

“Enhanced Productivity Programme: 2002-03” Booklet

Report on EPP Savings – Post Office Trading Fund

Total value of EPP savings in 2002-03: **\$7.194 m**, equivalent to **0.2%** of total extrapolated operating expenditure* in that year that is subject to EPP. Total EPP savings (as a percentage of extrapolated operating expenditure in 2002-03 that is subject to EPP) achieved by 2002-03 on a **cumulative** basis is **5.9%**.

Category	Savings (\$m)	EPP Measures in 2002-03	Safeguards for Quality Service
PE/PRE	1.698	a) Automate the operations of the Mail Tracing Office and turn its operations into a paperless operation <i>Additional Requirements:</i> Develop a Mail Tracing Office system	The quality of service will be improved by quicker response to customers' enquiries and processing of claims.
	0.893	b) Streamline the work procedures on handling outward airmail items posted before Latest Times of Posting	Productivity as well as quality of service will be improved.
	0.154	c) Install new vertical postman preparation fittings at 4 post offices <i>Additional Requirements:</i> Procure 430 sets of new fittings	No adverse effect on the quality of service – The new fitting eliminates the need for second handling in mail walk sorting hence increases efficiency.
	0.081	d) Introduce 56-box sorting frames at 6 delivery offices to eliminate second handling on manual sorting <i>Additional Requirements:</i> Procure 145 sets of new frames	No adverse effect on the quality of service – The new sorting frames eliminate the need for second handling in mail walk sorting hence increase efficiency.
	1.707	e) Hire vehicles instead of replacing 15 vehicles <i>Additional Requirements:</i> Hire private vehicles. (Please refer to item (h) under DE/OC)	We will consult staff unions to minimise adverse staff reactions.

* Extrapolated operating expenditure means projected recurrent expenditure for 2002-03 to meet the expected increases/decreases in business volume since 1998-99.

Category	Savings (\$m)	EPP Measures in 2002-03	Safeguards for Quality Service
	2.184	f) Replace permanent staff by contract staff to rationalise staffing level and contain staff size	We will accommodate all deletions of posts through natural wastage or internal redeployment to services such as PayThru'Post and Logistics Service. No staff redundancy will arise.
	0.393	g) Control overtime work by setting overall level of individual staff to a ceiling of 60 hours per month and by using more contract staff	No adverse effect on the quality of service.
<i>Sub-total</i>	<i>7.110</i>		
DE/OC	0.084	h) Replace fewer vehicles and hire more private vehicles <i>Additional Requirements:</i> Hire private vehicles	Quality of service will not be adversely affected because hired vehicles will be used instead.
<i>Sub-total</i>	<i>0.084</i>		
Total	7.194		

PE : Personal Emoluments

PRE : Personnel Related Expenses

DE : Departmental Expenses

OC : Other Charges

i.e. Staff salaries and allowances

i.e. Costs related to the employment of staff other than pay and allowances e.g. pensions, staff housing

i.e. The day to day operating expenses of departments e.g. fuel, travelling expenses and furniture

i.e. Significant expenditure peculiar to a particular department's operation