

Government welcomes passage of amendment bill to implement three concessionary tax measures

The Secretary for Financial Services and the Treasury, Mr James Lau, welcomed the passage of the Inland Revenue (Amendment) (No. 5) Bill 2018 by the Legislative Council today (November 14).

The new Ordinance gives effect to three concessionary tax measures proposed in the 2018-19 Budget. These include, from the year of assessment 2018/19, allowing husband and wife the option of electing for personal assessment (PA) separately; allowing enterprises to claim tax deduction for capital expenditure incurred for procuring environmental protection installations in full in one year instead of over five years; and extending the scope of tax exemption for debt instruments under the Qualifying Debt Instrument (QDI) Scheme.

Mr Lau said, "We believe that allowing husband and wife the option of electing for PA separately could provide taxpayers who are married with greater flexibility in tax assessment. The shortening of the deduction period for capital expenditure incurred for procuring environmental protection installations could encourage enterprises to procure and use such installations. Extending the scope of tax exemption for debt instruments under the QDI Scheme would further promote the development of the local bond market."

The Inland Revenue Department (IRD) will update its website and Departmental Interpretation and Practice Notes to provide more information about tax assessment for married couples under PA. The relevant part of the tax return will also be updated to reflect the change. The IRD will also continue to publish the list of QDIs on its website for public inspection.

Manager of unlicensed guesthouse fined

A woman was fined \$8,000 at the Kowloon City Magistrates' Courts today (November 14) for contravening the Hotel and Guesthouse Accommodation Ordinance.

The courts heard that in February last year, officers of the Office of the Licensing Authority (OLA), the Home Affairs Department, inspected a suspected unlicensed guesthouse on Reclamation Street in Mong Kok. During the inspection, the OLA officers posed as lodgers and successfully rented a room

in the guesthouse on a daily basis.

According to the OLA's record, the guesthouse did not possess a licence under the Ordinance on the day of inspection. The woman responsible for managing the premises was charged with contravening section 5(1) of the Ordinance.

A department spokesman stressed that operating or managing an unlicensed guesthouse is a criminal offence and will lead to a criminal record. Upon conviction, the offender is liable to a maximum fine of \$200,000 and two years' imprisonment.

The spokesman appealed to anyone with information about suspected unlicensed guesthouses to report it to the OLA through the hotline (tel: 2881 7498), by email (hadlaeng@had.gov.hk), by fax (2504 5805) using the report form downloaded from the OLA website (www.hadla.gov.hk), or through the mobile application "Hong Kong Licensed Hotels and Guesthouses".

LCQ17: Opening the facilities of the Hong Kong Design Institute for public use

Following is a question by the Hon Ma Fung-kwok and a written reply by the Secretary for Education, Mr Kevin Yeung, in the Legislative Council today (November 14):

Question:

In 2007, the Education Bureau (EDB) submitted a funding application to the Finance Committee (FC) of this Council for the Vocational Training Council (VTC) to construct a new campus at Tiu Keng Leng to accommodate the newly established Hong Kong Design Institute (HKDI). The EDB informed the FC then that the student sports and amenity facilities at HKDI's campus would be open for public use during non-school hours, and the Auditorium there would also be available for hire by the public when it was not in use. However, as pointed out in the Director of Audit's Report No. 69 published in October 2017, HKDI's tennis court had not been open for public use, and the availability rate of its multi-purpose hall (which had two badminton courts) for public use had been on the low side. It was reported last month by the media that although the Government had specified in the relevant land grant that HKDI was required to open up its sports facilities to outsiders with the relevant *modus operandi* and hire charges being subject to the regulation of the EDB, HKDI's tennis court had not been opened to outsiders, its badminton courts charged exorbitant hire charges, and the availability rate of its

sports facilities for public use had all along been on the low side. In this connection, will the Government inform this Council:

- (1) whether it knows the number of hours, in each of the past three years, for which each sports facility of HKDI was hired by members of the public;
- (2) whether it knows the respective numbers of hours, in each of the past three years, for which HKDI's multi-purpose hall was (i) used for learning and teaching, (ii) used for lessons and activities held by HKDI and VTC, (iii) hired by outside organisations, and (iv) left idle;
- (3) whether it knows the respective numbers of days, in each of the past three years, on which HKDI's Auditorium and other venues (e.g. HKDI Gallery, d-mart and Lecture Theatres) were hired by outside organisations for holding activities, with a breakdown by types of organisations and activities;
- (4) whether it knows the hire charges of each sports facility, the Auditorium and other venues of HKDI;
- (5) as it has been reported that HKDI has planned to open up its tennis court for hire by youth groups and other visiting groups during after-school hours starting from this academic year, whether the Government knows the specific arrangements concerned, and whether it has assessed if such arrangements meet public expectation;
- (6) whether it knows what measures HKDI has adopted to (i) publicise among members of the public (in particular residents nearby) the availability of its sports facilities for public hire and the relevant details (including the time slots available for hire and the charges), and (ii) promote its Auditorium and other venues for hire by outside organisations; and
- (7) whether it will regulate, pursuant to the terms of the relevant land grant, the rental matters in relation to the venues of HKDI, including requiring HKDI to set the venue hire charges at reasonable rates and streamline the hiring procedure?

Reply:

President,

Established under the Vocational Training Council Ordinance (the Ordinance), the Vocational Training Council (VTC)'s operation must meet the objectives and functions stipulated in the Ordinance. While the Government has granted land for VTC to operate as a non-profit-making post-secondary institution, the day-to-day operation of the campus facilities is managed by VTC's institutions in accordance with the Ordinance.

In consultation with the VTC, my reply to the Hon Ma's question is as follows:

- (1) The Hong Kong Design Institute (HKDI) has four sports facilities

including the swimming pool, basketball courts, tennis courts and the multi-purpose hall. The relevant opening hours of the swimming pool, basketball courts and the multi-purpose hall for public use in the past three years are shown below:

Facilities	2015/16 academic year	2016/17 academic year	2017/18 academic year
Swimming Pool Open from April to October every year for a total of 990 hours	6 047 (attendance)	5 085 (attendance)	5 897 (attendance)
Basketball Courts	129 hours	114 hours	134 hours
Multi-purpose Hall	70 hours	99 hours	106 hours

Since the tennis courts are located on the rooftop of the teaching building without public entrance for access, in the past three academic years, having regard to security considerations HKDI has not yet worked out the arrangement to open the tennis courts to the public. HKDI will soon finalise the arrangement for opening the tennis courts to the public, it has also invited youth organisations in the neighbourhood to rent the tennis courts at specified timeslots to further enhance utilisation of its facilities. Please refer to part (5) of the reply for details.

(2) Utilisation of the multi-purpose hall at HKDI over the past three years is shown below:

Purpose	2015/16 academic year	2016/17 academic year	2017/18 academic year
Teaching & learning	521.5 hours	477 hours	458 hours
HKDI & VTC events	1 990.5 hours	1 932 hours	1 819 hours
Hired by external parties	70 hours	99 hours	106 hours
Total	2 582 hours	2 508 hours	2 383 hours

The multi-purpose hall is open for free use by students when it is not used for specific purposes or rented by external parties. Other time slots will be allocated for maintenance and cleaning. Since HKDI does not maintain a breakdown of the hours involved for such uses, the statistics on vacant hours is therefore not available.

(3) VTC has all along been renting out the VTC Auditorium, d-mart and Lecture Theatre to different bodies such as charitable organisations, government organisations and professional societies for organising various events. Please refer to the Annex for details of these events. Utilisation of the VTC

Auditorium, HKDI Gallery, d-mart and Lecture Theatre over the past three years is shown below:

(a) VTC Auditorium:

Purpose	2015/16 academic year	2016/17 academic year	2017/18 academic year
Teaching & learning (Note 1)	78 days	78 days	78 days
HKDI & VTC events	138 days	178 days	171 days
Maintenance & repair works	112 days	103 days	58 days
Hired by external parties	2 days	3 days	14 days
Total	330 days	362 days	321 days

(b) HKDI Gallery:

Purpose	2015/16 academic year	2016/17 academic year	2017/18 academic year
HKDI & VTC events	312 days	311 days	336 days
Hired by external parties	/	/	/
Total	312 days	311 days	336 days

External parties can rent the HKDI Gallery for hosting events. Yet in the past three years, VTC have not received such applications. The design exhibitions organised by the HKDI at HKDI Gallery are open to the public for free entry.

(c) d-mart:

Purpose	2015/16 academic year	2016/17 academic year	2017/18 academic year
HKDI & VTC events	364 days	339 days	358 days
Hired by external parties	/	/	5 days
Total	364 days	339 days	363 days

(d) Lecture Theatre:

Purpose	2015/16 academic year (Note 2)	2016/17 academic year (Note 2)	2017/18 academic year
Teaching & learning	/	/	140 hours
HKDI & VTC events	/	/	1 358.5 hours
Hired by external parties	40 hours (5 days)	24 hours (3 days)	56 hours (7 days)

Total	/	/	1 554.5 hours
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(4) VTC is considering ways to rationalise the arrangements and rental fees for the public's use of its recreational facilities during non-teaching hours. The exercise is expected to be completed in early 2019, and will be reviewed annually. Prior to the announcement of the review results, the existing rental charges for HKDI's facilities by the public or external parties are as follows:

Facility	Rental charge
Swimming Pool	Adults $\frac{1}{4}$ \$20 Children under 12 and senior citizen above 60 $\frac{1}{4}$ \$10
Basketball Courts	\$80 per hour
Multi-purpose hall (338.6 square metres)	\$710 per hour (all facilities inside the hall can be used)
VTC Auditorium (740 seats)	From \$2,280 per hour
HKDI Gallery (600 square metres)	From \$14,780 per day
d-mart (1 040 square metres)	From \$7,385 per day
Lecture Theatre (289 seats)	From \$1,605 per hour

(5) In respect of opening of the tennis courts for rental by youth and other visiting organisations, having regard to the views of the local community, HKDI has invited youth organisations in the neighbourhood to rent the tennis courts at specified timeslots to further enhance utilisation of the facilities. HKDI is actively preparing the rental guidelines and finalising the operational details with a view to announcing the arrangements in the second quarter of 2019.

(6) HKDI will publicise details of the opening hours and charges of its sports facilities by hoisting banners at prominent locations outside its swimming pool and basketball courts. Relevant information has also been published on the website of HKDI, the public may also make enquiries by phone (at 3928 2000) and email (hkdi@vtc.edu.hk). In addition, details of the VTC Auditorium and other event venues for rental at HKDI are also available on the website. Enquiries can be made by phone at 3928 2761 and through an online form (www.hkdi.edu.hk/en/about/#tabs-about-campus).

(7) The Government will monitor the VTC to ensure that its operation meets the objectives and functions as stipulated in the Ordinance, as well as the terms of its agreements with the Government. On the basis that the day-to-day operation of the campus facilities is managed by the VTC, it will be more appropriate for VTC to formulate arrangements for opening its facilities to the public having regard to the teaching needs of HKDI, utilisation by students for extracurricular activities, as well as the cost of operation,

maintenance, etc. of the relevant facilities. Notwithstanding this, we will liaise with VTC from time to time to learn about the arrangements they put in place, and request HKDI to enhance such arrangements such as the opening hours, fees, etc. as necessary, with a view to optimising utilisation of these facilities.

Note 1: The VTC Auditorium is used for teaching and learning every Tuesday, Wednesday and Thursday. The figures are calculated based on 13 weeks per semester with two semesters in an academic year. However, event dates might occasionally overlap with scheduled classes.

Note 2: Information on the utilisation of the venues for teaching and learning and internal events for 2015/16 academic year and 2016/17 academic year is no longer available due to system constraints.

Civil Aviation Department follows up on runway incident

A runway incident occurred at Hong Kong International Airport yesterday evening (November 13). An arriving flight landed on a runway as instructed by an Air Traffic Control Officer (ATCO) while a business jet had yet to fully vacate the runway within the expected time. No one was injured and the operation of the airport was not affected by the incident.

A spokesman for the Civil Aviation Department (CAD) said, "At 7.47pm last night, a China Southern Airlines B738 airliner travelling from Zhejiang to Hong Kong landed at the North Runway (07L) as per the instruction of the ATCO, while the preceding business jet that had landed on the same runway had not vacated the runway completely. The pilot of the business jet had acknowledged the instruction of the ATCO to expedite vacating the runway. The runway is 3 800 metres long. According to the preliminary information, the two aircraft were more than 1 800m apart when the B738 airliner touched down."

The CAD has reported the incident to the Air Accident Investigation Authority and will continue to follow up on the incident in accordance with established procedures to prevent recurrence of similar incidents.

Managers and operators fined for illegal club operations

Two men, two women and a company were fined from \$2,000 to \$3,000 at Kowloon City Magistrates' Courts today (November 14) for contravening the Clubs (Safety of Premises) Ordinance.

The courts heard that in April this year, officers from the Office of the Licensing Authority (OLA) of the Home Affairs Department conducted inspections at two clubs on Shanghai Street and Argyle Street in Mong Kok, which had been operating with certificates of compliance (CoCs).

The staff of the club on Shanghai Street failed to show the registered drawings upon the OLA officers' request. Condition 17 of the CoC was breached. The woman, being the manager of the club, was charged with contravening section 21(1) (a) of the Ordinance and another woman, being the CoC holder of the club, was charged with contravening section 21(2) of the Ordinance.

During the investigation in the club on Argyle Street, the OLA officers posed as customers and patronised the club for food and drinks without being asked to show their membership status or being invited to join the club as members. The club was also found to have a layout that deviated from the registered drawings and the staff of the club failed to show the registered drawings upon the OLA officers' request. Conditions 3, 17 and 19 of the CoC were breached.

The two men and the company, being the managers and the CoC holder of the club respectively, were charged with contravening section 21(1) (a) or section 21(2) of the Ordinance.

A spokesman for the department reminded all CoC holders to comply with the conditions as stipulated therein. Enforcement action will continue to be taken against illegal club operations.