

“Enhanced Productivity Programme : 2002-03” Booklet

Report on EPP Savings – Customs and Excise Department

The value of EPP savings in 2002-03 : **\$39.04 m**, equivalent to **2.0%** of total recurrent baseline expenditure in that year that is subject to EPP. Total EPP savings (as a percentage of recurrent baseline expenditure subject to EPP) achieved by 2002-03 on a **cumulative** basis is **5.0%**.

Category	Savings (\$m)	EPP Measures in 2002-03	Safeguards for Quality Service
PE/PRE	1.555	<ul style="list-style-type: none"> • Delete two short-term posts created for specific tasks with a finite life <p><u>General Investigation and Systems Bureau</u></p> <p>A short-term Principal Trade Controls Officer (PTCO) post was created on 7.9.1999 for two years to accommodate an officer on secondment to the World Customs Organisation in Brussels to serve as a Technical Attaché for undertaking work programmes and projects in association with the harmonization of rules of origin. The secondment ended on 6.9.2001 and the officer concerned has returned to the department and taken up another post since then. The PTCO post, which is no longer needed, will be deleted under the EPP in 2002-03.</p> <p><i>Savings :</i> Deletion of 1 Principal Trade Controls Officer post in 2002-03.</p> <p><u>Establishment Section</u> <u>Office of Departmental Administration</u></p> <p>In connection with the launching of the EPP in the Government, a</p>	<p>Upon completion of the tasks in 2001-02, the two posts will no longer be required. The deletion, therefore, will not affect the operation of the department.</p>

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	31.898	<p>short-term Executive Officer I post was created in 1999 until 31.3.2002 to assist in formulating the EPP plan of the department and handle the related work. As the tasks of post will be accomplished by the end of 2001-02, we shall be able to delete the post on 1.4.2002 as planned.</p> <p><i>Savings :</i> Deletion of 1 Executive Officer I post in 2002-03.</p> <ul style="list-style-type: none"> • Implement an “Open Bond System” (OBS) for dutiable goods <p>At present, dutiable goods including liquor, tobacco and tobacco products imported into or manufactured in Hong Kong are required to be stored in bonded warehouse licensed under the Dutiable Commodities Ordinance until duty is paid or duty liability is acquitted (such as on export or being entered for concessional use). The warehouses are controlled under a closed bond environment in which Customs attendance is required to supervise the physical movements of the dutiable goods and the “operations-in-bond” (such as sampling, destruction, denaturing, repacking and remarking, etc.). In addition, vanning (the loading of dutiable goods into a cargo container for export) and devanning (the unloading of imported dutiable goods from a cargo container) are carried out</p>	<p>We shall adopt the following control measures to safeguard against loss of Government revenue under the OBS –</p> <p>(a) apply strict licensing criteria and operation conditions for warehouses;</p> <p>(b) establish a 58-member Compliance and Audit Team to carry out documentary verification, surprise physical checks and post-transaction auditing to ensure the compliance of the regime of self-regulation by the traders; and</p> <p>(c) apply risk management techniques in the selection of vanning and devanning activities for Customs supervision.</p> <p>We conducted a pilot scheme on the OBS for six months from January to June 2001 with five selected warehouses to try out the System. The outcome of the pilot scheme suggested that it was practicable and would not give rise to a higher risk of revenue loss.</p>

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		under the supervision of	
		<p>Customs officers. Under the OBS, Customs attendance at warehouses will be removed. Instead, warehouse operators will be held responsible for ensuring the safekeeping and accurate reporting of the dutiable goods in the warehouses through a regime of self-regulation. The supervision of operations-in-bond will be arranged by appointment. Supervision of vanning and devanning will be conducted on a selective basis through the application of risk management techniques. With the implementation of the OBS, a substantial number of posts deployed to station at the bonded warehouses and to supervise vanning and devanning activities will be saved. We shall utilize a portion of the savings to create one Treasury Accountant post and one Motor Driver post in a new 58-member Compliance and Audit Team. This team will monitor compliance through audit checks, stock inspections and supervision of vanning, devanning and operations-in-bond. The other posts for the team will be arranged through internal redeployment.</p> <p>The target date for the implementation of the OBS is 1.6.2002. At present, we are making arrangement for the necessary legislative amendments to pave the way</p>	

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		for its implementation.	
		<p><i>Savings :</i> Deletion of the following posts on 1.6.2002.</p> <p><u>Excise Control Division, Office of Dutiable Commodities Administration</u></p> <p>2 Senior Inspector 8 Inspector 18 Chief Customs Officer 47 Senior Customs Officer 15 Customs Officer 1 Office Assistant 1 Workman II</p> <p><u>Airport Administration Division, Airport Command</u></p> <p>6 Chief Customs Officer</p> <p><u>Apron Division, Airport Command</u></p> <p>12 Chief Customs Officer</p> <p><u>Air Cargo Research Division, Airport Command</u></p> <p>8 Chief Customs Officer</p> <p><u>China Ferry & Kowloon-Canton Railway Division, Control Points Command</u></p> <p>8 Senior Customs Officer</p> <p><u>Lowu Divison, Control Points Command</u></p> <p>4 Senior Customs Officer</p> <p><u>HK-Macau Ferry</u></p>	

Category	Savings (\$m)	EPP Measures in 2002-03	Safeguards for Quality Service
		<u>Division, Control Points Command</u>	
	0.210	<p>4 Senior Customs Officer</p> <p><i>Additional requirements :</i> Creation of the following posts on 1.6.2002.</p> <p><u>Excise Control Division,</u> <u>Office of Dutiable Commodities</u> <u>Administration</u></p> <p>1 Treasury Accountant 1 Motor Driver</p> <ul style="list-style-type: none"> • Re-distribute duties of the Confidential Assistants in Customs Intelligence and Liaison Bureau to achieve optimal utilization of manpower resources. <p>At present, there are two Confidential Assistants (Conf. Asst.) in the Confidential Registry of the Customs Intelligence and Liaison Bureau serving the entire Bureau. In addition, Intelligence Research Division of the Bureau has one Conf. Asst. of its own to handle confidential intelligence files.</p> <p>We have reviewed the workload of the three Conf. Assts. and found that all of them had spare capacity to take up additional work. Through re-distributing the duties between the two Conf. Assts. in the Confidential Registry, we shall be able to free up sufficient capacity in one of the Conf. Asst. to take up the work of the Conf. Asst. in the Intelligence Research Division. With this arrangement, we can afford to delete the Conf. Asst. post in the Intelligence Research Division.</p>	<p>We have critically examined the total workload of the three Conf. Assts. in the Bureau and concluded that it can be absorbed by two Conf. Assts. without compromising efficiency and the quality of work.</p>

Category	Savings (\$m)	EPP Measures in 2002-03	Safeguards for Quality Service
		<i>Savings :</i>	
	1.563	<p>Deletion of 1 Confidential Assistant post in 2002-03.</p> <p>Rationalise the establishment of various formations to match changing operational requirements.</p> <p><u>Typing Pool and General Registry of Office of Departmental Administration</u></p> <p>As a result of office automation, the demand for typing service has further decreased in 2001-02. On the other hand, with the wider use of the computer network for the circulation of circulars, orders and reports, etc., the demand for mass duplication of these documents has been reduced further. Hence, we can further reduce the manpower of the Typing Pool and General Registry.</p> <p><i>Savings :</i> Deletion of the following posts in 2002-03 –</p> <p>2 Typist 1 Office Assistant</p> <p><u>General Office, Textiles Tactical and Intelligence Bureau</u></p> <p>At present, there are seven Clerical Assistants (CA) in the General Office of Textiles Tactical and Intelligence Bureau providing clerical support and typing service to other staff of the Bureau. As a result of office automation, the workload of the CAs has been reduced. We have examined the workload of the CAs</p>	<p>We have critically examined the workload of the offices concerned and concluded that their effectiveness and efficiency will not be affected. Where necessary, we shall re-distribute duties among the remaining staff to achieve optimal utilisation of manpower resources.</p>

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		and concluded that it can be absorbed by six CAs. Hence, we can delete one CA post without	
		<p>affecting the operation of the Bureau.</p> <p><i>Savings :</i> <u>Deletion of 1 Clerical Assistant post in 2002-03.</u></p> <p><u>Computer System Planning Division,</u> <u>Office of Information Technology</u></p> <p>The Assistant Clerical Officer (ACIO) post of the Computer System Planning Division is mainly responsible for updating orders, circulars, procedures, ordinances and instructions in addition to undertaking general clerical duties. As a result of office automation and computerization of record keeping, the workload of the ACIO has been greatly reduced. We can delete the ACIO post without affecting the operation of the Division. The clerical duties currently undertaken by the ACIO will be absorbed by other officers in the Division.</p> <p><i>Savings :</i> <u>Deletion of 1 Assistant Clerical Officer post in 2002-03.</u></p> <p><u>Airport Administration Division,</u> <u>Airport Command</u></p> <p>At present, there are three CAs in Airport Administration Division providing clerical support and typing service to the staff of Airport Command. As a result of office automation, the workload of the CAs</p>	

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		has been reduced. We have examined the workload of the	
		<p>CAs and concluded that it can be absorbed by two CAs. Hence, we can delete one CA post without affecting the operation of the Airport Command.</p> <p><i>Savings :</i> <u>Deletion of 1 Clerical Assistant post in 2002-03.</u></p> <p><u>Consignment and Factory Inspection Division 2, Trade Inspection and Verification Bureau</u></p> <p>At present, there are four Clerical Assistants (CA) in the Division providing clerical support and typing service to the other staff of the Division. As a result of office automation, the workload of the CAs has been reduced. We have examined the workload of the CAs and concluded that it can be absorbed by three CAs. Hence, we can delete one CA post without affecting the operation of the Division.</p> <p><i>Savings :</i> Deletion of 1 Clerical Assistant post in 2002-03.</p> <p><u>Textiles Fraud Investigation Division 1, Textiles Fraud Investigation Bureau</u></p> <p>As a result of a sustained decrease in the number of referrals of textiles fraud cases from the Trade and Industry Department and the five Government Approved Certification Organizations to our department for investigation, the workload of Textiles Fraud Investigation Division</p>	

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		1 has dropped slightly. We have	
	0.048	<p>critically reviewed the staff complement of the Division against the reduced workload and concluded that, to optimize the utilization of resources, one Trade Controls Officer post could be deleted.</p> <p><i>Savings :</i> Deletion of 1 Trade Controls Officer post in 2002-03.</p> <p><u>Excise Control Division, Office of Dutiable Commodities Administration</u></p> <p>At present, there are two Clerical Assistants (CA) in the Excise Control Division of the Office of Dutiable Commodities Administration. With the down-sizing and re-structuring of the Excise Control Division upon the implementation of Open Bond System, workload of the CAs will be greatly reduced. We estimate that one CA will be sufficient to cope with the reduced workload. Hence, we can delete one of the two existing CA posts.</p> <p><i>Savings :</i> Deletion of 1 Clerical Assistant post in 2002-03.</p> <ul style="list-style-type: none"> • Regrade three Customs Officer (CO) posts in the Seizures Identification Unit of Intellectual Property Investigation Bureau responsible for co-ordinating the examination of seized pirated/counterfeit goods to Assistant Clerical Officer (ACIO) posts. 	<p>The duties of the three COs are basically clerical duties. It is more appropriate to deploy ACIOs to perform the duties. We shall provide on-the-job training and sufficient guidance to the ACIOs to ensure that they can perform the duties effectively.</p>

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	1.871	<p><i>Savings :</i> Deletion of 3 Customs Officer posts in 2002-03.</p> <p><i>Additional requirements :</i> Creation of 3 Assistant Clerical Officer posts in 2002-03.</p> <ul style="list-style-type: none"> • Improve enforcement capability of Textiles Tactical & Intelligence Bureau (TTIB) through the application of information technology. <p>TTIB is responsible for conducting blitz checks on textiles consignments at land boundary control points, container terminals and public cargo working areas to prevent and suppress illegal textiles transshipment through Hong Kong. TTIB has put in place since May 2001 a computerized textiles traders targeting system to assist in targeting high-risk textiles consignments for checking. With the aid of the system, TTIB can effectively deploy its manpower resources in a more flexible manner to conduct blitz checks at the various check points, whereby optimizing the utilization of its manpower resources. As a result, savings in manpower is achieved.</p> <p><i>Savings :</i> Deletion of the following posts in 2002-03.</p> <p><u>Textiles Tactical Investigation Division 1,</u></p>	<p>With the enhancement of the enforcement capability of TTIB with the aid of the computerized textiles traders targeting system, the manpower of TTIB can be put to optimal use. Deletion of the seven posts will not have any adverse effect on the effectiveness and efficiency of TTIB.</p>

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		<u>TTIB</u>	
		<p>1 Trade Controls Officer</p> <p>2 Assistant Trade Controls Officer</p> <p><u>Textiles Tactical Investigation Division 2,</u></p> <p><u>TTIB</u></p> <p>2 Assistant Trade Controls Officer</p> <p><u>Textiles Tactical Investigation Division 3,</u></p> <p><u>TTIB</u></p> <p><u>2 Assistant Trade Controls Officer</u></p>	<p>We have all along encouraged our staff to voice their opinions on the EPP plan, and have briefed staff representatives on a regular basis, through the Departmental Consultative Committee and meetings with staff associations, on the EPP plan and collected their views. We have also announced the EPP plan in our departmental newsletter "Customs News" for the information of our staff. Based on the feedback received, our EPP plan is generally supported by our staff. We shall continue to monitor the sentiments among our staff and address their concerns in order to gain their co-operation in the implementation of the plan.</p> <p>Where there are changes to the mode of operation or work arrangements, we shall provide sufficient guidance, training and/or refresher courses to the staff concerned to ensure that they can adapt to the changes.</p>

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<i>Sub-total</i>	37.145		

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DE/OC	1.895	<ul style="list-style-type: none"> Economise on the use of General Departmental Expenses. 	Through careful planning and effective resource management, we shall be able to achieve the target savings under DE/OC without affecting the quality of service.
<i>Sub-total</i>	1.895		
Total	39.04		

- PE : i.e. Staff salaries and allowances
- PRE : i.e. Costs related to the employment of staff other than pay and allowances e.g. pensions, staff housing
- DE : i.e. The day to day operating expenses of departments e.g. fuel, traveling expenses and furniture
- OC : i.e. Significant expenditure peculiar to a particular department's operation
- Subventions i.e. Recurrent payment to non-government bodies in support of their on-going expenses