

For Information

Legislative Council Panel on Home Affairs

Implications of achieving savings in operating expenditure

Purpose

This paper informs Members on how the Home Affairs Bureau (HAB) and the departments/subvented organizations under its purview plan to achieve savings in operating expenditure in the coming four financial years.

Background

2. Directors of Bureaux are requested to identify savings at the rate of 1.8% in 2003-04 and an additional 1% each year in 2004-05 to 2006-07.

Guiding Principles

3. The HAB is mindful of the following guiding principles when formulating our measures for achieving savings:

- (a) to make the best use of limited resources through the 3Rs and 1M – Re-prioritise, Re-organize and Re-engineer, and make better use of the Market and the private sector in the delivery of services;
- (b) to streamline and delayer organizational structures for higher efficiency while ensuring that the quality of services to the public would not be adversely affected;

(c) to ensure that any establishment changes would not lead to staff redundancy; and

(d) to effect an across the board contribution under which bureaux, departments and subvented organizations will contribute their portion of efficiency savings according to the savings targets.

4. With effect from 2003-04, HAB, like all other bureaux, will adopt an One-Line-Vote (OLV) arrangement. Under OLV, Controlling Officers will have the autonomy in dealing with provisions allocated. This will allow greater flexibility in the deployment of funds and better use of resources.

2003-04

5. With the above guiding principles, we are considering how to re-deploy resources to be allocated in our operating expenditure envelope so as to meet the target of 1.8% savings for 2003-04. We are looking at a variety of measures to bring about the required savings.

6. Since staff cost constitutes a substantial portion of our provisions, we are looking at various possibilities in reducing the expenditure in this area through streamlining and delayering of organizational structures, rationalization and redistribution of duties which may involve reshuffling of duties among officers in the Bureau and the departments, phasing out of surplus staff, if any, through natural wastage and re-deployment to other government departments, and contracting out of services, etc.

7. In addition, we will seek to reduce our departmental expenses through measures such as re-engineering and streamlining of work process, and making better use of technology, etc. We will also encourage the subvented organizations under our purview to identify savings through means such as reviewing and re-prioritizing their services and programmes, exercising tighter control over expenses, and re-engineering service acquisition, etc. while maintaining the quality of services provided.

8. We shall examine the matter in detail and will formulate firm proposals in the course of preparing the 2003-04 Estimates. We will try every endeavour to ensure that in achieving the savings, the quality of our services to the public would not be adversely affected.

2004-05 to 2006-07

9. We will assess the effectiveness of the measures taken in 2003-04 and then consider the way forward for 2004-05 to 2006-07.

Home Affairs Bureau
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