbers of residential property transactions subject to the Buyer's Stamp Duty (BSD) in each of the past 5 years? What were their percentage to the total transactions? What was the total amount of BSD received by the Government? In addition, please set out in the table below the distribution of nationalities (excluding Hong Kong residents who are Chinese citizens) and number of buyers with BSD paid by flat type (Types A to E), together with the total amount of BSD involved.

(Year)

Nationality	Type A (less than 40 m ²)	Type B (40 to 69.9 m ²)	Type C (70 to 99.9 m ²)	Type D (100 to 159.9 m ²)	Type E (over 160 m ²)
	Number / Amount of BSD	Number / Amount of BSD	Number / Amount of BSD	Number / Amount of BSD	Number / Amount of BSD

- (b) Please provide the monthly total of residential property transactions in the past 4 years, and the respective numbers of cases subject to the BSD, Double Stamp Duty (DSD) and Special Stamp Duty (SSD) as well as the amounts of stamp duty paid.

	Total number of residential property transactions	Total amount of all stamp duties paid	Number of cases subject to BSD	Amount of BSD paid	Number of cases subject to DSD	Amount of DSD paid	Number of cases subject to SSD	Amount of SSD paid
January 2014								
February 2014								
March 2014								
April 2014								
May 2014								
June 2014								
July 2014								
August 2014								
September 2014								
October 2014								
November 2014								
December 2014								
January 2015								
February 2015								
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September 2017								
October 2017								
November 2017								
December 2017								
January 2018								
February 2018								

Reply:

- (a) The cases that are subject to Buyer's Stamp Duty (BSD) and their percentage to the total number of agreements for sale and purchase of residential properties in the past 4 financial years are as follows:

Financial year	BSD (Note 1)		Total number of agreements for sale and purchase of residential properties (Note 2)	Percentage of BSD cases to the total number of agreements for sale and purchase of residential properties
	Number of cases	Amount (\$million)		
2014-15	4 966	9,627	77 348	6.4%
2015-16	2 191	4,812	51 027	4.3%
2016-17	2 709	7,140	70 743	3.8%
2017-18 (as at 28 Feb 2018)	4 037	8,760	65 270	5.6%

Note 1: The Stamp Duty (Amendment) Ordinance 2014 which introduced the BSD was gazetted on 28 February 2014, with retrospective effect from 27 October 2012. Before the gazettal date, instruments executed between 27 October 2012 and 27 February 2014 (the transitional period) were chargeable with Ad Valorem Stamp Duty (AVD) only. After the gazettal date, the Stamp Office of the Inland Revenue Department (IRD) has started to collect BSD from instruments chargeable with BSD during the transitional period. The number of such instruments and the amount of BSD paid thereof have been included in the BSD statistics for March 2014. The number of BSD cases (including the instruments executed between 27 October 2012 and 31 March 2014) and the amount of BSD paid thereof for the financial year 2013-14 are 1 827 and \$3,311 million respectively.

Note 2: It refers to the number of stamping applications received by the IRD during the year.

When submitting a stamping request, the applicant is required to declare whether the buyer is a Hong Kong identity card holder (local person) or a company incorporated in Hong Kong (local company). In cases where the buyer is a non-local person or a non-local company, the applicant is not required to state the country or region that the person comes from, the place of incorporation of the company or the property size. The IRD therefore does not have the statistics for the breakdown required.

- (b) For each month between January 2014 and February 2018, the number of agreements for sale and purchase of residential properties and those of which BSD, AVD at Scale 1 rates and Special Stamp Duty (SSD) are chargeable are as follows:

	Number of agreements for sale and purchase of residential properties (Note 1)		BSD (Note 2)		AVD at Scale 1 rates (Note 3)		SSD	
	Number of cases	Amount of Stamp Duty (\$ million)	Number of cases	Amount (\$ million)	Number of cases	Amount (\$ million)	Number of cases	Amount (\$ million)
01/2014	5 110	948.6					70	16.5
02/2014	2 741	563.7					43	7.3
03/2014	4 250	4,152.0	1 827	3,310.5			46	11.9
04/2014	5 562	3,627.5	2 139	2,575.8			65	16.8
05/2014	5 877	1,629.7	293	569.1			64	16.8
06/2014	7 103	1,624.4	205	341.9			42	10.0
07/2014	8 014	2,975.0	370	904.3	7	3.5	36	7.2
08/2014	6 780	3,407.9	266	568.3	998	456.8	38	12.4
09/2014	6 974	5,729.9	340	665.7	2 087	1,247.7	55	15.9
10/2014	6 777	4,199.5	266	790.3	1 986	1,556.0	38	10.0
11/2014	5 510	2,077.3	177	364.5	1 515	942.8	27	8.4
12/2014	6 552	2,247.6	194	403.2	1 736	899.6	47	19.1
01/2015	7 599	4,093.7	276	1,446.5	2 082	1,613.2	58	30.5
02/2015	6 183	2,173.5	195	392.1	1 755	854.2	56	21.3
03/2015	4 417	2,077.6	245	605.6	1 274	852.2	63	34.3
04/2015	5 864	2,463.5	223	499.5	1 731	1,077.1	49	17.5
05/2015	5 136	2,078.6	147	393.8	1 351	857.2	51	16.3
06/2015	6 403	2,301.2	204	473.3	1 693	1,059.2	54	21.4
07/2015	5 806	2,621.7	260	606.9	1 640	1,260.8	84	34.0
08/2015	4 636	1,806.8	139	400.4	1 212	819.4	68	31.1
09/2015	4 511	1,480.7	179	287.7	1 336	672.9	45	18.8
10/2015	3 531	1,285.4	245	424.0	1 109	614.6	36	15.1

	Number of agreements for sale and purchase of residential properties (Note 1)		BSD (Note 2)		AVD at Scale 1 rates (Note 3)		SSD	
	Number of cases	Amount of Stamp Duty (\$ million)	Number of cases	Amount (\$ million)	Number of cases	Amount (\$ million)	Number of cases	Amount (\$ million)
11/2015	3 381	1,526.8	240	497.5	1 141	702.7	41	17.7
12/2015	4 057	1,692.2	247	447.2	1 292	767.6	43	15.5
01/2016	2 338	868.3	98	205.1	569	353.5	30	10.6
02/2016	1 990	839.3	62	316.3	440	341.4	22	8.4
03/2016	3 374	1,168.9	147	260.6	837	490.7	27	13.7
04/2016	5 034	2,084.5	199	460.9	1 221	910.7	53	23.1
05/2016	5 468	1,587.3	239	641.6	1 377	1,093.5	53	16.6
06/2016	4 836	1,710.8	151	346.2	1 160	707.2	46	20.3
07/2016	4 831	1,640.5	147	275.9	1 164	728.9	31	11.7
08/2016	7 074	2,376.6	186	476.0	1 715	894.4	38	15.1
09/2016	9 065	3,353.9	250	506.0	2 604	1,522.7	51	20.2
10/2016	7 575	3,848.3	330	1,022.9	2 092	1,624.5	60	22.6
11/2016	7 156	3,972.3	494	1,094.5	2 358	1,563.9	75	31.9
12/2016	3 556	1,571.3	145	437.3	376	368.2	34	27.3
01/2017	4 055	1,920.5	229	643.9	406	488.6	43	21.2
02/2017	4 344	2,322.0	128	716.3	387	584.2	35	16.3
03/2017	7 749	3,070.4	211	518.7	657	627.1	58	24.1
04/2017	7 475	3,659.8	281	717.9	783	863.0	41	17.7
05/2017	5 818	2,507.6	157	460.1	482	614.1	53	25.3
06/2017	6 367	2,820.6	311	736.6	785	743.9	42	29.9
07/2017	4 246	2,132.4	256	717.2	536	601.9	44	21.0
08/2017	4 644	1,855.0	325	630.2	579	517.5	41	21.4
09/2017	6 241	2,417.7	450	614.6	781	518.5	57	31.5

	Number of agreements for sale and purchase of residential properties (Note 1)		BSD (Note 2)		AVD at Scale 1 rates (Note 3)		SSD	
	Number of cases	Amount of Stamp Duty (\$ million)	Number of cases	Amount (\$ million)	Number of cases	Amount (\$ million)	Number of cases	Amount (\$ million)
10/2017	6 147	2,367.7	458	566.8	856	565.3	44	19.1
11/2017	6 313	3,394.0	483	1,068.2	916	979.7	50	23.0
12/2017	5 861	4,047.7	534	1,317.2	928	1,121.7	52	34.1
01/2018	6 175	6,125.6	430	1,206.3	780	1,069.9	38	31.3
02/2018	5 983	8,959.6	352	725.0	686	1,399.4	47	29.2

Note 1:

It refers to the number of stamping applications received by the IRD during the year. The amount of stamp duty collected includes the AVD, BSD, SSD and fixed duty paid on sale and purchase instruments.

Note 2:

The BSD cases for March 2014 cover the instruments chargeable with BSD that are executed between 27 October 2012 and 27 February 2014.

Note 3:

The Stamp Duty (Amendment) (No. 2) Ordinance 2014 was gazetted on 25 July 2014. For instruments executed between 23 February 2013 and 24 July 2014 for sale and purchase of residential property that have been presented for stamping before 25 July 2014, they are subject to the previous rates as stipulated in the law. The Stamp Office therefore does not have records on whether these instruments are subject to Scale 1 or Scale 2 rates.

The Stamp Duty (Amendment) Ordinance 2018 was gazetted on 19 January 2018. Under the Ordinance, AVD at Scale 1 is divided into Part 1 (a flat rate of 15%) and Part 2 (original Scale 1 rates) with effect from 5 November 2016. Unless otherwise specified in the Stamp Duty Ordinance, AVD at Part 1 of Scale 1 is applicable to instruments of residential property transactions while Part 2 of Scale 1 applies to instruments of non-residential property transactions.

– End –

CONTROLLING OFFICER'S REPLY**FSTB(Tsy)125****(Question Serial No. 5196)**

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 Alice LAU)

Director of Bureau: Secretary for Financial Services and the Treasury

Question:

Regarding the Future Fund, please advise this Committee of the following:

- (a) What was the balance of the Future Fund as at the end of 2017 since the announcement of its establishment in the 2015 Budget by the Government?
- (b) How much has been allocated to the Future Fund since its establishment? Which accounts was the amount allocated from? Please provide the items and expenditures involved in table form.

Asked by: Hon TAM Man-ho, Jeremy (Member Question No. (LegCo use): 590)

Reply:

- (a) As at end of April 2017, the total injection into the Future Fund was \$224.53 billion. Together with the accrued investment income of 2016 of \$10.07 billion, the balance of the Future Fund was \$234.6 billion. The balance of the Future Fund as at end of 2017 is expected to be published in end of April 2018.

- (b) The amount allocated to the Future Fund since its establishment is set out below:

Source of funding	Amount (\$ billion)
Land Fund	219.73
General Revenue Account	4.80
Total	224.53

- End -

CONTROLLING OFFICER'S REPLY

FSTB(Tsy)126

(Question Serial No. 5803)

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 Alice LAU)

Director of Bureau: Secretary for Financial Services and the Treasury

Question:

Page 1 of the Supplement refers.

Will owners of properties with rates payable per quarter lower than the concession ceiling of \$2,500 be allowed to use the balance to cover Government rents? Does the Financial Secretary have the intention of allowing them to fully use up the \$2,500 concession to alleviate the public's burden?

Asked by: Hon TSE Wai-chun, Paul (Member Question No. (LegCo use): 64)

Reply:

As Article 121 of the Basic Law stipulates the obligation to pay Government rent for the leases concerned, we are not able to provide any form of concession on Government rent for these leases.

If the amount of rates payable for a property is below the concession ceiling, the ratepayer concerned will have the full amount of rates payable waived.

- End -

CONTROLLING OFFICER'S REPLY

FSTB(Tsy)127

(Question Serial No. 5838)

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 Alice LAU)

Director of Bureau: Secretary for Financial Services and the Treasury

Question:

(Page 1 of the Supplement to the Budget)

Some members of the public reflected in phone-in radio programmes that properties held by Real Estate Investment Trusts (commonly known as “REITs”) or individuals, irrespective of their quantities, were all eligible for rates concession. That has in effect lowered the cost of holding properties (including those left vacant) and spurred property hoarding/speculation. They queried why the Financial Secretary (FS) did not restrict the eligibility for rates concession to only 1 property held by an owner. Will the FS consider the view and narrow the scope of rates concession?

Meanwhile, has the Government assessed the amount of rates concession enjoyed by various REITs listed in the Stock Exchange? If no, would the Government make such an assessment right away?

Asked by: Hon TSE Wai-chun, Paul (Member Question No. (LegCo use): 98)

Reply:

Pursuant to the Rating Ordinance, the valuation and collection of rates are based on tenements. A ratepayer can be the owner, occupier or agent of the owner or occupier. If an owner is eligible to rates concession for only one of the properties held by him, this implies the need for making a fundamental change to the rates collection system, requiring that only owners are liable to rates payment. Amending the Rating Ordinance and replacing the Rating and Valuation Department (RVD)'s computer systems and databases with new ones will be required. All the relevant information should also be constantly updated to reflect the latest ownership status. Further, the way of handling jointly-owned properties will be contentious. In addition, the restriction may exclude those tenants who are required to pay rates by the terms of a tenancy agreement from enjoying rates concession.

Setting a ceiling for rates concession can already achieve a regressive effect, i.e. the higher the rateable value of a property, the smaller the magnitude of benefit arising from the concession.

According to the Code on Access to Information, without prior consent from the ratepayers concerned, RVD is not allowed to disclose information that reveals the identity of ratepayers.

- End -