

CONTROLLING OFFICER'S REPLY**FSTB(Tsy)055****(Question Serial No. 0735)**

Head: (162) Rating and Valuation Department

Subhead (No. & title): (-) Not specified

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

Controlling Officer: Commissioner of Rating and Valuation (Mrs. Mimi BROWN)

Director of Bureau: Secretary for Financial Services and the Treasury

This question originates from: Estimates on Expenditure Volume 1 Page 826 (if applicable)

Question (Member Question No. 4):

It is mentioned in the Budget Speech about “waiving rates for the first two quarters of 2014-15, subject to a ceiling of \$1,500 per quarter for each rateable property. It is estimated to benefit around 3.1 million properties, and will cost Government about \$6.1 billion.” Would the Administration inform this Committee of the amount of rates forgone per annum as a result of the rates concession over the past 3 years; the number of properties not exhausting the concession limit of \$1,500 per quarter for each property and its ratio against the total number of properties; the estimated total amount of concession not exhausted and the operational expenses and manpower involved for the above measure?

Asked by: Hon. FUNG Kin-kee, Frederick

Reply:

The amounts of rates forgone per annum as a result of the rates concession measure in the past three financial years are tabulated below -

Financial year	Amount of rates forgone
2011-12	\$9.9 billion
2012-13	\$12.5 billion
2013-14	\$11.6 billion (estimated figure)

In the first two quarters in 2014-15 with rates concession, about 2.26 million of properties (i.e. about 73% of ratepayers) need not pay any rates.

The rates concession measure is to waive the rates payable for each rateable property for the concerned quarters, subject to a ceiling of \$1,500 per quarter. If the rates payable is below the ceiling, the whole amount of rates payable will be waived. There is therefore no question of unspent rates concession. Hence, the billing system of the Rating and Valuation Department (RVD) does not record nor analyse any data relating to the unspent amount of concession.

As for the operational expenses and manpower involved in the rates concession measure, RVD will absorb from within its existing resources the relevant operational expenses. The said expenses mainly include an estimated amount of around \$770,000 for publishing pamphlets for attachment to the rates demand notes to explain the rates concession arrangements. Besides, RVD does not deploy any dedicated manpower for handling the work on rates concession. Hence, RVD does not have the breakdown on the manpower and payroll cost involved.