

## **LEGCO QUESTION NO. 14 (Written Reply)**

Date of sitting: 5 December 2001

Asked by: The Hon Cyd HO Sau-lan

Replied by: Secretary for Planning  
and Lands

### **Question:**

It has been reported that the land rents paid to the Government by many long-established private clubs in Hong Kong, which turn away the general public by setting stringent entry requirements or by charging exorbitant membership fees, are well below the market rates. In this connection, will the Government inform this Council:

- (a) of the current number of private clubs in Hong Kong which pay land rents at below-market rates; the name, location, membership size, entry requirements, actual annual or monthly land rent payable to the Government and the amount of such land rent that should have been paid if calculated in accordance with the market rate in respect of each of these clubs;
- (b) of the criteria it has adopted for deciding which private clubs may pay land rents at below-market rates;
- (c) of the number of clubs which are granted land leases stipulating that the operators shall allow government-run activities to be held in their premises upon request; whether the Government has exercised such right in the past three years; if so, of the details; if not, the reasons for that; and
- (d) whether it will review the policy of allowing private clubs to pay land rents at below-market rates; if so, of the review timetable; if not, the reasons for that?

**Reply :**

Madam President,

- (a)&(b) The current policy of charging Government rent at 3% per annum of the rateable value of the property for extended leases has been implemented since 27 May 1985. This applies to all leases including those for private recreational organisations or clubs.

Prior to 27 May 1985, Government rents for land leases held for different purposes could vary depending on when the leases were executed and their nature of use. The rents charged in respect of these leases were set at rates prevailing at the time when the leases were executed. Renewal of these pre-1985 leases, if approved by Government, will be subject to the new Government rent of 3% per annum of the rateable value of the property. There is therefore no question of clubs paying Government rents at below market rates.

- (c) There are some 64 leases for recreational purposes which contain a clause allowing the competent authorities to require the grantees to make available their premises for sports and similar activities conducted by schools, youth organisations, Government departments or sports teams visiting Hong Kong or for open sports events as appropriate. The competent authorities include the Director of Education, the Director of Social Welfare, the Director of Leisure and

Cultural Services, the Secretary for the Civil Service and the Secretary for Home Affairs.

The Leisure and Cultural Services Department has made use of the said clause in the leases for organising sports training and competitions for the public. During the past three years, the Department has organised 38 competitions and 1,035 training courses in six private recreational organisations or clubs. The other competent authorities have not made use of the club venues because they have not found the need to do so.

- (d) There is no intention to change the current policy of charging Government rent at 3% per annum of the rateable value of the property. This arrangement is in line with the provision of the Basic Law.