

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

S.C. 9/2013 (Revised)

**Revised Minutes of the 44th Meeting of the
Staffing Committee held at 2:30p.m.
on Tuesday, 12 March 2013 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-ye, MH, JP
Mr. Andrew Mak Yip-shing, JP
Prof. Helen Meng Mei-ling
Mr. Byron Ng, JP
Mrs. Katherine Ngan Ng Yu-ying, JP
Mr. Sin Kai-ming, MH
Ms. Marilyn Tang Yin-lee
Mr. Frank Tsang

In Attendance: HKPC Chairman - Mr. Clement Chen, BBS, JP

In Attendance from HKPC:

Mr. Leo Lam	Director, Business Innovation
Mr. Tony Lam	Director, Corporate Services
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. Bryon Ng, Deputy Commissioner for Labour who attended the meeting for the first time.

Confirmation of Minutes (S.C. 19/2012)

The Minutes of the 43rd Staffing Committee Meeting held on 6 November 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. Matters Arising

(B) Recruitment of Senior Staff

3. reported that the Staffing Committee approved the appointment of the following senior staff at the General Manager rank by paper circulation since the 43rd meeting held on 6 November 2012:

- (a) Mr. Edmond Che Wing-tong as General Manager, Finance and Procurement who had reported duty on 19 February 2013 (by circulation of S.C. 2/2013 on 6 February 2013);
- (b) Mr. Stanley Chu as Head, Internal Audit Office who would report duty on 2 April 2013 (by circulation of S.C. 4/2013 on 20 February 2013); and
- (c) Dr. Li Hui-bun as General Manager, APAS Division who would report duty in May 2013 (by circulation of S.C. 5/2013 on 21/2/2013).

Separately, the Staffing Committee also noted by circulation of S.C. 1/2013 on 7 January 2013 the appointment of Mr. Gordon Poon Yin-ming by the WFOEs as General Manager, Mainland. Mr. Poon was stationed at the WFOEs and had reported duty on 14 January 2013.

II. Accelerated Pay Progression for Exceptional Talents at Consultant Rank (S.C. 6/2013)

4. Invited by the Chairman to report, introduced the paper and said that the rising turnover rate of consultants, who were the backbone of HKPC in the development and delivery of consulting services, warranted particular actions to retain talents. This was especially so as the consultants very often had accumulated some years

7. In reply to _____, _____ said that the accelerated pay progression arrangement was on top of the existing performance appraisal system. Accelerated pay progression would only be offered to consultant rank staff displaying exceptional or unique talents critical to the operation of HKPC. It was not a special allowance and in no way a license of promotion which would continue to be handled under the existing annual performance appraisal and promotion system. In response to _____, _____ said that it was too early to speculate on the effectiveness of the arrangement but as a first step staff would at least be clearly impressed that the Management was committed to recognize exceptional talents and prepared to offer appropriate rewards.

8. In reply to _____, _____ said that, based on the number of staff awarded performance bandings 1 and 2 in the past, it was not anticipated that the financial implication of implementing the arrangement would exceed \$0.2M a year.

9. _____ thanked _____ for _____ observation and said that “快速加薪機制” was not the adopted Chinese name for the arrangement. Special care would be taken in the choice of words for the formal Chinese name for the arrangement lest it would create any misunderstanding.

10. In response to _____, _____ said that, system wise, the Management would ensure an open and clear process in the implementation of the arrangement to minimize any perception on favoritism. The pilot arrangement was for consultant rank staff only for the time being as the career ladder in other grades had provided adequate progression / promotion opportunities.

11. On _____ suggestion of an accelerated promotion system to retain capable consultant grade staff, _____ said that it was not feasible given that the staff turnover was relatively low in the senior consultant rank. In this connection, the Management had indeed considered the practicality of creating a channel for promotion within the consultant grade, say from consultant II to consultant I. However, the spread of existing consultant grade staff in terms of their years of experience and service was so varied that a two-tier consultant rank would work to discourage rather than incentivize staff as there was simply no convenient and convincing cut off point for the creation of the two-tier rank.

12. In reply to _____, _____ said that according to the Council’s decision, HKPC’s general managers were appointed through open recruitment and required the approval of the Staffing

Committee. Internal candidates were considered alongside external applicants, therefore, given the same capability, an internal applicant should in theory have some advantage over external applicants. agreed with that promotion was the ultimate recognition to staff, but given the circumstances and restrictions, the Management had decided to test out the accelerated pay progression arrangement on a pilot basis.

13. Members supported the Management's decision to implement the new arrangement on accelerated pay progression for exceptional talents at the consultant rank. Members also supported the Management's plan to roll out the arrangement in 2013/14 on a pilot basis and that the Management would review to see if the arrangement should continue in 2014/15.

III. Staffing Position of HKPC (S.C. 7/2013)

14. Invited by the Chairman to report, introduced the paper and said that, as at 31 January 2013, the number of HKPC and APAS staff in post were 621 and 24 respectively against the total approved establishment of 698 and 33. There was an increase of 3% in the total staff number when compared with a year ago. An average staff turnover rate of 13.3% was recorded for the period April 2012 to January 2013. According to the exit interviews, most leavers (54%) quoted "remuneration / career advancement" as their reason for departure.

15. Members noted the staffing position of HKPC as at 31 January 2013.

IV. Report on the Performance of Service Providers of HKPC's ORSO and MPF Schemes (S.C. 8/2013)

16. Invited by the Chairman to report, said that the Advisory Committee on HKPC Retirement Benefit Schemes was established in 1993 and members were responsible for representing their divisions at the annual meetings, monitoring the fund performance, communicating the investment information to colleagues and advising the Management on staff members' views of the ORSO and MPF Schemes. The Management would then make decisions about the Schemes and service providers on the basis of the Advisory Committee's recommendations wherever appropriate.

17. said that the Advisory Committee on HKPC Retirement Benefit Schemes held its 29th meeting on 17 December 2012 and

considered that despite the volatile economy, a number of performance indicators of HKPC's ORSO and MPF Schemes had been on a par with market in the past year. The Advisory Committee therefore recommended that _____ and _____ should continue to be the service providers of HKPC's ORSO and MPF Schemes in 2013. Having considered the recommendation of the Advisory Committee, the Management agreed that _____ and _____ should continue to be the service providers of HKPC's ORSO and MPF Schemes in 2013.

18. Members noted the performance of _____ and _____ for HKPC's ORSO and MPF Schemes and supported the Management's decision for their continued engagement as the service providers for the two retirement benefit schemes.

V. Any Other Business

(A) Attendance Record of SC Members

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

VI. Date of Next Meeting

20. It was agreed that the next meeting would be held on 9 July 2013 at 2:30pm.

21. There being no other business, the Chairman thanked Members for their attendance and the meeting was adjourned at 3:30p.m.