

Head 162 — RATING AND VALUATION DEPARTMENT

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

Estimate 2002–03 **\$416.9m**

Establishment ceiling 2002–03 (notional annual mid-point salary value) representing an estimated 930 non-directorate posts at 31 March 2002 rising by two posts to 932 posts at 31 March 2003 **\$277.7m**

In addition there will be an estimated 15 directorate posts at 31 March 2002 and at 31 March 2003.

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

	2000–01 (Actual)	2001–02 (Approved)	2001–02 (Revised)	2002–03 (Estimate)
Financial provision (\$m)	229.1	240.1 (+4.8%)	244.6 (+1.9%)	256.9 (+5.0%)

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 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 List and Government Rent Roll is conducted annually to reflect prevailing market rents. The key performance measures in respect of statutory valuation and assessments are:

Head 162 — RATING AND VALUATION DEPARTMENT

Targets

	Target	2000–01 (Actual)	2001–02 (Estimate)	2002–03 (Plan)
to notify the ratepayer and/or rentpayer of the rateable value of a new property within nine months from the date when Rates and/or Government Rent first become payable (%)	80	69 ϕ	65#	70#
to process objections to new assessments within four months (%)§	75	87	75	75
to process objections to existing assessments within four months (%)§	75	83	75	75
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 (%)	90 \dagger	98	90	90

ϕ Against the previous target of 80% within 11 months for 2000–01. Performance was below expectation due to conversion of computer system for updating rateable values after each annual revaluation.

Performance is below current target due to additional work arising from the rates concession scheme in 2002.

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

\dagger An improvement over the 2001–02 target of 85%.

Indicators

	2000–01 (Actual)	2001–02 (Estimate)	2002–03 (Estimate)
Valuation List for Rates			
no. of assessments in the List	1 889 207	2 020 000	2 120 000
no. of new assessments to be added to the List	118 921	140 000	110 000
no. of assessments deleted from the List	9 973	10 000	10 000
Government Rent Roll			
no. of assessments in the Rent Roll	1 339 981	1 470 000	1 570 000
no. of new assessments to be added to the Rent Roll	210 738@	140 000	110 000
no. of assessments deleted from the Rent Roll	6 849	8 500	8 500

@ 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 2002–03

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 2003;
- review and enhance the computer systems to further improve efficiency and service to the public; and
- enhance the means of access to the Valuation List and Government Rent Roll on the Internet by using property address.

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

	2000–01 (Actual)	2001–02 (Approved)	2001–02 (Revised)	2002–03 (Estimate)
Financial provision (\$m)	42.6	42.4 (–0.5%)	42.2 (–0.5%)	45.4 (+7.6%)

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

Head 162 — RATING AND VALUATION DEPARTMENT

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	2000–01 (Actual)	2001–02 (Estimate)	2002–03 (Plan)
Collection of Rates to keep the amount of arrears within a set percentage of the Rates demanded for the preceding 12 months (%)	0.8	0.9	0.9	0.8
Collection of Government Rent to keep the amount of arrears within a set percentage of the Government Rent demanded for the preceding 12 months (%)	1.1	1.2	1.2	1.1

Indicators

	2000–01 (Actual)	2001–02 (Estimate)	2002–03 (Estimate)
no. of Rates and Government Rent accounts maintained	1 907 501	2 040 000	2 140 000
no. of Rates and Government Rent accounts per post	18 519	19 806	20 776

Matters Requiring Special Attention in 2002–03

9 During 2002–03, the department will continue to look for improvements in billing, accounting and collection of Rates and Government Rent.

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

	2000–01 (Actual)	2001–02 (Approved)	2001–02 (Revised)	2002–03 (Estimate)
Financial provision (\$m)	63.9	74.8 (+17.1%)	76.2 (+1.9%)	80.0 (+5.0%)

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 on a regular basis, 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	2000–01 (Actual)	2001–02 (Estimate)	2002–03 (Plan)
to notify the Inland Revenue Department of valuation on stamp duty cases within four months (%)	80	90	80	80
to notify the Inland Revenue Department of valuation on estate duty cases within six months (%)	70	80	70	70

Head 162 — RATING AND VALUATION DEPARTMENT

	Target	2000–01 (Actual)	2001–02 (Estimate)	2002–03 (Plan)
to notify other client departments of valuation advice within four months (%).....	80	91	80	80
to publish the monthly property market statistics within eight weeks following the end of the month (weeks)#	8	8	8	8

Since February 2001, the department has started to publish the property market statistics on a monthly instead of quarterly basis.

Indicators

	2000–01 (Actual)	2001–02 (Estimate)	2002–03 (Estimate)
no. of stamp duty cases scrutinised where stated consideration is considered adequate	86 181	90 000	85 000
no. of stamp duty cases scrutinised where stated consideration is considered inadequate	6 898	7 000	6 900
no. of valuations provided for stamp duty purposes for cases without stated consideration.....	5 789	6 000	6 000
no. of valuations provided for estate duty purposes.....	4 078	4 500	4 200
no. of stamp duty and estate duty cases and valuations per post	1 009	1 050	1 000
no. of other valuations and rental advice cases provided	12 650	13 000	12 500
no. of other valuations and rental advice cases per post	361	370	360

Matters Requiring Special Attention in 2002–03

13 The department will continue to:

- provide property-related information to government bureaux and departments to facilitate their policy review and formulation; and
- develop an Integrated Property Database to facilitate transfer, exchange and sharing of property data with other government departments and agencies, so as to enhance the efficiency of all parties concerned.

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

	2000–01 (Actual)	2001–02 (Approved)	2001–02 (Revised)	2002–03 (Estimate)
Financial provision (\$m)	33.2	32.3 (–2.7%)	33.0 (+2.2%)	34.6 (+4.8%)

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.

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:

Head 162 — RATING AND VALUATION DEPARTMENT

Targets

	Target	2000–01 (Actual)	2001–02 (Estimate)	2002–03 (Plan)
to issue a certificate of rateable value within 21 days of application (%).....	90	95	90	90
to conduct inspections of repossessed premises at six-month intervals (%).....	90	100	90	90
to endorse a notice of new letting or lease renewal within one month (%).....	90	96	90	90
to endorse a short term tenancy agreement within 21 days (%).....	90	78#	90	90
to supply rental information to the parties to Lands Tribunal hearings within one month (%).....	90	100	90	90

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

Indicators

	2000–01 (Actual)	2001–02 (Estimate)	2002–03 (Estimate)
no. of applications and notices processed.....	33 301	35 000	35 000
no. of enquiries handled	82 442	85 000	85 000
no. of applications, notices and enquiries processed per post..	1 092	1 100	1 150

Matters Requiring Special Attention in 2002–03

17 The Landlord and Tenant (Consolidation) (Amendment) Bill has been introduced into the Legislative Council in June 2001. The Bill aims to streamline the procedures for 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. The department will continue to assist the Legislative Council in its consideration of the Bill.

Head 162 — RATING AND VALUATION DEPARTMENT

ANALYSIS OF FINANCIAL PROVISION

Programme	2000-01 (Actual) (\$m)	2001-02 (Approved) (\$m)	2001-02 (Revised) (\$m)	2002-03 (Estimate) (\$m)
(1) Statutory Valuation and Assessments	229.1	240.1	244.6	256.9
(2) Collection and Billing of Rates and Government Rent	42.6	42.4	42.2	45.4
(3) Provision of Valuation and Property Information Services	63.9	74.8	76.2	80.0
(4) Landlord and Tenant Services for Domestic Premises	33.2	32.3	33.0	34.6
	368.8	389.6 (+5.6%)	396.0 (+1.6%)	416.9 (+5.3%)

Analysis of Financial and Staffing Provision

Programme (1)

Provision for 2002-03 is \$12.3 million (5.0%) higher than the revised estimate for 2001-02. This is mainly due to salary increments for staff, transfer of seven posts from the Information Technology Services Department, purchase and maintenance of computers and equipment, and employment of non-civil service contract staff, partly offset by deletion of three posts as a result of re-organisation of work. In addition, six posts will be created for general revaluation and other supporting services, and four posts will be deleted following the clearing of backlog of assessment of new buildings in 2002-03.

Programme (2)

Provision for 2002-03 is \$3.2 million (7.6%) higher than the revised estimate for 2001-02. This is mainly due to salary increments for staff, transfer of one post from the Information Technology Services Department and increase in postage charge in 2002-03.

Programme (3)

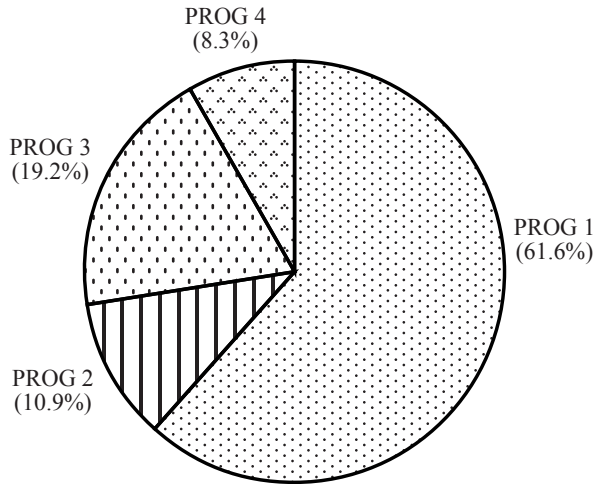
Provision for 2002-03 is \$3.8 million (5.0%) higher than the revised estimate for 2001-02. This is mainly due to salary increments for staff and transfer of two posts from the Information Technology Services Department. In addition, eight posts will be deleted in 2002-03 upon completion of the Integrated Property Database Phase I Project.

Programme (4)

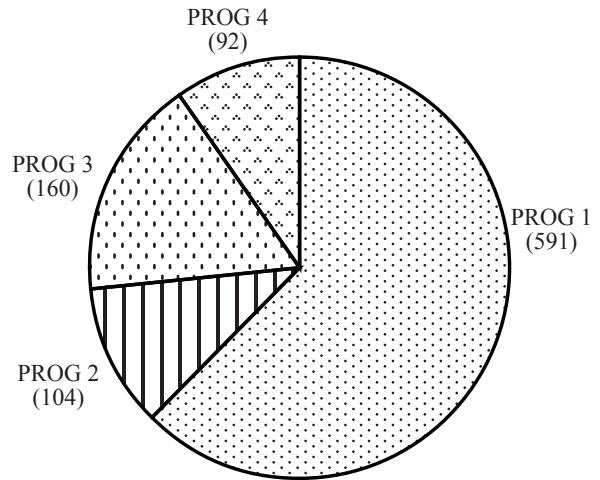
Provision for 2002-03 is \$1.6 million (4.8%) higher than the revised estimate for 2001-02. This is mainly due to salary increments for staff and transfer of one post from the Information Technology Services Department in 2002-03.

Head 162 — RATING AND VALUATION DEPARTMENT

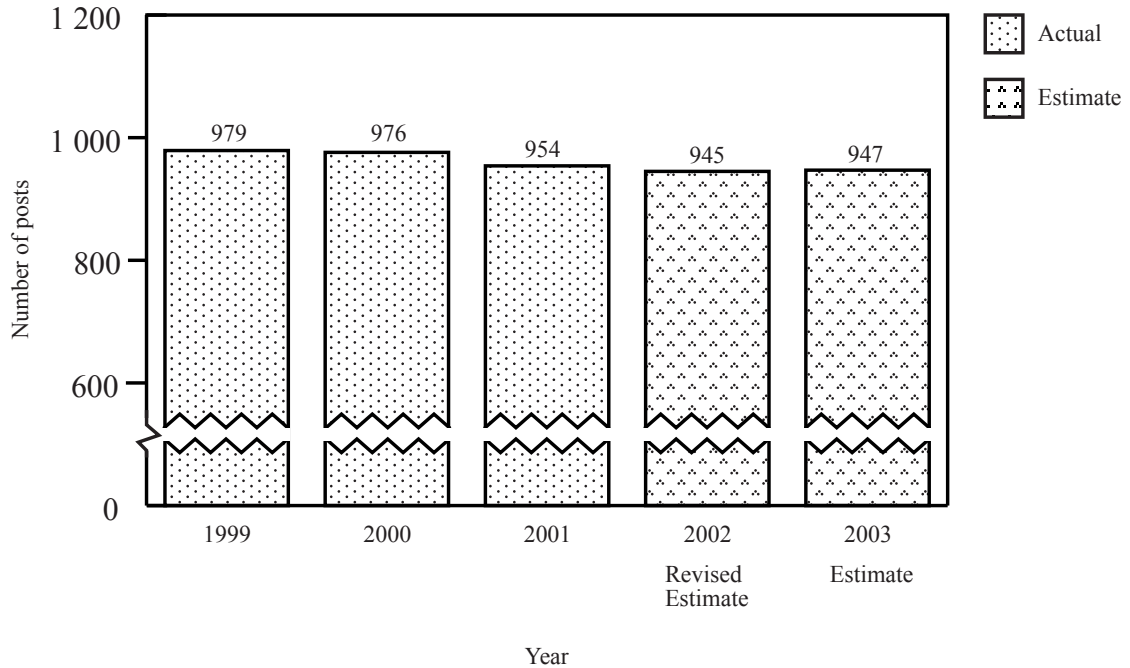
Allocation of provision to programmes (2002-03)



Staff by programme (as at 31 March 2003)



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



Head 162 — RATING AND VALUATION DEPARTMENT

Sub-head (Code)	Actual expenditure 2000-01	Approved estimate 2001-02	Revised estimate 2001-02	Estimate 2002-03	
	\$'000	\$'000	\$'000	\$'000	
Recurrent Account					
I — Personal Emoluments					
001	Salaries	321,381	327,450	339,359	349,891
002	Allowances	4,379	6,115	5,025	5,235
007	Job-related allowances	28	36	29	30
	Total, Personal Emoluments	<u>325,788</u>	<u>333,601</u>	<u>344,413</u>	<u>355,156</u>
III — Departmental Expenses					
106	Temporary staff	5,606	7,000	9,482	15,000
149	General departmental expenses	37,358	49,028	42,150	46,710
	Total, Departmental Expenses	<u>42,964</u>	<u>56,028</u>	<u>51,632</u>	<u>61,710</u>
	Total, Recurrent Account	<u>368,752</u>	<u>389,629</u>	<u>396,045</u>	<u>416,866</u>
	Total Expenditure	<u><u>368,752</u></u>	<u><u>389,629</u></u>	<u><u>396,045</u></u>	<u><u>416,866</u></u>

Head 162 — RATING AND VALUATION DEPARTMENT

Details of Expenditure by Subhead

The estimate of the amount required in 2002–03 for the salaries and expenses of the Rating and Valuation Department is \$416,866,000. This represents an increase of \$20,821,000 over the revised estimate for 2001–02 and of \$48,114,000 over actual expenditure in 2000–01.

Recurrent Account

Personal Emoluments

2 Provision of \$355,156,000 for personal emoluments represents an increase of \$10,743,000 over the revised estimate for 2001–02.

3 The establishment at 31 March 2002 will be 945 permanent posts. It is expected that a net two posts will be created in 2002–03, taking into account the transfer of 11 posts from the Information Technology Services Department, creation of six posts for general revaluation and other supporting services, and deletion of 15 posts upon completion of projects and streamlining of work.

4 Subject to certain conditions, the controlling officer may under delegated powers create or delete non-directorate posts during 2002–03, but the notional annual mid-point salary value of all such posts must not exceed \$277,692,000.

5 Provision of \$5,235,000 under *Subhead 002 Allowances* is for standard allowances. The increase of \$210,000 (4.2%) over the revised estimate for 2001–02 is mainly due to increased overtime work for clearing the backlog of assessment of new buildings in 2002–03.

6 Provision of \$30,000 under *Subhead 007 Job-related allowances* is for standard job-related allowances.

Departmental Expenses

7 Provision of \$15,000,000 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 \$5,518,000 (58.2%) over the revised estimate for 2001–02 is mainly due to the employment of non-civil service contract staff for systems support and administration, as IT support services for the department are decentralised from Information Technology Services Department to Rating and Valuation Department on a cost neutral basis.

8 Provision of \$46,710,000 under *Subhead 149 General departmental expenses* represents an increase of \$4,560,000 (10.8%) over the revised estimate for 2001–02. This is mainly due to additional expenses arising from computer maintenance, purchase of additional computers and equipments, and increase in postage charge.