

“Enhanced Productivity Programme : 2000-01” Booklet

Report on EPP Savings -- Post Office Trading Fund

Total value of EPP Savings : **\$141.1m**. In 1999-2000, through advance implementation of EPP we aimed to achieve savings of \$50.4m for that year and \$100.1m for 2000-01. We now aim to achieve savings of \$141.1m for 2000-01 which is equivalent to **4%** of total Extrapolated Recurrent Expenditure* in 2000-01.

| Category | \$m | EPP Measures | Safeguards for Quality Services |
|---------------|--------|--|---|
| PE/PRE | 20.300 | <ul style="list-style-type: none"> ● Rationalise staffing level for all operation centres and branch offices. | For staffing review, we have carried out a detailed beat revision exercise with a view to reducing the manpower requirement for mail distribution. |
| | 11.200 | <ul style="list-style-type: none"> ● Merge parcel and Speedpost delivery teams and acceptance counters. | We shall be able to accommodate all deletion of posts through natural wastage or internal redeployment to new services such as Local Courierpost, Postal Remittance Service and Fulfillment Services. No staff redundancy will arise. |
| | 4.500 | <ul style="list-style-type: none"> ● For simple trips of delivery of mail, to dispense with escorts for loading and unloading of mail after a review of procedures. | Where there are changes to the mode or process of service delivery, we promote these changes and provide suitable training within the organisation to ensure that staff can adapt to the transition. Staff can also voice their feedback and proposals on EPP using the department’s staff hotline. |

* Extrapolated Recurrent Expenditure means projected recurrent expenditure for 2000-01 to meet the expected increases/decreases in business volume since 1998-99.

| Category | \$m | EPP Measures | Safeguards for Quality Services |
|--------------|----------------|---|--|
| | 75.200 | <ul style="list-style-type: none"> Control overtime hours including tighter monitoring of outdoor staff, to reduce overtime by over 18.1% in the first seven months of 1999-2000. | <p>Where there are proposals to implement the EPP measures such as reduction in overtime, staff unions will be consulted to minimise staff resistance.</p> |
| | 9.000 | <ul style="list-style-type: none"> Replace temporary staff by contract staff. <p><i>Additional requirements :</i> Terminal payments for temporary staff will amount to \$6m.</p> | |
| | 10.100 | <ul style="list-style-type: none"> Achieve savings by installing Culler Facer Cancellers (CFC) and Track and Trace System (TTS). | |
| | 0.900 | <ul style="list-style-type: none"> Use contract services for transportation. <p><i>Additional requirements :</i> Employment of one contract staff at \$0.1m per annum</p> | |
| | <i>131.200</i> | | |
| DE/OC | 3.500 | <ul style="list-style-type: none"> Reduce rentals through rental negotiation upon renewal of leases for premises, resulting in savings of \$0.295m per month. | <p>We will ensure that all revisions to maintenance and service contracts will not lead to deterioration of current standards. In implementing these changes, we also issue circulars, revise staff manuals and provide appropriate training to ensure that all staff understand the requirements.</p> |

| Category | \$m | EPP Measures | Safeguards for Quality Services |
|----------|-------|--|---------------------------------|
| | 1.400 | <ul style="list-style-type: none"> ● Merge Speedpost Acceptance System and Track and Trace System dataline network. <p><i>Savings :</i> Upon redevelopment of Speedpost Acceptance System in January 2000, annual savings of \$1.4m of leased line is expected.</p> | |
| | 1.000 | <ul style="list-style-type: none"> ● More cost effective use of the telecommunication facilities: <ul style="list-style-type: none"> - Change of plans for mobile phones since March 1999, resulting in annual savings of \$0.6m - Issue of phonecards to eligible officers since May 1999 with annual savings of \$0.3m - Reduction of rental charges on phonesets through negotiation with operators with annual savings of \$0.1m. | |
| | 0.400 | <ul style="list-style-type: none"> ● Conduct comprehensive energy saving review programmes. Introduce energy saving measures advised by China Light & Power Company Limited in Air Mail Centre Division since September 1999. Further studies to be undertaken for General Post Office and International Mail Centre. | |

| Category | \$m | EPP Measures | Safeguards for Quality Services |
|--------------|----------------|--|---------------------------------|
| | 0.100 | <ul style="list-style-type: none"> Identify less expensive air tickets to cut down overseas duty passage costs. Purchase special fare (as against normal fare) air passage for duty visits. | |
| | 3.600 | <ul style="list-style-type: none"> Hire vehicles from non-government contractors. | |
| | (0.100) | <ul style="list-style-type: none"> Additional requirement arising from contracting out. <p>Please refer to the last bullet under PE/PRE.</p> | |
| | 9.900 | | |
| Total | 141.100 | | |

Note

| | | |
|-------|----------------------------|--|
| PE : | Personal Emoluments | i.e. Staff salaries and allowances |
| PRE : | Personnel Related Expenses | i.e. Costs related to the employment of staff other than pay and allowances e.g. pensions, staff housing |
| DE : | Departmental Expenses | i.e. The day to day operating expenses of departments e.g. fuel, travelling expenses and furniture |
| OC : | Other Charges | i.e. Significant expenditure peculiar to a particular department's operation |