

**For information
on 3 November 2003**

Legislative Council Panel on Economic Services

**Post Office: Mail Delivery to Major Commercial
and Industrial Areas**

Purpose

This paper informs Members of revised arrangement for mail delivery to commercial and industrial areas, following the Post Office's (PO) comprehensive review of the existing twice-delivery beats for mail items.

Background

2. At present, the PO provides two mail deliveries a day to major commercial and industrial areas. In March 2002, the Director of Audit (D of A) noted in his Report No. 38 to the Public Accounts Committee (PAC) that during the period January 2000 to December 2001, the performance of twice-delivery beats in achieving next day delivery of locally posted letters was better than that of once-delivery beats by only 1.2%. D of A recommended that the PO should conduct a comprehensive review of the existing twice-delivery beats with a view to converting them to once-delivery beats as far as possible. The PAC also noted in its report in July 2002 that the PO was conducting a review of delivery beats and urged the Postmaster General to report progress and keep the Legislative Council informed of the review results.

Existing arrangement

3. At present, the PO conducts 1,674 mail delivery beats each day, of which 1,255 are once-delivery beats (about 75%) while 419 are twice-delivery beats.

Once-delivery beats

4. Residential areas and residential cum commercial areas are serviced by once-delivery beats. Delivery postmen servicing such areas start work at 7:30 am or 8:00 am, first sorting the delivery items in their

respective delivery offices according to the sequence of delivery. They will then deliver the mail items throughout the day, taking a one-hour lunch break. With this arrangement, some addressees will receive their mail items in the morning, others in the afternoon, mostly before 4:00 pm and latest by 5:30 pm.

Twice-delivery beats

5. Major commercial areas such as the Central District and Tsimshatsui, and industrial areas such as Chai Wan, Kowloon Bay, Kwun Tong, Cheung Sha Wan, Tsuen Wan and Kwai Chung are serviced by twice-delivery beats. The intention is to ensure that business customers receive most of their mail items in the morning so that they can attend to them before close of business that day.

6. Under this arrangement, the “catchment areas” are smaller. While the modus operandi is broadly similar to that of the once-delivery beats, the postmen will complete delivery of the mail items to all the addressees in their respective area in the morning before lunch. After lunch hour, they return to their respective delivery office to sort mail items for a second round of delivery in the afternoon.

Review of twice-delivery beats

7. In view of D of A’s recommendation mentioned in paragraph 2 above, the PO initiated a review of the twice delivery arrangement in June 2002.

Findings

8. The PO has completed its comprehensive review, which indicates that the mail delivered in the second round of delivery by a postman serving twice-delivery beats amounts, on average, to about 11% of the total volume of mail handled by the postman in the same day.

Assessment

9. The PO estimates that, if mail delivery to all commercial and industrial areas, including those presently serviced by two deliveries per day, is done once per day, the effect would be -

- (a) Impact on clients :

- (i) about 60% of the addressees in areas currently served by twice-delivery beats will receive their mail items in the morning; and
 - (ii) about 40% of the addressees in these areas will receive their mail items in the afternoon, mostly before 3:00 pm.
- (b) Savings for the PO : there will be a reduction of some 100 delivery beats, bringing about an annual saving of around \$28.7 million.

Revised arrangement

10. The PO intends to convert progressively by early 2004 all twice-delivery beats to once-delivery beats.

Consultation

11. The PO has sounded out some of its clients in major commercial areas. The general feedback is that they do not object to having one delivery per day, although, they would prefer to have the mail delivered in the morning, as far as possible. The PO has also consulted its staff who has no objection to the revised arrangement.

The Administration's Considerations

12. Feedback from the clients indicates that reducing the number of deliveries should not have adverse effect on their business operation. The revised arrangement will also enable the PO to deploy its staff resources more efficiently. This is particularly important in the light of continuing reduction in mail going through the PO because of growing competition and technological developments for mail traffic.

Implementation

13. Affected customers will be informed through the management offices of the respective buildings, before their mail delivery is changed to once per day.

14. In areas with lower mail volume, the PO has since October 2002 reduced the number of twice-delivery beats by 26, thereby expanding the "catchment area". The "surplus" postmen have been

redeployed to other duties. This exercise alone achieves an annual saving of about \$7.5 million, which is in addition to the projected annual savings in paragraph 9 above.

Members' advice

15. Members' views are invited on the revised arrangement for mail delivery to commercial and industrial areas.

Economic Development and Labour Bureau
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