

Speeding Up on the Issuance of Assessment Rates Billing on New Residential Properties

The Kuching North City Council (Dewan Bandaraya Kuching Utara (DBKU)) is a local authority administering the northern part of the city of Kuching, Sarawak. The agency is under the purview of the state's Secretary Office. For the past two decades, DBKU had enhanced their roles and responsibilities for service provision. DBKU is particularly responsible for public health and sanitation, waste removal and management, town planning, environmental protection and building control, social and economic development and general maintenance functions of urban infrastructure.

As societies become more affluent and urbanised hence there is a need to have better and more sophisticated services for the society. With this awareness in mind, DBKU has made efforts for the enhancement of services to the people. They are looking for good quality services to satisfy clients thus enabling them to have a reputable name with the city council.



Wastage problem on human errors

Assessment rates on residential properties is one of the many local taxes collected by DBKU. Out of the total revenues generated by DBKU, 50 percent come from assessment rates. Rating and Valuation Division (VAL) is in charge of issuing and collecting rates from the residents of housing estates. Under the jurisdiction of DBKU, 87 percent of their properties are residential comprising bungalows, semi-Ds, terraces, apartments and flats. The main problem of wastage on issuance of assessment rates billing came from the valuation process of new residential properties in the past years. The valuation process took three days which were too long. Twenty six steps were needed for this process which was a waste of time. Among the

List of Kaizen initiatives to speed up valuation process :

KAIZEN THEME	KAIZEN IMPROVEMENT
To reduce misplacement/loss of documents in trays	Replacing document trays with MAREX box for securing safety of documents.
To reduce time taken recording of documents	e-Daftar system is introduced to prevent repetition and to speed up recording of documents.
To shorten time opening of new files	Opening new files centralised under Valuation Unit to reduce movement and waiting time.
To minimise time on file number stamping	File numbering equipment is placed at central area that is easily accessed by technical staff.
To register new files	A systematic File Directory is introduced to replace manual book register.
To hasten referencing process	Inventory park is used to keep all referencing tools for site inspection.
To look out for URV data speedily	Fast, efficient URV directory is set up to replace old method.
To furnish file document process	Setting up a standardised checklist to ensure documents follows a standard sequence.
To set up a transit storage file	Follow-up files are kept temporary in transit storage file.

seven LEAN wastages, defect wastages by employees had the highest number. Examples were misplaced or lost documents, typo, incomplete documents, wrong estimation on residential evaluation and errors in drafting of new residential plans. Due to all these human errors and time wastages, hence only 11.7 percent was accumulated for the First Time Quality performance (FTQ).

LEAN to heighten DBKU services in issuing assessment rates billing

A team comprising seven individuals known as MAREQ was set up to find a solution to save time on valuation process before issuance of assessment rates billing for new residential properties. The team used Value Stream Mapping (VSM) approach to select only the value-added steps to eradicate wastages. Out of the 26 steps, 11 steps were identified as value added and the 15 remaining steps were categorised as non-value added which had no purpose in value to the valuation process. Currently, through these steps identification, more ideas are being generated by the team and finally 14 new innovative steps are put into actions.

Analysis of LEAN project in DBKU

After the implementation of Kaizen, 26 steps have been reduced to 14 processes. The number of 438 assessment rates billing have increased to 957 bills issued by DBKU. This has simultaneously increased DBKU's income per year as more bills could be generated efficiently. The lead time has improved to 1,322 minutes as compared to 4,280 minutes earlier hence a reduction of 64.67 percent. The processing time takes 725 minutes and after LEAN, it has reduced to 497 minutes, an improvement of 31.45 percent of processing time. Waiting time for the valuation process takes 825 minutes instead of 3,555 minutes previously. As a result, there is an increase in FTQ rate of 49.86 percent where human errors have been reduced. From these



LEAN achievements, DBKU manages to save costs of wages, IT system and stationaries at RM87,853. Thus, a profit gain in revenue collected has increased to RM681,132.06 from RM578,790.56 with an increment of 15 percent.

Matrix before and after LEAN project:

DESCRIPTION	BEFORE	AFTER
1. Number of processes	26	14
2. Number of assessment rates bills issued	438	957
3. Lead time (minutes)	4,280	1,322
4. Processing time (minutes)	725	497
5. Waiting time (minutes)	3,555	825
6. First Quality Performance (%)	11.7	49.86
7. Cost saving (RM)	-	87,852.80
8. Estimated assessment rates revenue (RM)	578,790.56	681,132.06

