

“Enhanced Productivity Programme: 2001-02” Booklet

Report on EPP Savings – Post Office Trading Fund

Total value of EPP savings in 2001-02: **\$33.888m**, equivalent to **1.1%** of total extrapolated operating expenditure* in that year that is subject to EPP. Total EPP savings (as a percentage of extrapolated operating expenditure in 2001-02 that is subject to EPP) achieved by 2001-02 on a **cumulative** basis is **5.6%**.

Category	Savings (\$m)	EPP Measures in 2001-02	Safeguards for Quality Service
PE/PRE	1.666	<ul style="list-style-type: none"> ● Revise the local mail sorting plan to include sortation of some outward surface mail destinations with a view to downsizing the Outward Surface Section at the International Mail Centre. 	This EPP measure will accelerate the segregation process and improve the quality of service standards we set for outward mail.
	4.586	<ul style="list-style-type: none"> ● Re-engineer the process at the sorting office of the International Mail Centre to sort mail under a clear and pre-determined work plan. 	This will shorten the processing time of mail and improve the quality of service standards.
	1.971	<ul style="list-style-type: none"> ● Streamline the process of acceptance of Speedpost pick-up items so that: <ul style="list-style-type: none"> - Items collected along the designated routes can be forwarded direct to the Air Mail Centre bypassing the International Mail Centre. - The spare capacity of the Speedpost Acceptance System terminals at the Air Mail Centre will be utilised. 	Productivity as well as quality of service will be improved.
	0.841	<ul style="list-style-type: none"> ● Introduce containerisation to convey metered mail from branch offices to processing centres to improve productivity and the occupational safety and health of working staff. 	Productivity as well as quality of service will be improved.

* Extrapolated operating expenditure means projected recurrent expenditure for 2001-02 to meet the expected increases/decreases in business volume since 1998-99.

Category	Savings (\$m)	EPP Measures in 2001-02	Safeguards for Quality Service
	15.836	<ul style="list-style-type: none"> Control overtime work and improve overall productivity of postal services by re-arranging street post boxes collection routes, arranging shift duties to cover public holidays, using contract staff to reduce overtime work, setting overtime level of individual staff to a ceiling, etc. 	We will consult staff unions to minimise adverse staff reactions.
	5.987	<ul style="list-style-type: none"> Rationalise staffing level and contain staff size by using contract staff. 	We will accommodate all deletions of posts through natural wastage or internal redeployment to new services such as PayThru Post, Logistics Service and Certification Authority. No staff redundancy will arise.
	0.498	<ul style="list-style-type: none"> Install a large X-ray machine at the Landside platform of Air Mail Centre to expedite the security vetting of outward airmail. 	Productivity will be improved and no adverse effect on the quality of service.
	(0.067)	<p><i>Additional requirements :</i> One large X-ray machine costs \$1 million will depreciate over 15 years – depreciation charge of \$0.07 million per annum.</p>	
<i>Subtotal</i>	<i>31.318</i>		
DE/OC	2.500	<ul style="list-style-type: none"> Replace vehicles based on economic useful life and safety assessments instead of age of vehicle. 	Quality of service will not be adversely affected.
	0.070	<ul style="list-style-type: none"> Outsource Artisan work to outside contractors. 	Quality of service will not be adversely affected.
<i>Subtotal</i>	<i>2.570</i>		
Total	33.888		

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
Subventions		i.e.	Recurrent payment to non-government bodies in support of their on-going expenses