

財經事務及庫務局



FINANCIAL SERVICES AND THE
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7 June 2016

Mr Anthony CHU
Clerk to Public Accounts Committee
Legislative Council
Legislative Council Complex
1 Legislative Council Road
Central
Hong Kong
By Fax: 2543 9197

Dear Mr CHU,

I refer to your letter of 1 June 2016 to the Secretary for Financial Services and the Treasury (“SFST”), and set out our reply as follows.

Policy of not collecting rates from new or re-erected illegal rooftop structures

2. The decision not to collect rates from new or re-erected illegal rooftop structures was part of the package of measures drawn up by the Government in 2000-01 to tackle UBWs. Since the Government expected at that time that new or re-erected illegal rooftop structures would be stopped promptly, the decision concerned was in line with the principles adopted by the Rating and Valuation Department (“RVD”) all along, i.e. properties of transient nature would not be assessed to rates.

3. At the public hearing on 7 May 2016, SFST mentioned that the November 2000 arrangement would no longer be implemented. SFST also mentioned that -

- (a) the premise on which the then Secretary for the Treasury responded to the relevant proposal was in line with the principles adopted by RVD in handling unauthorised building works (“UBWs”), i.e. no rates would be collected on properties if they are of transient nature; and
- (b) FSTB has asked RVD to put in place some form of bring up system to keep track of those UBWs with removal orders issued but not yet demolished such that timely interim valuations would be made within the 24-month time bar in recovering rates.

Appendix 6

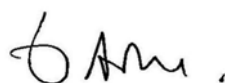
4. As set out in ~~the supplementary information provided on 27 May~~, we consider that the policy intention of the decision concerned remains appropriate, though there is room for improvement in its **implementation**. For new or re-erected illegal rooftop structures, RVD would no longer hold up the rating assessment on such structures across the board. Under the bring up system as mentioned above, if any such structures with removal orders issued but not yet demolished in 24 months, RVD would make timely interim valuations such that rates would be charged on such structures (including rates to be recovered for the 24-month period concerned) in good time. This has changed the implementation arrangement made in November 2000. The relevant formulation is not inconsistent with the remarks made by SFST at the hearing, and is also in line with SFST’s understanding on the expression at the hearing that “a structure would not be exempted from rates solely because it is an UBW”.

Coordination among relevant government departments

5. To follow up the public hearing on 7 May 2016, this Bureau held immediate discussion, right after the hearing, with the heads of the four departments concerned (i.e. Buildings Department (“BD”), Home Affairs Department (“HAD”), Lands Department (“Lands D”) and RVD), and all departments agreed to strengthen and improve communications. Thereafter, the departments made further contacts among them on the improvement measures, and individual departments would also meet to have further discussion, as in the case of BD and RVD which had a meeting on 12 May 2016 on the regular notification system (which was mentioned in paragraphs 3 and 10 of ~~the supplementary information provided by FSTB to the Committee on 27 May~~). ^{*Appendix 6*} Moreover, in the light of FSTB’s suggestion,

HAD and Lands D have agreed to further discuss and consider how to make the best use of existing resources to enhance the effectiveness of field inspections (as mentioned in paragraph 12 of ~~the supplementary information provided~~^{Appendix 6}). So far, we consider that the departments have made effective coordination and appropriate follow-up among them on the improvement measures required. We would consider, where necessary, holding a cross-departmental meeting again to further discuss the matters involved.

Yours sincerely,



(Gary Poon)

for Secretary for Financial Services and the Treasury

c.c. Director of Buildings
Director of Home Affairs
Director of Lands
Commissioner of Rating and Valuation