

## Head 162 — RATING AND VALUATION DEPARTMENT

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**Controlling officer:** the Commissioner of Rating and Valuation will account for expenditure under this Head.

**Estimate 2001–02**..... **\$389.6m**

**Establishment ceiling 2001–02** (notional annual mid-point salary value) representing an estimated 939 non-directorate posts at 31 March 2001 reducing by five posts to 934 posts at 31 March 2002..... **\$263.8m**

In addition there will be an estimated 15 directorate posts at 31 March 2001 and at 31 March 2002.

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### Controlling Officer's Report

#### Programmes

|   |   |
|---|---|
| <b>Programme (1) Statutory Valuation and Assessments</b>                      | These programmes contribute to Policy Area 25: Revenue Collection and Financial Control (Secretary for the Treasury). |
| <b>Programme (2) Collection and Billing of Rates and Government Rent</b>      |   |
| <b>Programme (3) Provision of Valuation and Property Information Services</b> | This programme contributes to Policy Area 27: Intra-Governmental Services (Secretary for the Treasury).               |
| <b>Programme (4) Landlord and Tenant Services for Domestic Premises</b>       | This programme contributes to Policy Area 31: Housing (Secretary for Housing).  |

#### Detail

##### Programme (1): Statutory Valuation and Assessments

|                           | 1999–2000<br>(Actual) | 2000–01<br>(Approved) | 2000–01<br>(Revised) | <b>2001–02<br/>(Estimate)</b> |
|---------------------------|-----------------------|-----------------------|----------------------|-------------------------------|
| Financial provision (\$m) | 220.6                 | 236.0<br>(+7.0%)      | 234.3<br>(–0.7%)     | <b>240.1<br/>(+2.5%)</b>      |

#### Aim

**2** The aim is to establish and maintain a database showing all properties liable to Rates and/or Government Rent with their respective Rateable Values which are reviewed annually.

#### Brief Description

**3** The department:

- references properties, creates and maintains a database for them with a view to determining and updating their respective Rateable Values on an annual basis;
- compiles and maintains:
  - (a) a Valuation List showing all rated premises together with their respective Rateable Values, on which Rates are charged at a percentage determined by the Legislative Council; and
  - (b) a Government Rent Roll which records all premises assessed to Government Rent and their respective Rateable Values upon which Government Rent is charged at 3% of the rateable value for those premises pursuant to the Government Rent (Assessment and Collection) Ordinance (Cap 515);
- reviews Rateable Values upon receipt of objections and appeals; and
- processes applications for Rates and/or Government Rent exemption.

**4** A general revaluation of the Rateable Values of properties in the Valuation List and Government Rent Roll is now conducted annually in order to better reflect prevailing market rents. This additional work commitment has affected the department's performance against the targets in two areas of work. The key performance measures in respect of statutory valuation and assessments are:

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### *Targets*

|  | Target | 1999–2000<br>(Actual) | 2000–01<br>(Estimate) | <b>2001–02<br/>(Plan)</b> |
|--|--------|-----------------------|-----------------------|---------------------------|
| to notify the ratepayer and/or rentpayer of the Rateable Value of a new property within 11 months from the date when Rates and/or Government Rent first become payable (%).....          | 80     | 92@                   | 75#                   | <b>80</b>                 |
| to process objections to new assessments within four months (%)§ .....   | 75     | 91φ                   | 75                    | <b>75</b>                 |
| to process objections to existing assessments within four months (%)§ .....  | 75     | N.A.†                 | 75                    | <b>75</b>                 |
| to allocate building numbers to new buildings not later than one month after their completion in urban areas and in rural areas where there is an established numbering scheme (%) ..... | 85     | 77                    | 80#                   | <b>85</b>                 |

@ Against the target of 85% for 1999–2000.

§ The statutory requirement for processing objections is within six months.

φ Against the target of 80% for 1999–2000.

† New target from 2000–01.

# Performance slightly below expectation due to increased work commitment arising from annual revaluation.

### *Indicators*

|  | 1999–2000<br>(Actual) | 2000–01<br>(Estimate) | <b>2001–02<br/>(Estimate)</b> |
|--|-----------------------|-----------------------|-------------------------------|
| <b>Valuation List for Rates</b>                          |                       |                       |                               |
| no. of assessments in the List.....                      | 1 780 259             | 1 850 000             | <b>1 920 000</b>              |
| no. of new assessments to be added to the List.....      | 94 827                | 80 000                | <b>80 000</b>                 |
| no. of assessments deleted from the List.....            | 7 967                 | 8 500                 | <b>8 500</b>                  |
| <b>Government Rent Roll</b>                              |                       |                       |                               |
| no. of assessments in the Rent Roll.....                 | 1 236 093             | 1 310 000             | <b>1 380 000</b>              |
| no. of new assessments to be added to the Rent Roll..... | 88 318                | 180 000@              | <b>80 000</b>                 |
| no. of assessments deleted from the Rent Roll.....       | 9 906                 | 8 000                 | <b>8 000</b>                  |

@ Some 100 000 assessments of agricultural lots with rateable values not exceeding the minimum amount were added to the Rent Roll on 1 April 2000.

### *Matters Requiring Special Attention in 2001–02*

5 The department will:

- continue the referencing and valuation of properties not yet assessed to Rates and/or Government Rent, and add them to the database;
- carry out a General Revaluation to update Rateable Values which will take effect from 1 April 2002;
- review the computer systems with a view to further improving efficiency and service to the public; and
- make available on the Internet the Valuation List and Government Rent Roll in addition to the paper version.

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

|                           | 1999–2000<br>(Actual) | 2000–01<br>(Approved) | 2000–01<br>(Revised) | <b>2001–02<br/>(Estimate)</b> |
|---------------------------|-----------------------|-----------------------|----------------------|-------------------------------|
| Financial provision (\$m) | 42.6                  | 42.0<br>(–1.4%)       | 41.8<br>(–0.5%)      | <b>42.4<br/>(+1.4%)</b>       |

### *Aim*

6 The aim is to levy Rates and to charge Government Rent in accordance with the Rating Ordinance and the Government Rent (Assessment and Collection) Ordinance respectively.

### *Brief Description*

7 The department issues demand notes and maintains accounts for Rates and/or Government Rent for all properties included in the Valuation List and the Government Rent Roll. The department also regularly reviews the Rating

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Ordinance and the Government Rent (Assessment and Collection) Ordinance, and updates procedures to ensure the timely collection of Rates and Government Rent revenue and to improve services to the public.

8 The key performance measures in respect of collection and billing of Rates and Government Rent are:

### *Targets*

|  | Target | 1999–2000<br>(Actual) | 2000–01<br>(Estimate) | <b>2001–02<br/>(Plan)</b> |
|--|--------|-----------------------|-----------------------|---------------------------|
| Collection of Rates<br>to keep the amount of arrears within a set<br>percentage of the Rates demanded for<br>the preceding 12 months (%).....                        | 0.8§   | 0.9                   | 0.9                   | <b>0.8</b>                |
| Collection of Government Rent<br>to keep the amount of arrears within a set<br>percentage of the Government Rent<br>demanded for the preceding 12 months<br>(%)..... | 1.1§   | 1.1                   | 1.2                   | <b>1.1</b>                |

§ With an overall reduction in rateable values of 17% and 7% in 1999–2000 and 2000–01 respectively, the amount of Rates and Government Rent demanded was reduced. Hence, the previous targets to keep the amount of arrears within 0.7% of the Rates and 1.0% of the Government Rent demanded for the preceding 12 months have become not realistic. The department has set more realistic targets for 2001–02 in the light of experience.

### *Indicators*

|   | 1999–2000<br>(Actual) | 2000–01<br>(Estimate) | <b>2001–02<br/>(Estimate)</b> |
|---|-----------------------|-----------------------|-------------------------------|
| no. of Rates and Government Rent accounts maintained..... | 1 814 285             | 1 900 000             | <b>1 970 000</b>              |
| no. of Rates and Government Rent accounts per post.....   | 17 445                | 18 447                | <b>19 126</b>                 |

### *Matters Requiring Special Attention in 2001–02*

9 Following the implementation of Phase 1 of Government's Electronic Service Delivery Scheme in late 2000, payers can obtain their Rates and/or Government Rent account information, and update their names and addresses through the Internet and other electronic means. The department will continue to look for improvements relating to billing, accounting and collection of Rates and Government Rent.

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

|                           | 1999–2000<br>(Actual) | 2000–01<br>(Approved) | 2000–01<br>(Revised) | <b>2001–02<br/>(Estimate)</b> |
|---------------------------|-----------------------|-----------------------|----------------------|-------------------------------|
| Financial provision (\$m) | 70.8                  | 73.6<br>(+4.0%)       | 73.1<br>(–0.7%)      | <b>74.8<br/>(+2.3%)</b>       |

### *Aim*

10 The aim is to provide valuation and property information services to government bureaux and departments, the private sector and the general public.

### *Brief Description*

11 The main activities involved are:

- provision of property valuation advice to the Inland Revenue Department to facilitate the collection of stamp duty and estate duty;
- provision of valuation advice to government bureaux and departments to assist them in formulating policies and in their day-to-day work; and
- compilation and publication of property market information quarterly and annually, and provision of property-related information to government bureaux and departments to facilitate policy review and formulation.

12 The key performance measures in respect of provision of valuation and property information services are:

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### *Targets*

|  | Target | 1999–2000<br>(Actual) | 2000–01<br>(Estimate) | <b>2001–02<br/>(Plan)</b> |
|--|--------|-----------------------|-----------------------|---------------------------|
| to notify the Inland Revenue Department of valuation on stamp duty cases within four months (%).....                 | 80     | 92                    | 80                    | <b>80</b>                 |
| to notify the Inland Revenue Department of valuation on estate duty cases within six months (%) .....                | 70     | 76                    | 70                    | <b>70</b>                 |
| to notify other client departments of valuation advice within four months (%).....                                   | 80     | 98                    | 80                    | <b>80</b>                 |
| to publish the quarterly property market statistics within eight weeks following the end of the quarter (weeks)..... | 8      | 9                     | 8                     | <b>8</b>                  |

### *Indicators*

|  | 1999–2000<br>(Actual) | 2000–01<br>(Estimate) | <b>2001–02<br/>(Estimate)</b> |
|--|-----------------------|-----------------------|-------------------------------|
| no. of stamp duty cases scrutinised where stated consideration is considered adequate.....     | 95 993                | 110 000               | <b>120 000</b>                |
| no. of stamp duty cases scrutinised where stated consideration is considered inadequate .....  | 7 720                 | 8 000                 | <b>8 000</b>                  |
| no. of valuations provided for stamp duty purposes for cases without stated consideration..... | 5 510                 | 5 500                 | <b>5 500</b>                  |
| no. of valuations provided for estate duty purposes .....                                      | 4 330                 | 4 500                 | <b>4 500</b>                  |
| no. of stamp and estate duty cases and valuations per post.....                                | 1 113                 | 1 255                 | <b>1 353</b>                  |
| no. of other valuations and rental advice cases provided.....                                  | 11 199                | 12 000                | <b>12 000</b>                 |
| no. of other valuations and rental advice cases per post.....                                  | 320                   | 343                   | <b>343</b>                    |

### *Matters Requiring Special Attention in 2001–02*

**13** The department will continue to provide property-related information to government bureaux and departments to facilitate their policy review and formulation.

**14** The department will develop an Integrated Property Data Bank to facilitate transfer, exchange and sharing of property data with other government departments and agencies which will enhance the efficiency of all parties concerned.

### **Programme (4): Landlord and Tenant Services for Domestic Premises**

|                           | 1999–2000<br>(Actual) | 2000–01<br>(Approved) | 2000–01<br>(Revised) | <b>2001–02<br/>(Estimate)</b> |
|---------------------------|-----------------------|-----------------------|----------------------|-------------------------------|
| Financial provision (\$m) | 33.2                  | 32.4<br>(–2.4%)       | 32.1<br>(–0.9%)      | <b>32.3<br/>(+0.6%)</b>       |

### *Aim*

**15** The department provides assistance to landlords and tenants in accordance with the Landlord and Tenant (Consolidation) Ordinance. It also provides advisory and mediatory services to the public on domestic tenancy matters to help settle disputes.

### *Brief Description*

**16** The main activities involved are:

- processing applications and notifications made under the Ordinance;
- conducting surveys and reviews of the Ordinance and making recommendations to the Secretary for Housing for improving the general operation of the Ordinance;
- providing advisory and mediatory services to the public on domestic landlord and tenant matters;
- monitoring use/disposal of premises where an order for possession is granted to the landlord by the Lands Tribunal for self occupation and redevelopment;
- providing assistance to the Lands Tribunal in determining rents and compensation under the Ordinance; and
- providing services to other government departments, the Lands Tribunal and affected tenants in cases where pre-war buildings are declared dangerous.

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17 The key performance measures in respect of landlord and tenant services are:

### *Targets*

|  | Target | 1999–2000<br>(Actual) | 2000–01<br>(Estimate) | <b>2001–02<br/>(Plan)</b> |
|--|--------|-----------------------|-----------------------|---------------------------|
| to issue a certificate of rateable value within 21 days of application (%).....                  | 90§    | 99                    | 90                    | <b>90</b>                 |
| to conduct inspections of repossessed premises at six-month intervals (%) .....                  | 90     | 99                    | 90                    | <b>90</b>                 |
| to endorse a notice of new letting or lease renewal within one month (%) .....                   | 90†    | 95                    | 90                    | <b>90</b>                 |
| to endorse a short term tenancy agreement within 21 days (%).....                                | 90@    | 99                    | 80#                   | <b>90</b>                 |
| to supply rental information to the parties to Lands Tribunal hearings within one month (%)..... | 90     | 96                    | 90                    | <b>90</b>                 |

§ Target was to complete 90% within one month for 2000–01 and before.

† Target was 95% for 2000–01 and before.

@ Target was to complete 95% within one month for 2000–01 and before.

# The performance was affected by the temporary redeployment of staff for clearing backlog in other areas.

### *Indicators*

|  | 1999–2000<br>(Actual) | 2000–01<br>(Estimate) | <b>2001–02<br/>(Estimate)</b> |
|--|-----------------------|-----------------------|-------------------------------|
| no. of applications and notices processed.....                 | 36 244                | 39 000                | <b>39 000</b>                 |
| no. of enquiries handled .....                                 | 70 098                | 70 000                | <b>70 000</b>                 |
| no. of applications, notices and enquiries processed per post. | 1 003                 | 1 147                 | <b>1 172</b>                  |

### *Matters Requiring Special Attention in 2001–02*

**18** A revised Landlord and Tenant (Consolidation) (Amendment) Bill will be introduced into the Legislative Council in 2001. The Bill is intended to streamline the procedures in renewal of domestic tenancies and recovery of possession of premises, increase penalties for harassment and unlawful eviction of tenants, and improve the general operation of the Ordinance.

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### ANALYSIS OF FINANCIAL PROVISION

| Programme   | 1999–2000<br>(Actual)<br>(\$m) | 2000–01<br>(Approved)<br>(\$m) | 2000–01<br>(Revised)<br>(\$m) | 2001–02<br>(Estimate)<br>(\$m) |
|---|--------------------------------|--------------------------------|-------------------------------|--------------------------------|
| (1) Statutory Valuation and Assessments.....                          | 220.6                          | 236.0                          | 234.3                         | <b>240.1</b>                   |
| (2) Collection and Billing of Rates and<br>Government Rent.....       | 42.6                           | 42.0                           | 41.8                          | <b>42.4</b>                    |
| (3) Provision of Valuation and Property<br>Information Services ..... | 70.8                           | 73.6                           | 73.1                          | <b>74.8</b>                    |
| (4) Landlord and Tenant Services for<br>Domestic Premises .....       | 33.2                           | 32.4                           | 32.1                          | <b>32.3</b>                    |
|   | 367.2                          | 384.0<br>(+4.6%)               | 381.3<br>(-0.7%)              | <b>389.6</b><br>(+2.2%)        |

#### Analysis of Financial and Staffing Provision

##### Programme (1)

Provision for 2001–02 is \$5.8 million (2.5%) higher than the revised estimate for 2000–01. The provision takes into account full-year requirement for vacancies filled in 2000–01, vacancies to be filled in 2001–02 and salary increments for existing staff, partly offset by savings achieved under the Enhanced Productivity Programme. In addition, two posts will be deleted in 2001–02 as a result of cancelling delivery by hand and re-organisation of work.

##### Programme (2)

Provision for 2001–02 is \$0.6 million (1.4%) higher than the revised estimate for 2000–01. The provision takes into account salary increments for existing staff, partly offset by savings achieved under the Enhanced Productivity Programme. In addition, one post will be deleted in 2001–02 as a result of reshuffle of duties.

##### Programme (3)

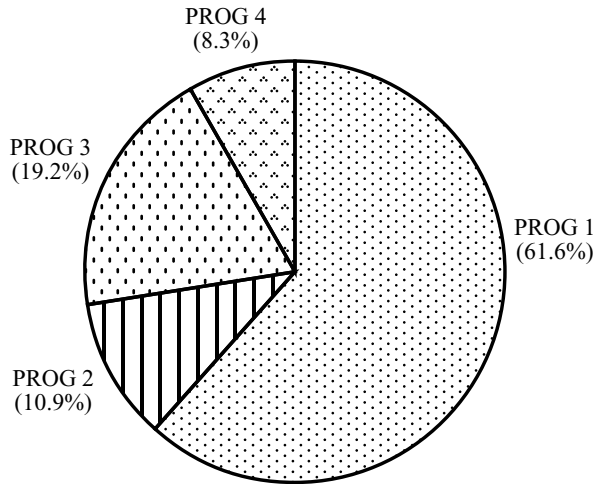
Provision for 2001–02 is \$1.7 million (2.3%) higher than the revised estimate for 2000–01. The provision takes into account full-year requirement for vacancies filled in 2000–01, vacancies to be filled in 2001–02 and salary increments for existing staff, partly offset by savings achieved under the Enhanced Productivity Programme. In addition, one post will be deleted in 2001–02 as a result of reshuffle of duties.

##### Programme (4)

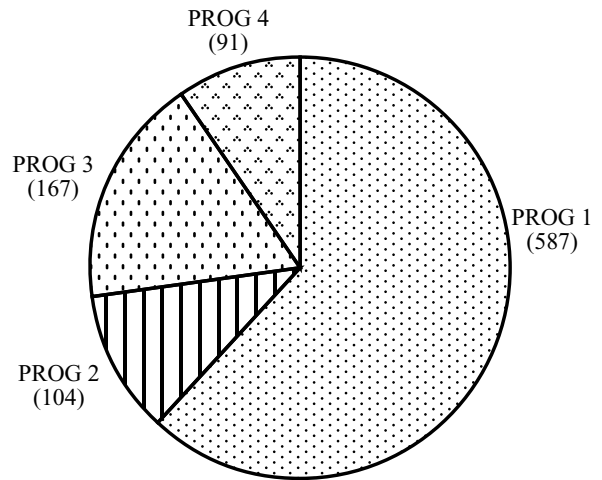
Provision for 2001–02 is \$0.2 million (0.6%) higher than the revised estimate for 2000–01. The provision takes into account salary increments for existing staff, partly offset by savings achieved under the Enhanced Productivity Programme. In addition, one post will be deleted in 2001–02 as a result of reshuffle of duties.

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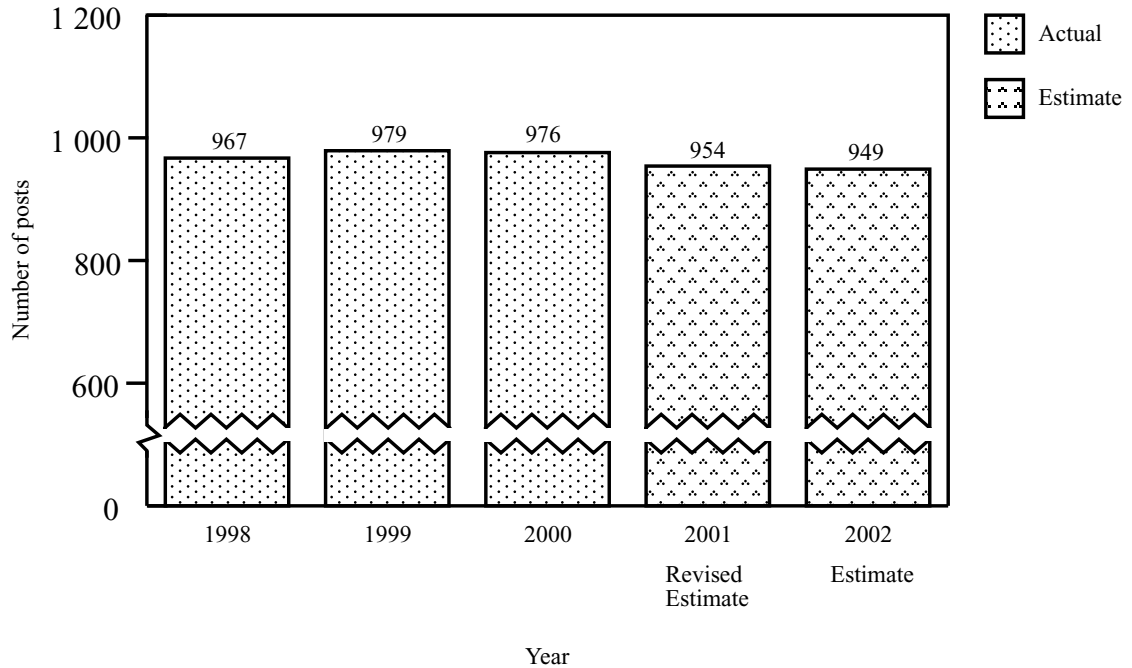
*Allocation of provision to programmes (2001-02)*



*Staff by programme (as at 31 March 2002)*



*Changes in the size of the establishment (as at 31 March)*



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| Sub-head<br>(Code)             |  | Actual<br>expenditure<br>1999–2000 | Approved<br>estimate<br>2000–01 | Revised<br>estimate<br>2000–01 | Estimate<br>2001–02          |
|--------------------------------|--|------------------------------------|---------------------------------|--------------------------------|------------------------------|
|                                |  | \$ 000                             | \$ 000                          | \$ 000                         | \$ 000                       |
| <b>Recurrent Account</b>       |  |                                    |                                 |                                |                              |
| I — Personal Emoluments        |  |                                    |                                 |                                |                              |
| 001                            | Salaries.....  | 315,739                            | 319,120                         | 321,432                        | <b>327,450</b>               |
| 002                            | Allowances.....  | 7,844                              | 6,765                           | 5,965                          | <b>6,115</b>                 |
| 007                            | Job-related allowances.....                              | 27                                 | 36                              | 30                             | <b>36</b>                    |
|                                | Total, Personal Emoluments .....                         | <u>323,610</u>                     | <u>325,921</u>                  | <u>327,427</u>                 | <u><b>333,601</b></u>        |
| III — Departmental Expenses    |  |                                    |                                 |                                |                              |
| 106                            | Temporary staff.....                                     | 4,061                              | 5,369                           | 6,000                          | <b>7,000</b>                 |
| 149                            | General departmental expenses.....                       | 37,270                             | 52,719                          | 47,868                         | <b>49,028</b>                |
|                                | Total, Departmental Expenses .....                       | <u>41,331</u>                      | <u>58,088</u>                   | <u>53,868</u>                  | <u><b>56,028</b></u>         |
|                                | Total, Recurrent Account .....                           | <u>364,941</u>                     | <u>384,009</u>                  | <u>381,295</u>                 | <u><b>389,629</b></u>        |
| <b>Capital Account</b>         |  |                                    |                                 |                                |                              |
| I — Plant, Equipment and Works |  |                                    |                                 |                                |                              |
|                                | Minor plant, vehicles and equipment (block<br>vote)..... | 1,438                              | —                               | —                              | —                            |
|                                | Total, Plant, Equipment and Works .....                  | <u>1,438</u>                       | <u>—</u>                        | <u>—</u>                       | <u>—</u>                     |
| II — Other Non-Recurrent       |  |                                    |                                 |                                |                              |
|                                | General other non-recurrent.....                         | 849                                | —                               | —                              | —                            |
|                                | Total, Other Non-Recurrent.....                          | <u>849</u>                         | <u>—</u>                        | <u>—</u>                       | <u>—</u>                     |
|                                | Total, Capital Account.....                              | <u>2,287</u>                       | <u>—</u>                        | <u>—</u>                       | <u>—</u>                     |
|                                | Total Expenditure .....                                  | <u><u>367,228</u></u>              | <u><u>384,009</u></u>           | <u><u>381,295</u></u>          | <u><u><b>389,629</b></u></u> |



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### Details of Expenditure by Subhead

The estimate of the amount required in 2001–02 for the salaries and expenses of the Rating and Valuation Department is \$389,629,000. This represents an increase of \$8,334,000 over the revised estimate for 2000–01 and of \$22,401,000 over actual expenditure in 1999–2000.

#### *Recurrent Account*

##### Personal Emoluments

**2** Provision of \$333,601,000 for personal emoluments represents an increase of \$6,174,000 over the revised estimate for 2000–01.

**3** The establishment at 31 March 2001 will be 954 permanent posts. It is expected that five posts will be deleted in 2001–02.

**4** Subject to certain conditions, the controlling officer may under delegated powers create or delete non-directorate posts during 2001–02, but the notional annual mid-point salary value of all such posts must not exceed \$263,812,000.

**5** Provision of \$6,115,000 under *Subhead 002 Allowances* is for standard allowances.

**6** Provision of \$36,000 under *Subhead 007 Job-related allowances* is for standard job-related allowances. The increase of \$6,000 (20.0%) over the revised estimate is due to additional requirement for allowances to staff for providing shroff service.

##### Departmental Expenses

**7** Provision of \$7,000,000 under *Subhead 106 Temporary staff* is for remunerating non-civil service contract staff, Valuation Surveying Graduates under the graduate training scheme and miscellaneous temporary staff. The increase of \$1,000,000 (16.7%) over the revised estimate for 2000–01 is mainly due to the employment of more non-civil service contract staff for enhancing telephone enquiry service.