

## Man fined for operating unlicensed guesthouse

A man was fined \$12,000 at the Eastern Magistrates' Courts today (April 9) for contravening the Hotel and Guesthouse Accommodation Ordinance.

The courts heard that in September last year, officers of the Office of the Licensing Authority (OLA), Home Affairs Department, inspected a suspected unlicensed guesthouse on Des Voeux Road West in Sai Wan. The OLA officers posed as lodgers and successfully rented a room in the guesthouse on a daily basis.

According to the OLA's records, the guesthouse did not possess a licence under the Ordinance on the day of inspection. The man responsible for operating 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 ([hadlaenq@had.gov.hk](mailto:hadlaenq@had.gov.hk)), by fax (2504 5805) using the report form downloaded from the OLA website ([www.hadla.gov.hk](http://www.hadla.gov.hk)), or through the mobile application "Hong Kong Licensed Hotels and Guesthouses".

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## Review on Civil Service Pay Level Survey and Starting Salaries Survey

The Government announced today (April 9) that the Acting Chief Executive-in-Council (CE-in-Council) has decided that the recommendations of the Standing Commission on Civil Service Salaries and Conditions of Service in relation to the review on the civil service Pay Level Survey (PLS) and Starting Salaries Survey (SSS) in its Report No. 59 should be accepted in full. This includes that the SSS will be conducted as and when necessary in future in response to specific circumstances.

The Standing Commission's major recommendations include the continued adoption of the existing methodologies for the PLS and the SSS but with enhancements, covering the adoption of a more precise job family categorisation; an increase in the number of organisations to be surveyed;

and the request to organisations participating in the surveys to provide additional pay-related data for entry-level positions. As regards the frequency for the conduct of the surveys, the PLS will continue to be conducted at a six-yearly interval, while the SSS is recommended to be conducted as and when necessary in response to specific circumstances instead of triennially. The Standing Commission also recommends the continued adoption of the holistic approach, which takes into account a basket of relevant principles and considerations in considering how the future survey results should be applied.

As regards the SSS, in future, the Government will consider conducting it in response to specific circumstances including when the findings or observations of the PLS suggest that the conduct of the SSS is warranted; there are serious recruitment difficulties, severe deterioration in the appointment position or substantial changes to the regulatory framework of the entry ranks of the civil service grades under an individual Qualification Group (QG) or related QGs; or there are rapid and unforeseeable changes to the local economy that may have a significant and lasting impact on the employment market including the civil service in Hong Kong.

The Government agrees that, instead of a mechanical application of future survey findings, the holistic approach should continue to be adopted. Consideration and balancing of the relevant principles and factors can thus be made flexibly.

"The Government accepts the Standing Commission's recommendations in full, which will improve data sufficiency and representativeness of future surveys. The Government wishes to express its sincere gratitude to the Standing Commission for having conducted the review on the two surveys, its in-depth analysis on the subject and the various insightful recommendations it has come up with. The Government is also grateful to all the stakeholders for their valuable input," a spokesperson of the Civil Service Bureau said.

The Improved Civil Service Pay Adjustment Mechanism comprises three types of pay surveys (i.e. the annual Pay Trend Survey and the above-mentioned PLS and SSS). In April 2017, the Government invited the Standing Commission to conduct a review on the PLS and the SSS, having regard to the recommendations made by the Standing Commission in the context of the 2013 PLS and the 2015 SSS respectively. The Standing Commission submitted Report No. 59 on the review to the Chief Executive on December 17, 2018. Upon consulting the staff side representatives and relevant stakeholders on the findings and recommendations in the Report, the Civil Service Bureau sought the Acting CE-in-Council's decision on the way forward today.

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# SFST's speech on public finance at LegCo Finance Committee special meeting

Following is the English translation of the speech by the Secretary for Financial Services and the Treasury, Mr James Lau, on public finance at the special meeting of the Legislative Council (LegCo) Finance Committee today (April 9):

Chairman and Honourable Members,

This session of the special meetings of the Finance Committee will examine the expenditure estimates of the Treasury Branch and related departments. The policy areas under the Treasury Branch's purview cover revenue and financial control, provision of central support services within the Government and maintenance of government properties. Before the question session begins, I would like to brief Members on a few points.

## Estimates of Expenditure

The estimated total expenditure of the Treasury Branch and departments under its purview for 2019-20 is \$9.785 billion. The amount represents an increase of \$1.306 billion (around 15.4 per cent) over the original estimate of last year.

## Key Areas of Work in the Coming Year

As regards our work in the coming year, I would like to brief Members on the following key areas.

On public finances, we will continue to adhere to the new fiscal philosophy of the current-term Government by following the principle of fiscal prudence to ensure healthy public finances, as well as adopting forward-looking and strategic principles in resource management and allocation in support of government policies to invest for Hong Kong and relieve people's burden.

On international tax co-operation, we conducted the first automatic exchange of financial account information in tax matters with the relevant tax jurisdictions last year, and are progressively implementing the minimum standards of the package to counter base erosion and profit shifting by enterprises. We will ensure that Hong Kong complies with the relevant international requirements on tax co-operation. Furthermore, we will continue to expand Hong Kong's network of Comprehensive Avoidance of Double Taxation Agreements (CDTAs). So far, Hong Kong has signed 40 CDTAs, and negotiations with 15 tax jurisdictions are under way. Our target is to bring the total number of CDTAs to 50 over the next few years.

The Tax Policy Unit was set up in April 2017, with its priority being to capitalise on the tax policy to facilitate the development of Hong Kong's industries and economy. It has so far assisted in implementing tax measures such as the two-tiered profits tax rates regime and the provision of enhanced tax deduction for research and development expenditure. It has also worked with other bureaux to study tax measures in their policy areas, for example, insurance and ship leasing business. With global requirements and competition in taxation matters becoming more complex and Hong Kong moving towards a diversified economy, the Government will closely monitor international developments on tax requirements and ensure compliance, while introducing tax measures strategically to enhance Hong Kong's competitiveness and ensure stability of our tax revenue. To better support the Government's work on the overall economic development of Hong Kong, the Unit will come directly under the Financial Secretary's Office starting from July this year. The Financial Services and the Treasury Bureau (FSTB) and the Inland Revenue Department will work closely with the Unit in an effort to formulate the tax policy that can safeguard a stable income for the Government on one hand, and cater for the development needs of Hong Kong's industries and economy on the other.

On government procurement, we have implemented two new policies from April this year, the first one being pro-innovation government procurement policy. To promote the development of innovation and technology (I&T), the Government introduced the pro-innovation government procurement policy and arrangements from April 1, which aim to promote the adoption of innovative suggestions and facilitate the participation of enterprises, including start-ups and small and medium enterprises (SMEs), in government procurement. Government departments will make wider use of marking schemes, consider both quality and price of tenders, and increase the weighting for quality in tender evaluation. Under the new policy, a weighting of at least 50 per cent or even 70 per cent will be given to quality in general. In addition, certain marks will have to be set aside for assessing innovative suggestions, so that innovative tenders will stand a better chance of success. In parallel, the government departments concerned will roll out measures to enhance exchange with the I&T sector and dissemination of information to facilitate the participation of I&T start-ups and SMEs in government procurement, as well as to equip government departments with a better understanding and knowledge of I&T development in the market. We will, in collaboration with the Government Logistics Department, oversee the implementation of the new policy.

The second new policy on procurement is the enhanced protection for non-skilled workers. Following a review conducted by a working group led by the Labour and Welfare Bureau, the Government has implemented new measures in respect of service contracts that rely heavily on the deployment of non-skilled workers starting from April this year in a bid to enhance protection for such workers. The measures include increasing the weighting for wage level as an assessment criterion in the technical assessment, encouraging departments to adopt a tenure of not less than three years for the service contracts where practicable, and requiring government service contractors to provide such employment benefits as contractual gratuities and extra pay for working when typhoon signal No. 8 or above is in force. We will maintain

communication with the Labour Department and the procuring departments to monitor the implementation of the measures.

On property management, the Government Property Agency (GPA) will enhance its role in providing central support services to support government policies in different areas in the coming year. First, in collaboration with the relevant departments, the GPA will vigorously promote the "single site, multiple use" model in multi-storey developments, steer and take forward multi-storey development projects with cross-bureaux facilities, and expedite their delivery through enhanced internal co-ordination. The Development Bureau and the FSTB will jointly provide the necessary policy support.

Second, in line with the Government's policy objective to build a caring society, the GPA has introduced new leasing arrangements. From 2019 onwards, when assisting departments in leasing government properties, the GPA will, where suitable, give priority to applications by non-governmental organisations and social enterprises which have obtained policy support. This will facilitate the provision of social services by the organisations concerned.

Moreover, the GPA will step up its property management work by gradually taking charge of the management of the facilities at border control points. This, coupled with the completion of new government offices and properties, will bring about a marked increase in the GPA's workload in such areas as property management and support services. The resources required for 2019-20 have already been reflected in the GPA's Head of Expenditure.

Chairman, my colleagues and I will be happy to answer any questions from Members.

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## **EAC expresses grave concern about Register of Electors case**

The following is issued on behalf of the Electoral Affairs Commission:

The Electoral Affairs Commission (EAC) today (April 9) made the following statement on a case in which the Registration and Electoral Office (REO) has not located a Register of Electors of a polling station located at SKH Tsing Yi Estate Ho Chak Wan Primary School in Kwai Tsing in the 2016 Legislative Council General Election:

The EAC expressed grave concern about the incident and tasked the REO to fully co-operate with the Police and the Office of the Privacy Commissioner for Personal Data on the investigations, and to follow up on the incident in a serious manner. Meanwhile, the REO must submit a detailed report to the

EAC.

"It is highly undesirable that the REO has yet to recover a Register of Electors of the 2016 Legislative Council General Election and did not report the incident for more than two years. The EAC will conduct an independent investigation into the incident and make recommendations on improvements. The report is expected to be completed within eight weeks after commencement of the work," a spokesman for the EAC said.

"The REO must learn the lesson, conduct a serious review on the workflow and make improvements, especially on the internal communication mechanism, administrative and human resources management, training of REO staff and polling staff, the workflow in polling stations and verification procedures. The REO should develop more comprehensive and effective measures to protect information of electors and to prevent recurrence of similar incidents.

"A lot of manpower and resources are deployed whenever a public election is held by the REO. REO staff must strictly comply with the requirements of the legislation and the code of the Government and other relevant organisations on handling of personal data. It should be very cautious when handling and storing voter registration information, while upholding security and honesty as the paramount principle," the spokesman added.

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## [CE meets Prime Minister of Japan in Tokyo \(with photos/videos\)](#)

The Chief Executive, Mrs Carrie Lam, today (April 9) met with the Prime Minister of Japan and delivered a keynote speech at the Symposium on the Guangdong-Hong Kong-Macao Greater Bay Area jointly organised by the governments of Guangdong, Hong Kong and Macao in Tokyo.

At noon, Mrs Lam met with the Prime Minister of Japan, Mr Shinzo Abe. She thanked the Japanese Government for its arrangements and assistance, making it possible for her to have two fruitful visits to Japan within half a year. She said that the main objective of her visit this time was to attend the Symposium on the Guangdong-Hong Kong-Macao Greater Bay Area held by the governments of Guangdong, Hong Kong and Macao and that she was pleased that the response to the Symposium from various sectors in Japan had been overwhelming with more than 1 000 participants, which is a testimony to the interest of many Japanese enterprises and people in participating in the Greater Bay Area development. She said that Hong Kong and Japan enjoy close ties in trade, economic affairs and people-to-people exchanges and that the Japan Autumn Festival in Hong Kong, which has been held annually since 2016, is very well received by members of the public, attracting hundreds of

thousands of participants each year. She added that she believes that both places could further enhance co-operation, in particular in the provision of elderly care services to respond to the challenge of an ageing population. Both sides also exchanged views on other issues including food safety at the meeting.

In the morning, Mrs Lam, together with the Governor of Guangdong Province, Mr Ma Xingrui, and the Secretary for Administration and Justice of the Macao Special Administrative Region Government, Ms Sonia Chan, attended the Symposium on the Guangdong-Hong Kong-Macao Greater Bay Area, and they each delivered a keynote speech. Mrs Lam briefed the participants on the background and favourable conditions of the development of the Guangdong-Hong Kong-Macao Greater Bay Area, as well as Hong Kong's competitive strengths and important role in the Greater Bay Area. Pointing out that the development of the Guangdong-Hong Kong-Macao Greater Bay Area has unprecedented advantages, she said that Hong Kong will play an active role in the Greater Bay Area development. Hong Kong will leverage its status as a highly open and international city with a business environment that is open and facilitating, as well as its top-quality professional services, to complement the advantages of the nine Mainland cities within the Greater Bay Area, such as the size of their market, their well-rounded industry system and their relative strength in technology, to take forward the co-ordinated development of the Greater Bay Area and to further enhance Hong Kong's status as an international financial, maritime and trade centre, as well as an international aviation hub. She encouraged Japanese enterprises to make use of Hong Kong as a platform to explore the business opportunities in the Greater Bay Area. She also expressed her hope for enhanced co-operation with Japan on innovation and technology.

Mrs Lam concluded her visit to Japan and returned to Hong Kong in the afternoon.





