

Head 162 — RATING AND VALUATION DEPARTMENT

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

Estimate 2009–10	\$403.1m
Establishment ceiling 2009–10 (notional annual mid-point salary value) representing an estimated 837 non-directorate posts as at 31 March 2009 rising by one post to 838 posts as at 31 March 2010 ...	\$258.8m
In addition, there will be an estimated 14 directorate posts as at 31 March 2009 and as at 31 March 2010.	
Commitment balance	\$0.1m

Controlling Officer's Report

Programmes

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

Detail

Programme (1): Statutory Valuation and Assessments

	2007–08 (Actual)	2008–09 (Original)	2008–09 (Revised)	2009–10 (Estimate)
Financial provision (\$m)	229.0	246.0	248.0 (+0.8%)	255.1 (+2.9%)
				(or +3.7% on 2008–09 Original)

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 rateable values on an annual basis;
- compiles and maintains:
 - a Valuation List showing all rated properties together with their rateable values, on which Rates are charged at a percentage determined in accordance with the Rating Ordinance; and
 - a Government Rent Roll for all properties assessed to Government Rent under the Government Rent (Assessment and Collection) Ordinance and their rateable values upon which Government Rent is charged at three per cent;

Head 162 — RATING AND VALUATION DEPARTMENT

- reviews rateable values upon receipt of objections and appeals;
 - processes applications for Rates and/or Government Rent exemption; and
 - conducts a general revaluation of the rateable values of properties in the Valuation List and Government Rent Roll annually to reflect prevailing market rents.
- 4 The key performance measures in respect of statutory valuation and assessments are:

Targets

	Target	2007–08 (Actual)	2008–09 (Revised Estimate)	2009–10 (Plan)
notifying the ratepayer and/or rentpayer of the rateable value of a new property within eight months from the date when Rates and/or Government Rent first become payable (%).....	85	91	85	85
processing objections to new assessments within four months (%)§	90	92	90	90
processing objections to existing assessments within four months (%)§	85	89	85	85
keeping the number of assessments unchallenged or remaining unchanged after objection review to not less than a set percentage of the assessments in the Valuation List (the set percentage).....	no less than 95	99	99	99
allocating 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 (%)	90	96	90	90

§ The statutory requirement is to process objections within six months.

Indicators

	2007–08 (Actual)	2008–09 (Revised Estimate)	2009–10 (Estimate)
Valuation List for Rates			
assessments in the List at year end	2 309 837	2 330 000	2 350 000
new assessments added to the List.....	35 483	30 000	30 000
assessments deleted from the List.....	10 476	10 000	10 000
Government Rent Roll			
assessments in the Rent Roll at year end	1 756 760	1 780 000	1 800 000
new assessments added to the Rent Roll	36 797	30 000	30 000
assessments deleted from the Rent Roll	8 654	10 000	10 000
Valuation List for Rates and Government Rent Roll			
total assessments	4 066 597	4 110 000	4 150 000
assessments per post	7 475	7 514	7 587

Matters Requiring Special Attention in 2009–10

- 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 the annual general revaluation to update rateable values to take effect from 1 April 2010; and
 - review and enhance the computer systems to further improve efficiency and services to the public.

Head 162 — RATING AND VALUATION DEPARTMENT

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

	2007–08 (Actual)	2008–09 (Original)	2008–09 (Revised)	2009–10 (Estimate)
Financial provision (\$m)	37.9	40.8	43.4 (+6.4%)	46.3 (+6.7%)
				(or +13.5% on 2008–09 Original)

Aim

6 The aim is to levy Rates and 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 Ordinance and the Government Rent (Assessment and Collection) Ordinance, and updates procedures to ensure the timely collection of Rates and Government Rent 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	2007–08 (Actual)	2008–09 (Revised Estimate)	2009–10 (Plan)
collection of Rates				
keeping the amount of arrears within a set percentage of the Rates demanded for the preceding 12 months (the set percentage)	no more than 0.9	0.8	0.8	0.9
collection of Government Rent				
keeping the amount of arrears within a set percentage of the Government Rent demanded for the preceding 12 months (the set percentage)	no more than 1.3	1.2	1.1	1.3

Indicators

	2007–08 (Actual)	2008–09 (Revised Estimate)	2009–10 (Estimate)
Rates and Government Rent accounts maintained.....	2 407 438	2 429 000	2 449 000
Rates and Government Rent accounts per post	25 077	25 041	24 990

Matters Requiring Special Attention in 2009–10

9 The Department will continue to:

- remind payers of their responsibility of timely settlement of Rates and Government Rent and the consequences of late payment; and
- review and enhance its Accounting and Billing System to speed up the recovery of arrears and to identify areas for improvement in service delivery.

Head 162 — RATING AND VALUATION DEPARTMENT

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

	2007–08 (Actual)	2008–09 (Original)	2008–09 (Revised)	2009–10 (Estimate)
Financial provision (\$m)	70.4	75.0	75.2 (+0.3%)	76.0 (+1.1%)
				(or +1.3% on 2008–09 Original)

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:

- providing property valuation advice to the Inland Revenue Department to facilitate the collection of stamp duty and estate duty;
- providing valuation advice to government bureaux and departments to assist them in formulating policies and in their day-to-day work;
- compiling and publishing property market information on a regular basis, and providing property-related information to government bureaux and departments to facilitate policy review and formulation; and
- providing enquiry service on property information to the public.

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

Targets

	Target	2007–08 (Actual)	2008–09 (Revised Estimate)	2009–10 (Plan)
notifying the Inland Revenue Department of valuation on stamp duty cases within four months (%)	85	96	85	85
notifying the Inland Revenue Department of valuation on estate duty cases within six months (%).....	85	27Ω	85	85
notifying other client departments of valuation advice within four months (%).....	90	97	90	90
publishing the monthly property market statistics within six weeks following the end of the month (%).....	100	100	100	100

Ω Target was not met due to the receipt and processing of one estate comprising several thousand cases within a short period of time.

Indicators

	2007–08 (Actual)	2008–09 (Revised Estimate)	2009–10 (Estimate)
stamp duty cases scrutinised where stated consideration is considered adequate	192 292	100 000α	80 000α
stamp duty cases scrutinised where stated consideration is considered inadequate	6 684	6 000α	5 000α
valuations provided for stamp duty cases without stated consideration	4 856	4 000α	4 000α

Head 162 — RATING AND VALUATION DEPARTMENT

	2007–08 (Actual)	2008–09 (Revised Estimate)	2009–10 (Estimate)
valuations provided for estate duty purposes ^β	7 495	1 000	800
valuations on stamp duty and estate duty cases per post	2 486	1 306 ^α	1 056^α
other valuations and rental advice cases provided.....	23 390	27 000	27 000
other valuations and rental advice cases per post	508	587	587

^α Decreases are due to a reduction in the number of transactions in the property market amidst the prevailing economic climate.

^β Although estate duty was abolished on 11 February 2006, there are still some outstanding cases to be processed in 2007–08 and following few years.

Matters Requiring Special Attention in 2009–10

13 The Department will continue to:

- provide property-related information to government bureaux and departments to facilitate their policy review and formulation; and
- review and enhance its computer systems to enrich the textual and graphic repository of property information, so as to improve the efficiency of data retrieval and transfer among the parties concerned, including government departments and agencies.

Programme (4): Landlord and Tenant Services

	2007–08 (Actual)	2008–09 (Original)	2008–09 (Revised)	2009–10 (Estimate)
Financial provision (\$m)	21.3	24.5	25.0 (+2.0%)	25.7 (+2.8%)
				(or +4.9% on 2008–09 Original)

Aim

14 The Department assists landlords and tenants in accordance with the Landlord and Tenant (Consolidation) Ordinance. It also provides advisory and mediatory services to the public on tenancy matters.

Brief Description

15 The main activities involved are:

- administering the provisions of the Landlord and Tenant (Consolidation) Ordinance, including processing applications and notifications made under the Ordinance;
- monitoring the operation of the Ordinance by conducting surveys and reviews, and making recommendations to the Secretary for Transport and Housing as and when necessary for improving tenancy arrangements under the Ordinance; and
- providing advisory and mediatory services to the public on tenancy matters.

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

Targets

	Target	2007–08 (Actual)	2008–09 (Revised Estimate)	2009–10 (Plan)
endorsing a notice of new letting or lease renewal within one month (%)	99 ^Ψ	100	99	99
issuing a substantive reply to a written or electronic enquiry on tenancy matters within 14 days (%) ^φ	90	N.A.	N.A.	90

^Ψ Improved from 95 per cent to 99 per cent as from 2009–10.

^φ New target as from 2009–10.

Head 162 — RATING AND VALUATION DEPARTMENT

Indicators

	2007-08 (Actual)	2008-09 (Revised Estimate)	2009-10 (Estimate)
applications and notices processed	37 532	42 000	42 000
enquiries handled.....	175 691	200 000	200 000
applications, notices and enquiries processed per post.....	3 231	3 667	3 667

Matters Requiring Special Attention in 2009-10

17 The Department will continue to administer the provisions of the Landlord and Tenant (Consolidation) Ordinance.

Head 162 — RATING AND VALUATION DEPARTMENT

ANALYSIS OF FINANCIAL PROVISION

Programme	2007–08 (Actual) (\$m)	2008–09 (Original) (\$m)	2008–09 (Revised) (\$m)	2009–10 (Estimate) (\$m)
(1) Statutory Valuation and Assessments	229.0	246.0	248.0	255.1
(2) Collection and Billing of Rates and Government Rent	37.9	40.8	43.4	46.3
(3) Provision of Valuation and Property Information Services	70.4	75.0	75.2	76.0
(4) Landlord and Tenant Services.....	21.3	24.5	25.0	25.7
	358.6	386.3	391.6 (+1.4%)	403.1 (+2.9%)
				(or +4.3% on 2008–09 Original)

Analysis of Financial and Staffing Provision

Programme (1)

Provision for 2009–10 is \$7.1 million (2.9%) higher than the revised estimate for 2008–09. This is mainly due to salary increments for staff, filling of vacancies and additional provision for temporary staff.

Programme (2)

Provision for 2009–10 is \$2.9 million (6.7%) higher than the revised estimate for 2008–09. This is mainly due to salary increments for staff, creation of one post in 2009–10 and increased requirement for general departmental expenses.

Programme (3)

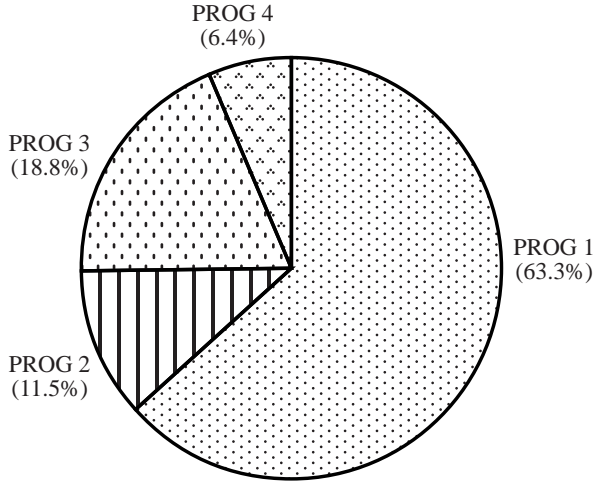
Provision for 2009–10 is \$0.8 million (1.1%) higher than the revised estimate for 2008–09. This is mainly due to salary increments for staff and filling of vacancies.

Programme (4)

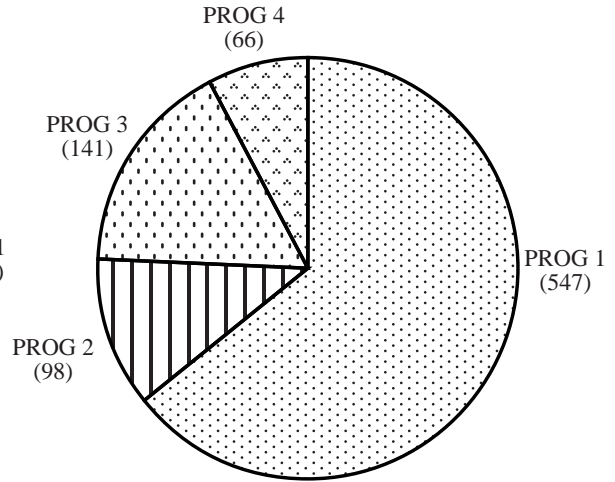
Provision for 2009–10 is \$0.7 million (2.8%) higher than the revised estimate for 2008–09. This is mainly due to salary increments for staff and increased salary provision arising from staff changes.

Head 162 — RATING AND VALUATION DEPARTMENT

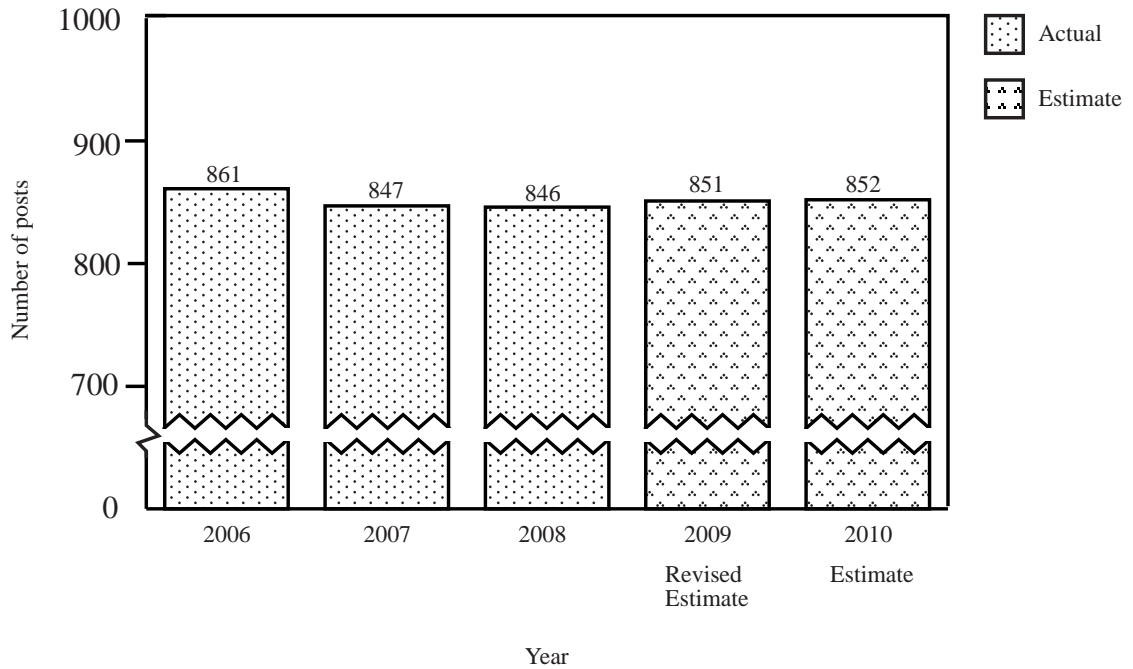
Allocation of provision to programmes (2009-10)



Staff by programme (as at 31 March 2010)



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



Head 162 — RATING AND VALUATION DEPARTMENT

Sub-head (Code)	Actual expenditure 2007-08	Approved estimate 2008-09	Revised estimate 2008-09	Estimate 2009-10	
	\$'000	\$'000	\$'000	\$'000	
Operating Account					
Recurrent					
000	Operational expenses	357,999	386,098	391,351	403,032
	Total, Recurrent	<u>357,999</u>	<u>386,098</u>	<u>391,351</u>	<u>403,032</u>
Non-Recurrent					
700	General non-recurrent	608	231	231	92
	Total, Non-Recurrent	<u>608</u>	<u>231</u>	<u>231</u>	<u>92</u>
	Total, Operating Account	<u>358,607</u>	<u>386,329</u>	<u>391,582</u>	<u>403,124</u>
<hr/>					
	Total Expenditure	<u><u>358,607</u></u>	<u><u>386,329</u></u>	<u><u>391,582</u></u>	<u><u>403,124</u></u>

Head 162 — RATING AND VALUATION DEPARTMENT

Details of Expenditure by Subhead

The estimate of the amount required in 2009–10 for the salaries and expenses of the Rating and Valuation Department is \$403,124,000. This represents an increase of \$11,542,000 over the revised estimate for 2008–09 and of \$44,517,000 over actual expenditure in 2007–08.

Operating Account

Recurrent

2 Provision of \$403,032,000 under *Subhead 000 Operational expenses* is for the salaries, allowances and other operating expenses of the Rating and Valuation Department.

3 The establishment as at 31 March 2009 will be 851 permanent posts. It is expected that one permanent post will be created in 2009–10. Subject to certain conditions, the controlling officer may under delegated power create or delete non-directorate posts during 2009–10, but the notional annual mid-point salary value of all such posts must not exceed \$258,833,000.

4 An analysis of the financial provision under *Subhead 000 Operational expenses* is as follows:

	2007–08 (Actual) (\$'000)	2008–09 (Original) (\$'000)	2008–09 (Revised) (\$'000)	2009–10 (Estimate) (\$'000)
Personal Emoluments				
- Salaries	305,222	320,022	329,637	335,310
- Allowances	3,296	3,508	4,043	4,097
- Job-related allowances	—	5	30	30
Personnel Related Expenses				
- Mandatory Provident Fund contribution	41	288	280	472
- Civil Service Provident Fund contribution	179	381	430	507
Departmental Expenses				
- Temporary staff	16,502	20,040	15,677	19,724
- General departmental expenses	32,759	41,854	41,254	42,892
	357,999	386,098	391,351	403,032

Head 162 — RATING AND VALUATION DEPARTMENT

Commitments

Sub-head (Code)	Item (Code)	Ambit	Approved commitment	Accumulated expenditure to 31.3.2008	Revised estimated expenditure for 2008–09	Balance
			\$'000	\$'000	\$'000	\$'000
<i>Operating Account</i>						
700		<i>General non-recurrent</i>				
	507	Outsourcing interim valuation of some 4 000 village-type properties in North, Tai Po and Yuen Long Districts, N.T.....	2,200	1,877	231	92
		Total	2,200	1,877	231	92