

Welcome to Council Chairman

The Chairman welcomed Mr. Stanley Lau Chin-ho, Council Chairman, who joined the meeting for the first time in attendance.

Congratulations

The Chairman congratulated Mrs. Katherine Ngan for being awarded the Medal of Honour (M.H.) on 1 July 2015.

I. Confirmation of Minutes (S.C. 7/2015 Revised)

The Revised Minutes of the 50th Staffing Committee Meeting held on 3 March 2015 and closed door session during the meeting had been circulated to Members and there were no further requests for amendments. The Revised Minutes of the meeting were taken as read, confirmed and signed by the Chairman. As for the Revised Minutes of the closed door session, the document had previously been confirmed and signed by the Chairman.

II. Matters Arising

(B) Report on the Performance of Service Provider of HKPC's MPF Scheme

3. Members noted that in fulfilment of the conditions laid down by the Advisory Committee on HKPC Retirement Benefit Schemes (Advisory Committee) for reappointing _____ as the service provider of HKPC's MPF Scheme in 2015, _____ had agreed to reduce its management fees. The new fees had taken effect from 1 April 2015. As for the condition of _____ being able to demonstrate improved performance in 2014 Q4 and 2015 Q1, _____ had submitted a report for the said period which would be considered by the Advisory Committee on 23 July 2015.

4. In response to _____, _____ said that under the existing mechanism, the performance of _____ would be reviewed by the Advisory Committee which was led by the Deputy Council Chairman and comprised staff representatives as members. Depending on _____ latest performance, the Management would consider the option of introducing more service providers to provide staff members with a wider choice to entrust their MPF contribution. Competition was also believed to provide the impetus for _____ to improve performance.

[Post-meeting note: At its meeting held on 23 July 2015, the Advisory Committee was generally content about performance in the MPF Scheme.]

(C) Appointment of General Manager, Environmental Management

5. Members noted that the General Manager of Environmental Management Division (EMD) would retire with effect from 1 August 2015. After open recruitment in March 2015 and interview by the selection panel in May 2015, the Staffing Committee approved by circulation on 4 June 2015 the appointment of Mr. Raymond Fong, Principal Consultant, EMD as General Manager of the division. Mr. Fong had signed the letter of appointment and the appointment would take effect from 1 August 2015.

6. In response to on announcement of the appointment, said that upon approval by the Staffing Committee, announcement was made to ensure staff awareness of the succession arrangement.

III. 2015/16 Pay Review (S.C. 10/2015)

7. Invited by the Chairman to introduce the paper, said that staff under the Performance Pay System (PPS) were entitled to pay adjustment that reflected the market trend by reference to 5 pay trend surveys in the market and the pay trend adjustment of the Civil Service. For staff who were not under the PPS (non-PPS staff), their pay review would continue to follow the pay trend adjustment of the Civil Service. As at 31 May 2015, 539 staff (85.3%) were under the PPS and 93 staff were non-PPS staff (14.7%).

8. said that the proposed 2015/16 upward pay adjustments for PPS staff were 4.36%, 4.4%, 4.66% and 4.58% for the top, senior, middle and general level staff respectively. As for the non-PPS staff, the rates of adjustment would be 3.96% for top and senior level staff and 4.62% for the middle and general level staff. Based on the current salary outlay for all staff, the cost arising from the proposed pay adjustments for PPS and non-PPS staff was estimated to be \$11.1M and \$2.1M per annum respectively, while another \$5.6M was estimated for merit increment. The total financial implication of pay adjustment amounted to \$19M which was within the budget of \$22M.

9. In reply to , said that PPS staff were also entitled to a one-off performance-based Variable Pay annually. The provision for VP was outside the \$19M quoted in the paper which was the

amount proposed for pay trend adjustment and merit increment only.

11. suggested the Management to keep in view a review of the pay surveys at an appropriate time. considered that the proposed adjustment rates for 2015/16, if calculated based on the established mechanism, should be supported.

12. After discussion, Members endorsed for the Council's approval the proposed pay adjustment for staff under the non-PPS and PPS mentioned in para. 8 above. Members also agreed that, in line with the established practice, the proposed pay adjustments would take retrospective effect from 1 April 2015, subject to the Civil Service Pay Adjustment as proposed by the Government being approved by the Legislative Council and the Government's subsequent approval of HKPC's proposed pay adjustments under section 6 of the HKPC Ordinance.

VI. Staffing Position of HKPC (S.C. 13/2015)

33. Invited by the Chairman, reported the staffing position of HKPC in 2014/15 and as at 31 May 2015 (para. 3 – 5 of paper). The staff turnover rates for 2014/15 and April to May 2015 were 19.8% and 3.3% respectively, with "job nature/work issues" being quoted by about half of the leavers as the reason for departure.

36. In response to and about the profile of leavers, said that turnover was highest among staff at consultant-grade or below who were below 30 years of age, possessed good qualifications and whose pay was below the market median. noted that under the current system, the merit adjustment awarded to staff rated as band 1 (best performer) in appraisal, equivalent to 3 pay points, did not make a significant difference from the 2 pay points awarded to staff rated as band 3 (effective performer), especially for staff with a low basic salary. As for the leavers' performance during their tenure in HKPC, said that quite many of them obtained good result in appraisal.

37. observed that the general market trend was for employees to switch jobs every now and then rather than pursuing a life-long career with a single company. agreed and said that previously the norm was around 2 years' tenure. In this connection, suggested that the root cause of the staff attrition problem might concern more with

the recruitment strategy than the remuneration issue. said that the Management could review whether recruiting graduates to train up, which risked turning HKPC into a training ground, was the appropriate means to replenish manpower.

38. After discussion, Members noted the staffing position of HKPC.

VII. Any Other Business

(B) Attendance Record of SC Members

40. Members noted their attendance record in 2015 tabled at the meeting.

VIII. Date of Next Meeting

41. Members noted that the next meeting would be held on 3 November 2015 at 2:30pm.

42. There being no other business, the Chairman thanked Members for their attendance and the meeting was adjourned at 4:45pm.