

(Unclassified version with commercially sensitive or confidential information and Members' names removed)

S.C. 19/2012

**Minutes of the 43rd Meeting of the
Staffing Committee held at 2:30p.m.
on Tuesday, 6 November 2012 in the Board Room,
2nd floor, HKPC Building, 78 Tat Chee Avenue, Yau Yat Chuen, Kowloon**

Present : Chairman - Dr. Elizabeth Shing Shiu-ching, BBS, JP

Members - Miss Lam Kam-yi
Mr. Leung Yam-shing
Mrs. Agnes Mak Tang Pik-yee, MH, JP
Prof. Helen Meng Mei-ling
Mr. Sin Kai-ming, MH
Ms. Marilyn Tang Yin-lee
Mr. Frank Tsang

Absent with Apologies: Mr. Andrew Mak Yip-shing, JP
Mrs. Katherine Ngan Ng Yu-ying, JP

In Attendance from HKPC:

Mr. Tony Lam	Director, Corporate Services
Mr. Leo Lam	Director, Business Innovation
Mr. Joseph Poon	Director, Technology Development
Mr. Jonathan Ho	General Manager, Corporate Communications
Mr. Dennis Wu	General Manager, Corporate Human Resources & Administration
Mr. Alfonso Tam	Chief Manager, Council Secretariat
Ms. Miranda Yeap	Senior Manager, Council Secretariat

Welcome

The Chairman welcomed Mr. Frank Tsang, Assistant Commissioner for Innovation and Technology who attended the meeting for the first time.

Confirmation of Minutes (S.C. 12/2012)

The Minutes of the 42nd Staffing Committee Meeting held on 10 July 2012 had been circulated to Members and there were no requests for amendments. The Minutes were taken as read, confirmed and signed by the Chairman.

I. Matter Arising

1. reported that, since the last 42nd meeting held on 10 July 2012, Members had noted via paper S.C. 13/2012 circulated on 26 October 2012 the recruitment arrangements for the post of General Manager, Mainland which was left vacant following the departure of Mr. Raymond Cheng in September 2012.

II. HKPC's Programme and Estimates for 2013/14 - Staff Establishment (S.C. 14/2012)

2. Invited by the Chairman to report, introduced the paper and said that, in accordance with its terms of reference, the Staffing Committee should be consulted on changes to HKPC's staff establishment proposed in its annual Programme and Estimates prior to Council's consideration and approval. Having regard to organizational and business development needs, it was proposed that the overall staff establishment for 2013/14 be slightly reduced to 695 from the current 698, comprising an increase in the approved manning by one to 630 and a reduction in project positions by four to 65. As a result of the proposed changes, consulting positions would be increased from 307 to 314, while technical and support positions would be streamlined from 274 to 266.

3. In reply to , said that, despite the merger, the operation of the APAS R&D Centre (APAS) would be separately funded by the Government outside HKPC's annual Programme and Estimates. said that while the headcounts for APAS would not form part of HKPC's overall staff establishment, information on changes to APAS' staffing needs would be provided in future for Members' information.

4. Members endorsed for Council's approval HKPC's proposed staff establishment for 2013/14 as outlined in paragraph 5 of the paper.

III. Review of Pay Trend Survey Reports for Performance Pay System (PPS) (S.C. 15/2012)

5. Invited by the Chairman to report, introduced the paper and said that since the introduction of the Performance Pay System (PPS) in 2008, pay trend adjustments for those staff on PPS had been based on the weighted average results of 4 market surveys and the pay trend adjustment for civil servants. The Council had suggested that the Management should consider reviewing the mix of market surveys, say

every 5 years, to ensure representativeness of the market surveys used. In this connection, the Management had recently conducted a review and we considered that the methodology and pay trend findings of the 4 surveys currently used were still representative of the general market situation and relevant to the business and job nature of HKPC. The opportunity had also been taken to evaluate 3 other commonly used market survey reports by _____, _____ and _____, according to 4 criteria, namely:

- (a) timing of report that was close to our pay adjustment cycle;
- (b) relevance of data collection methodology including the job ranks and number of employees surveyed;
- (c) stability of the report issuance; and
- (d) price of the survey report.

The Management considered that _____ survey report was most relevant to our needs, while the other two survey reports by _____ and _____ did not meet our criteria and were therefore not selected. Details of the study and findings were contained in Annex I to IV of the paper.

6. In reply to _____, _____ said that the annual pay adjustments for staff under the PPS since its adoption in 2008 had been largely within range of the Civil Service's annual pay trend adjustments. However, the PPS staff were additionally entitled to an one-off annual variable pay awarded according to their performance. In response to _____ enquiry, _____ said that apart from those existing staff who chose to join the PPS during the option period in 2008, all new recruits were employed on the PPS automatically. _____ said that the Management could of course consider offering the option to switch over to the PPS when there was popular demand from a sizeable number of those staff who did not exercise the said option in 2008.

7. After discussion, Members endorsed for Council's approval the following recommendations for the purpose of pay trend adjustment for staff under the PPS which were also supported by the Joint Consultative Committee (JCC) at its meeting held on 16 October 2012:

- (i) to retain the 4 currently used pay trend survey reports by _____, _____, _____ and _____;
- (ii) to add the pay trend report by _____ to HKPC's market pay trend survey portfolio; and
- (iii) to continue to factor in the annual pay trend adjustments for civil servants.

IV. Review of Sick Leave Policy (S.C. 16/2012)

8. Invited by the Chairman to report, introduced the paper and briefed Members on the background of HKPC's sick leave benefits and the proposed rationalization which aimed to bring the sick leave benefits of HKPC employees more in line with the latest market practices and plug possible loopholes. The proposed rationalization was three-pronged targeting:

- (i) to define the sick leave entitlement of all new joins (with employment offer made on or after 1 January 2013) on a monthly earned basis as from the date joined based on a preset schedule up to 90 calendar days with full pay and 90 calendar days with four-fifth pay for a rolling 4-year period of service;
- (ii) to administer the sick leave entitlement of all staff on a rolling 4-year period of service for the consumption of earned sick leave such that the paid sick leave that a staff member might take at any time would be the accumulated sick leave entitlement less the number of paid sick leave taken in the past 4 years immediately preceding the first day of sick leave being applied for; and
- (iii) to prevent abuse by a reasonable administration arrangement for all staff whereby the Management may at its discretion mandate the staff member concerned to produce a medical certificate issued by a registered medical practitioner from a hospital as defined in Section 33(6)(a) of the Hong Kong Employment Ordinance (HKEO) as well as a doctor's report on fitness for work.

The proposed rationalization for the sick leave policy was supported by the JCC meeting held on 16 October 2012. Details of the proposal rationalization were set out in paragraphs 4(a) to 4(c) of the paper.

9. In reply to , explained that all cases of prolonged sick leave as well as sick leave of a habitual or apparently unreasonable pattern would be handled in accordance with the HKEO, including the cessation of sickness allowance in case of proven fitness for work or in the event of the staff member's non-compliance with the Management's mandate.

10. In reply to , said that the administration of sick leave entitlement on a rolling 4-year basis was necessary to plug possible loopholes. Otherwise, this could mean that an existing staff, upon starting his/her 5th year of service, could take up to 180 calendar

days of sick leave upfront at full pay and another 180 calendar days with fourth-fifth pay. The proposed rationalization was focused on providing a clear premise to ensure a more transparent and effective administration of our sick leave policy and benefits to bring them more in line with market practice. The proposed sick leave entitlement period on a 4-year rolling basis was common among many quangos and this was also supported by the JCC.

11. In reply to _____, _____ said that action would not be taken unless a clear and consistent pattern of suspicious sick leave abuses became apparent, such as sick leave taken before and/or after public holidays repeatedly and consistently over a period of time.

12. Members endorsed the proposed rationalization of HKPC's sick leave policy as set out in paragraphs 4(a) and 4(c) of the paper which would be submitted for approval by Council prior to implementation. Separately, Members also noted and supported the proposed arrangements in paragraph 4(b) with regard to the administration of the sick leave on the basis of a rolling 4-year entitlement period.

V. Staffing Position of HKPC (S.C. 17/2012)

13. Members noted the staffing position of HKPC, including the movement of senior staff, as at 30 September 2012 outlined in paper S.C. 17/2012.

14. With regard to the retention of capable staff especially at the consultant rank where staff mobility was high, _____ said that, while there was a limit to what we could do to address the issue given the lack of flexibility in dollar terms to enhance the competitiveness of HKPC as an employer, the Management would nevertheless look into the issue and formulate appropriate measures to motivate consultant grade staff to look for a longer term career development at HKPC. The Staffing Committee and Council would be consulted in due course.

VI. 12th One-Minute Staff Morale Index (S.C. 18/2012)

15. Members noted the results of the 12th survey of the One-Minutes Staff Morale Index conducted in October 2012, with a response rate of 78% compared to 79% for the last survey. Amongst the 4 areas surveyed, the satisfaction level of "Work Aspects" was the highest. Arising from staff comments, the Management would institutionalize ways to further promote cross divisional and cross function teamwork

and to make the best use of divisional meetings to promote 2-way communication.

VII. Any Other Business

(A) Attendance Record of SC Members

16. Members noted their attendance record in 2012 tabled at the meeting.

(B) 2013 Meeting Schedule

17. Members noted the proposed 2013 meeting schedule tabled at the meeting, as follows:

Meeting	Date and Time
44 th SC meeting	12 March 2013 (Tuesday) 2:30pm
45 th SC meeting	9 July 2013 (Tuesday) 2:30pm
46 th SC meeting	12 November 2013 (Tuesday) 2:30pm

VIII. Date of Next Meeting

18. It was agreed that the next meeting would be held on 12 March 2013 at 2:30pm.

19. There being no other business, the Chairman thanked members for their attendance and the meeting was adjourned at 3:30pm.