

Head 162 — RATING AND VALUATION DEPARTMENT

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

Estimate 2000–01 **\$384.0m**

Establishment ceiling 2000–01 (notional annual mid-point salary value) representing an estimated 964 non-directorate posts at 31 March 2000 rising by three posts to 967 posts at 31 March 2001 **\$283.0m**

In addition there will be an estimated 15 directorate posts at 31 March 2000 and at 31 March 2001.

Controlling Officer's Report

Programmes

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

Detail

Programme (1): Statutory Valuation and Assessments

	1998–99 (Actual)	1999–2000 (Approved)	1999–2000 (Revised)	2000–01 (Estimate)
Financial provision (\$m)	205.2	239.5 (+16.7%)	236.0 (–1.5%)	236.0 (0.0%)

Aim

2 The aim is to establish and maintain a data base 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 data base for them with a view to determining, and to updating their respective Rateable Values on an annual basis;
- compiles and maintains:
 - (a) Valuation Lists showing all rated premises together with their respective Rateable Values, on which Rates are charged at percentages determined by the Legislative Council; and
 - (b) the 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 subject 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 Lists and Government Rent Roll is now conducted annually in order to better reflect prevailing market rents. The increased work commitments arising from the annual revaluation has necessitated some adjustments to the targets set for the major tasks. The key performance measures in respect of statutory valuation and assessments are:

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Targets

	Target	1998–99 (Actual)	1999–2000 (Estimate)	2000–01 (Plan)
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	91@	80@	80
to process objections to new assessments within four months (%)§	75	96φ	75φ	75
to process objections to existing assessments within four months (%)§	75	N.A.†	N.A.†	75
to allocate building numbers to new buildings not later than one month after their completion if they are in urban areas and in rural areas where there is an established numbering scheme (%) ...	85	100#	85	85

@ Against the previous target of 85%.

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

φ Against the previous target of 80%.

† New target for 2000–01.

The figure is based on the standard in 1998–99 that 100% of new buildings will be allocated building numbers not later than one month after their completion if they are in urban areas and not later than two months if they are in rural areas where there is an established numbering scheme.

Indicators

	1998–99 (Actual)	1999–2000 (Estimate)	2000–01 (Estimate)
Valuation Lists for Rates			
no. of assessments in the Lists	1 693 399	1 780 000	1 830 000
no. of new assessments to be added to the Lists	80 376	68 000	68 000
no. of assessments deleted from the Lists	8 370	8 500	8 500
Government Rent Roll			
no. of assessments in the Rent Roll.....	1 058 187	1 150 000	1 190 000
no. of new assessments to be added to the Rent Roll.....	74 223	65 000	65 000
no. of assessments deleted from the Rent Roll.....	7 289	8 000	8 000

Matters Requiring Special Attention in 2000–01

5 During 2000–01, the department will:

- continue the referencing and valuation of properties not yet assessed to Rates and/or Government Rent, and add them to the data base;
- carry out a General Revaluation to update Rateable Values which will take effect from 1 April 2001; and
- review the computer systems with a view to further improving efficiency and service to the public.

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

	1998–99 (Actual)	1999–2000 (Approved)	1999–2000 (Revised)	2000–01 (Estimate)
Financial provision (\$m)	46.2	42.5 (–8.0%)	42.0 (–1.2%)	42.0 (0.0%)

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 Lists 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 revenue and to improve services to the public.

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

Targets

	Target	1998–99 (Actual)	1999–2000 (Estimate)	2000–01 (Plan)
Collection of Rates to keep the amount of arrears within a set percentage of the Rates demanded for the preceding 12 months (%)	0.7	0.8	0.7	0.7
Collection of Government Rent to keep the amount of arrears within a set percentage of the Government Rent demanded for the preceding 12 months (%)	1.0	1.0	1.0	1.0

Indicators

	1998–99 (Actual)	1999–2000 (Estimate)	2000–01 (Estimate)
no. of Rates and Government Rent accounts maintained	1 714 681	1 780 000	1 845 000
no. of Rates and Government Rent accounts per post	16 487	17 115	17 740

Matters Requiring Special Attention in 2000–01

9 Under the Electronic Service Delivery (phase I) programme, the department will introduce, in late 2000, a computer system to provide the public with electronic access to enquiries on payment accounts of Rates and Government Rent. This system will also allow rates and rent payers to update their names and addresses for billing purposes through electronic means.

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

	1998–99 (Actual)	1999–2000 (Approved)	1999–2000 (Revised)	2000–01 (Estimate)
Financial provision (\$m)	69.0	75.4 (+9.3%)	74.4 (–1.3%)	73.6 (–1.1%)

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:

Targets

	Target	1998–99 (Actual)	1999–2000 (Estimate)	2000–01 (Plan)
to notify the Inland Revenue Department of valuation on stamp duty cases within four months (%)	80	86	80	80
to notify the Inland Revenue Department of valuation on estate duty cases within six months (%)	70	77#	70#	70

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	Target	1998–99 (Actual)	1999–2000 (Estimate)	2000–01 (Plan)
to notify other client departments of valuation advice within four months (%).....	80	97†	80†	80
to publish the quarterly property market statistics within eight weeks following the end of the quarter (weeks)	8	10	8	8

Against the previous target of 75%.

† Against the previous target of 90%.

Indicators

	1998–99 (Actual)	1999–2000 (Estimate)	2000–01 (Estimate)
no. of stamp duty cases scrutinised where stated consideration is considered adequate	115 089	120 000	125 000
no. of stamp duty cases scrutinised where stated consideration is considered inadequate	9 443	10 000	10 000
no. of valuations provided for stamp duty purposes for cases without stated consideration.....	5 410	5 500	5 500
no. of valuations provided for estate duty purposes.....	3 955	4 200	4 500
no. of stamp and estate duty cases and valuations per post.....	1 313	1 370	1 422
no. of other valuations and rental advice cases provided.....	11 615	12 000	12 000
no. of other valuations and rental advice cases per post	332	343	343

Matters Requiring Special Attention in 2000–01

13 During 2000–01, the department will continue to provide property-related information to government bureaux and departments to facilitate their policy review and formulation.

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

	1998–99 (Actual)	1999–2000 (Approved)	1999–2000 (Revised)	2000–01 (Estimate)
Financial provision (\$m)	33.5	33.7 (+0.6%)	33.2 (–1.5%)	32.4 (–2.4%)

Aim

14 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

15 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.

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

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Targets

	Target	1998–99 (Actual)	1999–2000 (Estimate)	2000–01 (Plan)
to issue a certificate of rateable value within one month of application (%)	90	N.A.§	90	90
to conduct inspections of repossessed premises at 6-month intervals (%)	90	N.A.§	90	90
to endorse a notice of new letting or lease renewal within one month (%)	95	98	95	95
to endorse a short term tenancy agreement within one month (%)	95	100	95	95
to supply rental information to the parties to Lands Tribunal hearings within one month (%)	90	76	90	90

§ New targets set in 1999–2000.

Indicators

	1998–99 (Actual)	1999–2000 (Estimate)	2000–01 (Estimate)
no. of applications and notices processed.....	43 686	40 000	42 000
no. of enquiries handled	86 871	90 000	90 000
no. of applications, notices and enquiries processed per post .	1 232	1 226	1 389

Matters Requiring Special Attention in 2000–01

17 The department has reviewed the Landlord and Tenant (Consolidation) Ordinance, and an amendment bill will be introduced into the Legislative Council, to facilitate tenancy renewals in Part IV of the Ordinance, 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	1998–99 (Actual) (\$m)	1999–2000 (Approved) (\$m)	1999–2000 (Revised) (\$m)	2000–01 (Estimate) (\$m)
(1) Statutory Valuation and Assessments	205.2	239.5	236.0	236.0
(2) Collection and Billing of Rates and Government Rent	46.2	42.5	42.0	42.0
(3) Provision of Valuation and Property Information Services	69.0	75.4	74.4	73.6
(4) Landlord and Tenant Services for Domestic Premises	33.5	33.7	33.2	32.4
	353.9	391.1 (+10.5%)	385.6 (–1.4%)	384.0 (–0.4%)

Analysis of Financial and Staffing Provision

Programme (1)

Provision for 2000–01 is the same as the revised estimate for 1999–2000. The provision takes into account salary increments for existing staff and enhancement of computer system, offset by savings achieved under the Enhanced Productivity Programme.

Programme (2)

Provision for 2000–01 is the same as the revised estimate for 1999–2000. The provision takes into account salary increments for existing staff and the net creation of two posts to enhance clerical support for processing rent arrears and refund cases, offset by savings achieved under the Enhanced Productivity Programme.

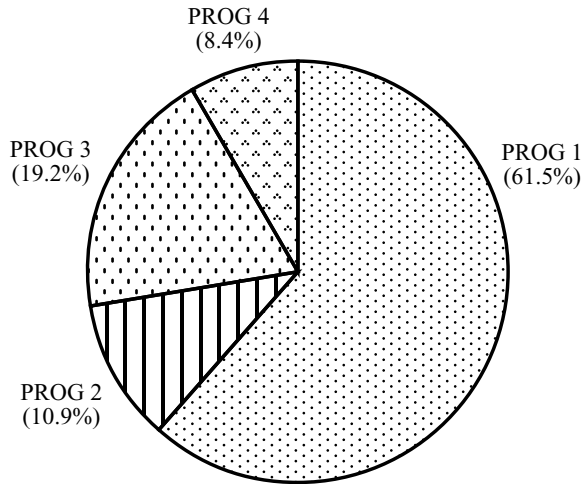
Programme (3)

Provision for 2000–01 is \$0.8 million (1.1%) lower than the revised estimate for 1999–2000. The decrease is mainly due to the completion of the Info-Hotline System and the Interactive Voice Processing System, and savings achieved under the Enhanced Productivity Programme, partly offset by salary increments for existing staff and the creation of one post for providing capital valuation service to the new Food and Environmental Hygiene Department.

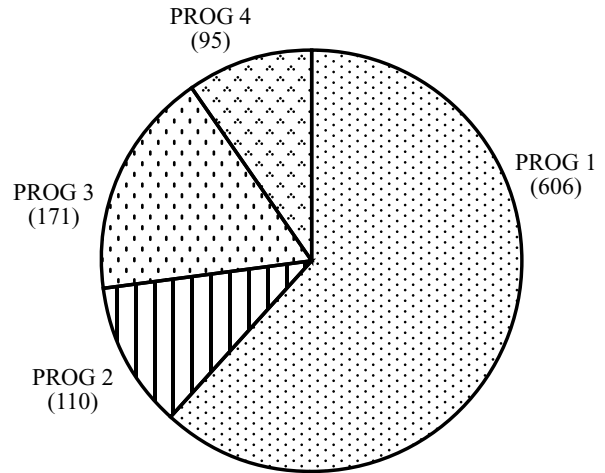
Programme (4)

Provision for 2000–01 is \$0.8 million (2.4%) lower than the revised estimate for 1999–2000. The decrease is mainly due to savings achieved upon completion of the information systems strategy plan and under the Enhanced Productivity Programme, partly offset by salary increments for existing staff.

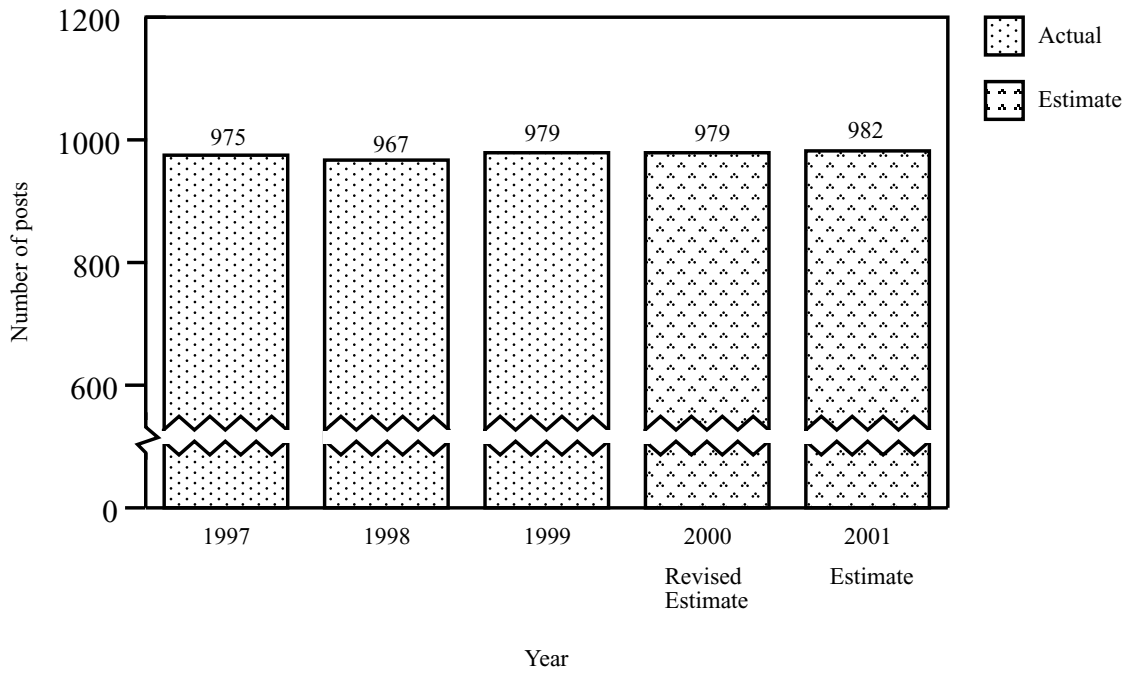
Allocation of provision to programmes (2000-01)



Staff by programme (as at 31 March 2001)



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



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Sub-head (Code)		Actual expenditure 1998-99	Approved estimate 1999-2000	Revised estimate 1999-2000	Estimate 2000-01
		\$'000	\$'000	\$'000	\$'000
Recurrent Account					
I — Personal Emoluments					
001	Salaries	303,524	316,137	316,857	319,120
002	Allowances	9,396	9,882	9,187	6,765
007	Job-related allowances.....	27	38	27	36
	Total, Personal Emoluments.....	<u>312,947</u>	<u>326,057</u>	<u>326,071</u>	<u>325,921</u>
III — Departmental Expenses					
106	Temporary staff	5,548	4,529	5,089	5,369
149	General departmental expenses	34,010	57,471	51,421	52,719
	Total, Departmental Expenses.....	<u>39,558</u>	<u>62,000</u>	<u>56,510</u>	<u>58,088</u>
	Total, Recurrent Account	<u>352,505</u>	<u>388,057</u>	<u>382,581</u>	<u>384,009</u>
Capital Account					
I — Plant, Equipment and Works					
	Minor plant, vehicles and equipment (block vote)	1,383	1,200	1,200	—
	Total, Plant, Equipment and Works.....	<u>1,383</u>	<u>1,200</u>	<u>1,200</u>	—
II — Other Non-Recurrent					
	General other non-recurrent.....	—	1,800	1,800	—
	Total, Other Non-Recurrent.....	<u>—</u>	<u>1,800</u>	<u>1,800</u>	—
	Total, Capital Account.....	<u>1,383</u>	<u>3,000</u>	<u>3,000</u>	—
	Total Expenditure	<u><u>353,888</u></u>	<u><u>391,057</u></u>	<u><u>385,581</u></u>	<u><u>384,009</u></u>

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Details of Expenditure by Subhead

The estimate of the amount required in 2000–01 for the salaries and expenses of the Rating and Valuation Department is \$384,009,000. This represents a decrease of \$1,572,000 against the revised estimate for 1999–2000 and an increase of \$30,121,000 on actual expenditure in 1998–99.

Recurrent Account

Personal Emoluments

2 Provision of \$325,921,000 for personal emoluments represents a decrease of \$150,000 against the revised estimate for 1999–2000.

3 The establishment at 31 March 2000 will be 979 permanent posts. It is expected that a net three posts will be created in 2000–01.

4 Subject to certain conditions, the controlling officer may under delegated powers create or delete non-directorate posts during 2000–01, but the notional annual mid-point salary value of all such posts must not exceed \$283,034,000.

5 Provision of \$6,765,000 under *Subhead 002 Allowances* is for standard allowances. The decrease of \$2,422,000 (26.4%) against the revised estimate for 1999–2000 is mainly due to savings achieved under the Enhanced Productivity Programme.

6 Provision of \$36,000 under *Subhead 007 Job-related allowances* is for standard job-related allowances. The increase of \$9,000 (33.3%) over the revised estimate is due to additional staff for shroff service.

Departmental Expenses

7 Provision of \$5,369,000 under *Subhead 106 Temporary staff* is for remunerating Valuation Surveying Graduates under the graduate training scheme and miscellaneous temporary staff. The increase of \$280,000 (5.5%) over the revised estimate for 1999–2000 is mainly due to the employment of non-civil service contract staff.