

ITEM FOR ESTABLISHMENT SUBCOMMITTEE OF FINANCE COMMITTEE

HEAD 162 – RATING AND VALUATION DEPARTMENT Subhead 000 Operational expenses

Members are invited to recommend to Finance Committee the following changes in the directorate structure of the Rating and Valuation Department with immediate effect –

(a) creation of the following permanent post –

1 Assistant Commissioner of Rating and
Valuation
(D2) (\$115,450 - \$122,600)

to be offset by the deletion of the following
permanent post –

1 Rating Adviser
(D2) (\$115,450 - \$122,600); and

(b) deletion of the following grade and rank –

Rating Adviser
(D2) (\$115,450 - \$122,600)

PROBLEM

The existing directorate set-up of the Rating and Valuation Department (RVD) is not flexible enough for the Commissioner of Rating and Valuation (CRV) to deploy his manpower resources in an effective and efficient manner to meet evolving service needs.

/PROPOSAL

PROPOSAL

2. We propose to create one permanent Assistant Commissioner of Rating and Valuation (ACRV) (D2) post, to be offset by the deletion of the permanent Rating Adviser (RA) (D2) post, with immediate effect. As a consequential arrangement of this proposal, we also propose to delete the grade and rank of RA, which are no longer necessary operationally.

JUSTIFICATION

The RA Post

3. The existing RA is a one-rank specialist post created in 1979 to provide specialist advice to CRV on modern techniques and methods (notably the computer-assisted mass appraisal (CAMA) techniques) pertaining to the mass appraisal of properties for rating and other taxation purposes such as stamp duty and estate duty. For the large part of the past 28 years, this specialist post was filled by direct recruitment from the market since the required expertise was not available in-house within the Government. Over the years, the role of RA has been expanded gradually to include overseeing RVD's overall information technology (IT) development and the strategic direction of mass appraisal for the modernisation of valuation practice and business processes. The RA also supervises the General Revaluation (GR) exercise involving more than 2.3 million assessments each year. The expanded responsibilities of the RA post have become largely comparable to those of ACRVs. The main responsibilities of ACRVs are at Enclosure 1.

Encl. 1

The Re-grading Proposal - more flexibility with the same establishment

4. As the RA grade has only one established post (i.e. the RA post being considered in this submission), there is very limited promotion prospect for the post holder. The arrangement has also constrained CRV's flexibility in manpower deployment, as the RA cannot be cross-posted to other mainstream professional positions held by Valuation Surveyor (VS) grade staff in RVD. The Public Service Commission has suggested that CRV should review the career structure of the RA post and consider if it is more appropriate to re-grade it to a mainstream VS grade post.

5. Without incurring any additional costs to RVD, the re-grading proposal can address the staff management and deployment problem mentioned in paragraph 4 above. It will also provide greater advancement opportunities for the VS grade which is the mainstream professional grade in RVD, while enhancing CRV's flexibility in planning the staff career development and succession policy of

/RVD

RVD. Operationally, we do not expect that the change will create any major problem, as after over 20 years of application, the CAMA is now widely used within RVD for rating and other taxation purposes, and that professional VS staff in RVD are acquainted with the CAMA techniques to support RVD's core business in a strategic manner. In practical terms, the re-grading is viable as the entry requirement of RA is the same as that of the VS grade and its expanded duties fall within the grade's mainstream work.

Readiness of VS Grade Staff in Taking up the Specialist Post

6. Given the availability of in-house expertise, we have tested the feasibility of the re-grading proposal before formalising the arrangement in the longer term. After the departure of the previous specialist post holder in 2004, a VS grade staff has been posted to fill the RA post. Since then, the VS grade staff has been able to perform the duties of the RA in a professional and effective manner. He has continued to steer the information systems strategy of the Department and oversee the development and operation of various geographical information systems and administrative systems. Besides, he has identified opportunities for greater use of IT with a view to enhancing the effectiveness of the valuation process and the overall efficiency of the Department. For example, he has taken forward the implementation of Phases 1 and 2 of the Integrated Property Database, introduction of electronic submission of various forms, bulk-billing service and Chinese demand notes, and implementation of Geographic Information System Valuation Modules, etc. He is also in charge of the annual GR exercise. In view of the encouraging results, we are therefore confident of formalising the deployment of VS grade staff to take up the specialist post.

7. The re-grading proposal will be implemented through the creation of one permanent ACRV post, to be offset by the deletion of the permanent RA post. Hence, RVD's current establishment in terms of the number of permanent directorate posts would remain unchanged.

8. Subject to the approval for this staffing proposal, the proposed post will be designated as Assistant Commissioner (Corporate and Technology Services) (AC(CTS)). The job description of the proposed AC(CTS) post and the proposed organisation chart of RVD are at Enclosures 2 and 3 respectively.

Encls.
2 & 3

Alternatives Considered

9. We have critically examined whether the existing directorate staff in RVD have spare capacity to absorb the duties of the RA post. The existing directorate staff are already fully occupied with their responsibilities in supervision

/and

and administration of various core functions of RVD such as rating and Government rent assessments, property tax and stamp duty valuations, and billing of rates and Government rent. They also assist CRV in formulating various policies, procedures and strategies. It is therefore not possible for them to take up the duties of the RA post without compromising the performance of their existing duties.

FINANCIAL IMPLICATIONS

10. The current proposal is cost-neutral to the Government and will not carry additional financial implications.

PUBLIC CONSULTATION

11. We consulted the Legislative Council Panel on Financial Affairs on 5 November 2007. Members indicated support for the proposal.

BACKGROUND

12. The RA post was first created at D1 level on a supernumerary basis in July 1979 and subsequently upgraded to D2 level in December 1983 to reflect the wider scope and greater responsibilities of the post than originally envisaged. The post was retained on a permanent basis in January 1994 to meet the long-term operational need. During the period August 1996 – July 2001, the post was upgraded to D3 level on a supernumerary basis to cope with the new commitments arising from the implementation of RVD's Information Systems Strategy Plan, billing and collection of Government rent in accordance with the Government Rent (Assessment and Collection) Ordinance, conduct of the GR exercise on an annual basis, etc.

ESTABLISHMENT CHANGES

13. The establishment changes in RVD for the last two years are as follows –

Establishment (Note)	Number of posts			
	Existing (as at 1 December 2007)	As at 1 April 2007	As at 1 April 2006	As at 1 April 2005
A	14 #	14	14	14
B	107	107	107	107
C	726	726	740	743
Total	847	847	861	864

/Note

Note :

A - ranks in the directorate pay scale or equivalent

B - non-directorate ranks the maximum pay point of which is above MPS point 33 or equivalent

C - non-directorate ranks the maximum pay point of which is at or below MPS point 33 or equivalent

- As at 1 December 2007, there was no unfilled directorate post in RVD.

CIVIL SERVICE BUREAU COMMENTS

14. The Civil Service Bureau supports the proposal as it would allow the Department more flexibility in manpower deployment. The grading and ranking of the proposed ACRV post is considered appropriate having regard to the level and scope of the responsibilities required.

ADVICE OF THE STANDING COMMITTEE ON DIRECTORATE SALARIES AND CONDITIONS OF SERVICE

15. The Standing Committee on Directorate Salaries and Conditions of Service has advised that the grading proposed for the post would be appropriate if the proposals were to be implemented.

Financial Services and the Treasury Bureau
December 2007

**Main Duties and Responsibilities of
Assistant Commissioners of Rating and Valuation
in the Rating and Valuation Department**

Rank : Assistant Commissioner of Rating and Valuation (D2)

Responsible to : Deputy Commissioner of Rating and Valuation

Main Duties and Responsibilities –

1. Overseeing and Administering Core Functions

To oversee and administer various core functions of the Department, including rating and Government rent assessments, general revaluation, landlord and tenant matters, property tax and stamp duty valuations, billing and collection of rates and Government rent, building numbering and enforcement actions.

2. Policy Review and Formulation

To carry out management reviews on policies, procedures and legislative measures under respective ordinances; and formulate and review operational policies and strategies of the Department for improvement and development.

3. Managing Customer Service

To formulate and implement strategies to manage customer relationships; and develop and promote a customer service culture in the Department.

4. Managing Human Resources and Administration

To oversee and manage human and financial resources; supervise divisional management; and formulate strategies on staff training, deployment and development.

Proposed Job Description
Assistant Commissioner of Rating and Valuation
(Corporate and Technology Services)

Rank : Assistant Commissioner of Rating and Valuation (D2)

Responsible to : Deputy Commissioner of Rating and Valuation

Main Duties and Responsibilities –

1. Providing Advice on Strategic Direction of the Department

To advise the Commissioner of Rating and Valuation (CRV) on the Department's business strategy; promote and sustain innovation in core business practices; provide direction on long-term objectives; define strategies to improve productivity and work quality through information technology (IT) and otherwise; and identify and develop new services and their delivery, including e-billing.

2. Providing Advice on the Application of Automated Valuation Systems

To advise CRV on the development and introduction of modern automated valuation systems and computer-assisted mass appraisal (CAMA), and on the development of network with overseas counterparts and professional bodies to keep up with new developments in applications of CAMA, geographical information systems and other automated valuation systems.

3. Steering Strategic Computer and Systems Development

To oversee the strategic direction of computer and systems development to support the long-term business needs of the Department in accordance with the e-government vision and to enhance the provision of valuation and property information.

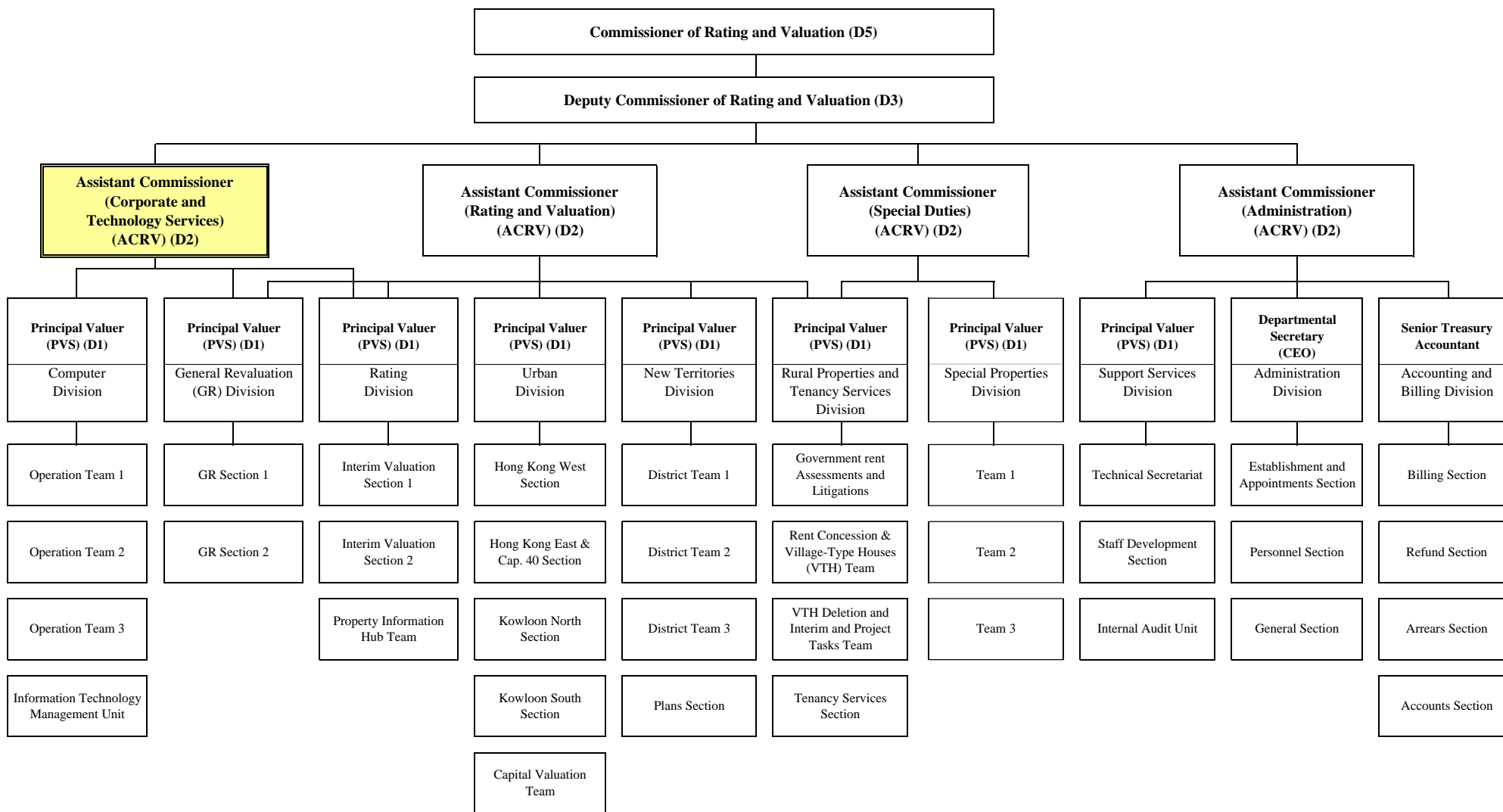
4. **Overseeing the General Revaluation (GR) exercise**

To oversee the annual GR exercise and the responsibilities of the GR Division; initiate further automation of the GR exercise through computer application and more frequent updating of valuation patterns; and introduce further mass appraisal initiatives and techniques to enhance the long-term accuracy and consistency of the GR.

5. **Developing Knowledge Management and Training In-house IT Expertise**

To develop structured training programmes and strategies to ensure the continuous updating of knowledge and to keep staff in step with and optimise the benefits available from on-going development in the application of IT to mass appraisal valuation methods; and ensure that such knowledge is sufficient within the Department to meet current and future business requirements at all times.

Organisation Chart of the Rating and Valuation Department



Legend:

- ACRV Assistant Commissioner of Rating and Valuation
- PVS Principal Valuation Surveyor
- CEO Chief Executive Officer
- Proposed creation of one permanent ACRV post, to be offset by the deletion of the Rating Adviser (D2) post