

Progress of the Enhanced Productivity Programme (EPP)

In his 1998 Policy Address, the Chief Executive announced that the public sector would undertake an Enhanced productivity Programme (EPP).

2. The EPP aims to achieve 5% cumulative savings in the Government's baseline operating expenditure progressively over the three years from 2000-01 to 2002-03. Progress so far is -

- Ahead of the implementation of the EPP, in 1999-2000, bureaux/departments/subvented organisations delivered over \$800 million of productivity gains, the bulk of which were re-deployed to provide new or improved services.
- In 2000-01 and 2001-02, we delivered savings of \$1,148 million and \$2,248 million respectively, or \$3.4 billion cumulatively amounting to 3.3% of operating expenditure.
- For 2002-03, bureaux/departments/subvented organisations have committed to deliver further savings of around \$1.9 billion, which, together with the \$3.4 billion savings delivered in 2000-01 and 2001-02, will bring cumulative savings to over 5% of baseline operating expenditure. Bureaux/departments/subvented organisations are now finalising details of their savings to be delivered in 2002-03 in the course of the preparation of the 2002-03 Draft Estimates.
- Taking into account the \$800 million savings delivered in 1999-2000 ahead of the EPP, the \$3.4 billion savings delivered in 2000-01 and 2001-02, and the \$1.9 billion savings that we are committed to deliver in 2002-03, total annual savings will amount to \$6 billion starting from 2002-03.

All these savings are re-deployed to provide more new and improved services for the public.

3. Details of the implementation of the EPP, including savings achieved by individual departments in 2000-01 and 2001-02 are published for public information in the 2000-01 and 2001-02 EPP booklets, and on Finance Bureau's website (<http://www.info.gov.hk/fb>). To facilitate Members' reference, a table showing the cumulative EPP savings achieved by individual departments in 2000-01 and 2001-02 is provided at Annex. When details on 2002-03 savings of bureaus/departments/subvented organisations have been finalised, they will similarly be published through a booklet and Finance Bureau's website.

Finance Bureau
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Bureau/ Department/ Offices	Total EPP Savings in 2000-01 and 2001-02 (\$ million) (Cumulative%)	
I. Chief Executive's Office, Bureaux and Beijing Office		
Chief Executive's Office	2.86	5.2
Beijing Office	2.99	5
Civil Service Bureau	5.38	3
Civil Service Bureau --General Expenses of the Civil Service	5.7	3
Commerce and Industry Bureau	2.68	3
Commerce and Industry Bureau - Overseas Offices	7.95	3.3
Constitutional Affairs Bureau	2.01	5
Economic Services Bureau	2.05	3
Education and Manpower Bureau	2.73	3
Environment and Food Bureau	1.65	3.7
Finance Bureau	4.42	3.7
Financial Services Bureau	4.22	3
Health and Welfare Bureau	2.22	3
Home Affairs Bureau	4.06	3
Housing Bureau	1.25	3
Information Technology and Broadcasting Bureau	3.69	3
Innovation and Technology Commission (Note 1)	0	4.4
Offices of the Chief Secretary for Administration and the Financial Secretary	10.59	3.7
Planning and Lands Bureau and Works Bureau	8.01	3
Security Bureau	3.48	3
Transport Bureau	2.08	3
Sub-total (A):	80.02	
II. Departments		
Agriculture, Fisheries and Conservation Department	32.63	5
Architectural Services Department	49.6	3.3
Audit Commission	4.27	3.4
Auxiliary Medical Service	1.91	3
Buildings Department	14.15	3
Census and Statistics Department	23.71	3
Civil Aid Service	2.33	3
Civil Aviation Department	29.28	4.3
Civil Engineering Department	32.51	3.9

Bureau/ Department/ Offices	Total EPP Savings in 2000-01 and 2001-02	
	(\$ million)	(Cumulative%)
Civil Service Training and Development Institute	6.33	4
Correctional Services Department	77.75	3
Customs and Excise Department	53.75	3
Department of Health	98.08	3
Department of Justice	24	3.1
Drainage Services Department	55.81	3.5
Education Department	89.29	5
Electrical and Mechanical Services Department (other than those divisions operated as Trading Fund)	6.04	3
Environmental Protection Department	30.8	3.6
Fire Services Department	86.83	3
Food and Environmental Hygiene Department	123.22	3.9
Government Flying Service	4.88	3.1
Government Laboratory	5.98	3
Government Land Transport Agency	6.26	10.4
Government Property Agency	101.06	4.9
Government Supplies Department	8.21	5
Highways Department	92.57	5
Home Affairs Department	26.86	3
Hong Kong Observatory	6.73	3
Hong Kong Police Force	372.24	3
Housing Department	15.48	3.1
Immigration Department	63.68	3
Independent Commission Against Corruption	20.78	3
Independent Police Complaints Council	0.46	3.4
Industry Department (Note 1)	3.49	4.4
Information Services Department	10.67	3
Information Technology Services Department	20.42	3
Inland Revenue Department	34.38	3
Intellectual Property Department	2.45	3
Invest Hong Kong (Note 1)	0	5
Judiciary	28.18	3
Labour Department	22.34	3
Lands Department	41.81	3
Legal Aid Department	6.87	3
Leisure and Cultural Services Department	105.32	3
Management Services Agency	1.66	3
Marine Department	34.74	3.5
Official Languages Agency	3.33	3.1
Official Receiver's Office	4.09	3
Planning Department	8	2
Printing Department	8.9	3.5

Bureau/ Department/ Offices	Total EPP Savings in 2000-01 and 2001-02	
	(\$ million)	(Cumulative%)
Public Service Commission	0.69	3.6
Radio Television Hong Kong	14.48	3.1
Rating and Valuation Department	19.51	5.1
Registration and Electoral Office	3.04	5
Social Welfare Department	223.64	3
Joint Secretariat for the Advisory Bodies on Civil Service and Judicial Salaries and Conditions of Service	0.65	4.3
Standing Committee on Disciplined Services Salaries and Conditions of Service	0.35	5
Student Financial Assistance Agency	2.52	3
Television and Entertainment Licensing Authority	2.49	3
Territory Development Department	6.4	3
Trade and Industry Department (Note 2)	16.65	5.4
Transport Department	24.23	3
Treasury	17.44	5.2
University Grants Committee	2.4	5
Water Supplies Department	126.25	4.2
Sub-total (B):	2,364.87	

III. Subvented Organizations

Legislative Council Commission	7.14	3
Consumer Council	1.99	3
Duty Lawyer Service	3.41	3
Equal Opportunities Commission	2.52	3
Hong Kong Academy for Performing Arts	5.48	3
Hong Kong Applied Science and Technology Research Institute	1.9	3
Hong Kong Arts Development Council	3.42	3
Hong Kong Productivity Council	5.67	3
Hong Kong Sports Development Board	7.52	3
Hong Kong Tourism Board	16.17	3
Hospital Authority	819.97	3
Office of The Ombudsman	1.99	3.1
Office of the Privacy Commissioner for Personal Data	1.11	3
Prince Philip Dental Hospital (Note 3)	1.23	1
Skills Centres	7.48	5
Vocational Training Council	60.54	3
Other subvented organisations	2.89	3
Sub-total (C):	950.43	

Grand Total (A) + (B) + (C): **3,395.32**
(Round-up): **3,396**

Note:

- (1) The new Innovation and Technology Commission (ITC) and Invest Hong Kong were established upon dis-establishment of the former Industry Department. They are deemed to have delivered 4.4% and 5% EPP savings respectively in 2001-02 through the former Industry Department through streamlining of staff structure and operational procedure. ITC will deliver the remaining 0.6% EPP savings in 2002-03.
- (2) Following (1), the Trade Department was retitled Trade and Industry Department and took over from the former Industry Department functions relating to the general support for the industrial sector and small and medium enterprises.
- (3) EPP savings of Prince Philip Dental Hospital are reported under Department of Health starting from 2001-02.