

Minutes of Meeting of the Housing Authority HUMAN RESOURCES  
COMMITTEE held on Thursday, 29 July 1999.

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**PRESENT**

Mr YEUNG Ka-sing, JP (**Chairman**)  
Dr the Hon Rosanna WONG Yick-ming, JP  
Hon LEE Wing-tat  
Mr Anthony WONG Luen-kin, JP  
Mr Michael CHOI Ngai-min  
Mr J A MILLER (Director of Housing)  
Mr Steven HO Shut-kan  
Mr KOO Kai-chong

**ABSENT WITH APOLOGIES**

Dr LO Chi-kin  
Mr Eddie NG Hak-kim (Out of Hong Kong)  
Professor Anne S TSUI (Out of Hong Kong)  
Dr YEOH Eng-kiong, JP  
Deputy Secretary for the Treasury (2)  
Deputy Secretary for the Civil Service (3)

## **IN ATTENDANCE**

Mr R A BATES, JP (Deputy Director/Works)  
Mr Vincent TONG, JP (Deputy Director/Management) (Acting)  
Miss Jennifer MAK, JP (Director Corporate Services)  
Mr T C YUEN (Business Director/Development)  
Mr LAU Kai-hung, JP (Business Director/Allocation and Marketing)  
Mr Joseph LEE (Business Director/Commercial and Business Development)  
Mr R J AVON, JP (Finance Director)  
Mrs Winifred CHUNG (Assistant Director/Administration)  
Mr Kingsley FUNG (Principal Management Services Officer)  
Ms Ella CHAN (Chief Manager/Human Resources Development)  
Mr Albert LI (Principal Executive Officer/Business Development)  
Miss Ada LEUNG (Chief Executive Officer/Special Duties)  
Mr Thomas LEUNG (Senior Executive Officer/Special Duties (1))  
Mr Ivan LAI (Senior Executive Officer/Establishment)  
Miss Patti HO (Assistant Committees' Secretary/3) (**Secretary**)

## **PRESENT BY INVITATION**

Dr Patricia GREER (PA Consulting Group)

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The **Chairman** opened the meeting at 2:30 p.m. On behalf of Members, the **Chairman** congratulated Mr Vincent TONG, Mr Roger AVON and Mr LAU Kai-hung on their appointments as Justices of the Peace.

**CONFIRMATION OF THE MINUTES OF THE PREVIOUS MEETING HELD ON 14 MAY 1999**

2. The minutes of the previous meeting held on 14 May 1999 were **confirmed** and **signed**.

**MATTERS ARISING FROM THE MINUTES OF THE PREVIOUS MEETING HELD ON 14 MAY 1999**

3. **Mrs Winifred CHUNG** reported that four consultancy firms had submitted their proposals for conducting a study on the Housing Authority's (HA) remuneration package and terms of appointment of staff. Subject to finalisation of the tender procedures, the successful (selected by an Assessment Panel) would start work in August. She advised in response to Dr LO Chi-kin's request at the previous meeting, the Director had prepared a paper under agenda item 4 to inform Members of the resources issues that would arise from HA's decision on greater private sector involvement (PSI) in estate management and maintenance (EMM) services.

(Mr LEE Wing-tat joined the meeting at this juncture.)

**ITEM FOR DISCUSSION**

**(AGENDA Item 3)**                      **Proposed Manpower Planning Parameters 1999/00 to 2003/04**  
(Paper No. HRC 29/99)

4. **Miss Jennifer MAK** presented the paper.

5. **Mr Michael CHOI** supported the recommendations in the paper. He noted that except for the Management Branch (MB) which had projected a reduction of staff, the establishment of the other Branches would be quite stable during the forecast period. He asked if the surplus staff from the MB would be redeployed to fill vacancies arising from staff retirement or resignation in other

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branches. He also pointed out that the total number of new posts shown in the table under para. 10 was less than that mentioned in para. 12. Noting that the Development & Construction Branch would create 106 posts in 1999/00 and delete 74 posts in 2003/04, he suggested that the Department should employ contract staff to fill the new posts, taking into account the anticipated reduction of manpower requirement.

6. In response, **Miss Jennifer MAK** confirmed that where appropriate, the Department would redeploy surplus staff to fill vacancies available. On the projected number of new posts, she said that out of the 139 new posts to be created, 18 posts would be filled by internal redeployment and that the figures shown in para. 10 were already net of the posts to be deleted and hence the discrepancy with the figure in para 12.

7. **Mr LEE Wing-tat** wanted to know the purpose of creating a directorate post in the Commercial and Business Development (C&BD) Branch. Besides, he wondered if the deletion of 457 posts in the MB in 1999/2000 would be feasible with an increase in the rental housing stock. **Mr Joseph LEE** replied that the directorate post in the C&BD Branch was a retitled post which was initially established under the office of Management Enhancement Programme. Therefore, there was no net increase in the number of directorate posts in the Department. With regard to the reduction of manpower requirement in the MB, **Mr Vincent TONG** explained that with the sale of flats under Tenants Purchase Scheme (TPS), the management staff of these estates would be released. On the other hand, despite the management for new housing estates would be taken over by property management agencies (PMAs), the Department was required to create posts to monitor PMAs' performance. Nevertheless, the establishment of the MB would be reduced on the whole.

8. **Mr Anthony WONG** supported the paper. Referring to para. 7 of the paper about the reduction of 594 posts, he noted that the sum of figures under para. 7 amounted to a reduction of 540 posts only. In reply, **Miss Jennifer MAK** said that the figures highlighted in para. 7 were only those of major creation/deletion of posts and hence did not add up to 594. The **Chairman** suggested that the Department should consider alternate ways to present the figures in future.

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9. The **Chairman** commented that the relationship between the manpower requirement and staff productivity was not clearly stated in the paper. He asked whether the Department had in place any productivity indicators such as the number of flats managed by each staff. **Miss Jennifer MAK** replied that the Department had provided in the Annexes to the paper the relationship of the manpower trend with the major workload/performance indicators over the forecast period. Assessment of staff productivity could be made by comparing the major workload/performance indicators with the manpower requirement in the respective years. The **Chairman** commented that productivity indicators should be introduced so that both the staff and the public could have a better idea of whether staff's productivity was up to the set standard.

BD/M 10. **Dr Rosanna WONG** shared the Chairman's view that productivity indicators were essential tools in manpower planning. Noting the difficulties for a large organisation to devise productivity indicators, she suggested that the Department should consider first developing indicators for EMM services based on the established key and core activities.

11. Noting that surplus staff would be redeployed to fill vacancies arising from wastage, **Mr KOO Kai-chong** enquired about the anticipated percentage of staff turnover and retirement and whether any of the surplus staff would be laid off. On the former, **Miss Jennifer MAK** said that the wastage rate was projected to be 3%. On the latter, she confirmed that the Department would explore all possibilities of redeploying the surplus staff to fill vacancies arising from natural wastage or through creation of new posts.

12. Referring to the temporary recruitment freeze mentioned in the paper, **Mr Steven HO** enquired about the criteria adopted in filling the new posts with temporary staff and the number of such posts. **Mrs Winifred CHUNG** replied that to avoid/scale down the surplus staff situation, the department would freeze recruitment for all grades/ranks until end-1999 when the Task Force on PSI and the consultant for the streamlining exercise had come up with their recommendations. For vacancies that had to be filled during this interim period, the Department would only employ temporary staff if internal redeployment was not feasible. The Department was still working with the respective branches on their manpower needs in the interim. **Mr KOO Kai-chong** hoped that the Department would keep the Committee informed if there was still a need to freeze recruitment after the findings of the Task Force and consultancy study were known.

13. With the above comments, Members **endorsed** the recommendations in the paper.

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**(AGENDA  
Private  
Item 4)**

**Human Resources Issues Arising from Greater  
Sector Involvement in Estate Management and  
Maintenance Services  
(Paper No. HRC 30/99)**

14. **Mrs Winifred CHUNG** presented the paper and **Mr Joseph LEE** briefed Members on the work progress of the HA Task Force on PSI.

15. **Mr Steven HO** asked if the public rental housing (PRH) tenants, as users of services, had the opportunities to involve themselves in the decision making process of PSI. **Mr Joseph LEE** replied that the tenants would not be involved at this stage. But the Department had conducted a telephone survey on tenants residing in public or non-public housing which showed that over half of the interviewees supported the direction of PSI. Until the time the phased service transfer was to be implemented, the estate tenants, especially owners under the Tenants Purchase Scheme (TPS) with owner's corporation formed, would have the right to choose the service provider. **Dr Rosanna WONG** remarked that as the owners had the right to choose their own property management agents, the present deliberations on PSI, including the phased service transfer, was in fact a preventive measure to forestall massive staff redundancy should the owners choose not to use the Department's services eventually.

16. The **Chairman** considered that transparency and effective staff communication were crucial issues to be addressed at this stage. **Dr Rosanna WONG** agreed with the Chairman that the Department should be more proactive in its communication with staff. In this regard, she noted that the Department had been responding promptly to rectify inaccurate information.

17. The **Chairman** appreciated the Department's initiative to draw private sector experience in designing PSI-related training programmes. He proposed that the Department should conduct familiarization visits to PMAs for staff to learn from private sector experience especially that on risk management.

18. With the above comments, Members **noted** the paper.

**ANY OTHER BUSINESS**

**Report on the Progress of the Consultancy Study on Streamlining of**

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### Organisational Structure

19. **Mr R A BATES** told Members that the HA, at its meeting on 6 May 1999, decided to conduct a six-month consultancy study to examine the issue of streamlining HA's organisational structure. He stressed that this study was not part of the PSI programme. It aimed to help the Department to maximize its efficiency and cost effectiveness and to review the current arrangements for internal auditing and quality control. The study comprised of several stages : the first stage was to identify the services provided by the Department and to produce accurate service costing information. The second stage was to identify the key processes and the major activities in providing these services. To collect this information, staff were asked to indicate their time allocation for each type of services. Benchmarking could then be done on services which were available in the private sector. At this stage, a report on the competitiveness of the Department EMM services would be submitted to the Task Force. Finally, the consultant would redesign the organisational structure and examine the arrangements for auditing and quality control.

20. **Mr R A BATES** informed Members that the Alliance of Housing Department Staff Unions (the Alliance) had expressed their disagreement towards the service costing exercise. They opined that the approach was too broad-brushed and the splitting of activities based on memories was impractical. To explain to staff the objectives and the rationale behind the exercise, meetings between the consultant and the Alliance had been arranged. He pointed out that the initial stage of the exercise tended to be broad-brushed since its purpose was only to identify key areas that needed to be focused on. The logging exercise suggested by the Alliance was not appropriate as it only recorded tasks and responsibilities of staff for a particular week without providing information on the normal range of services. Nevertheless, the Department had fine-tuned the proposal after considering the Alliance's opinions. He remarked that the exercise had already been completed and obtained a 99% response rate. He assured that the Department would put forth its effort in strengthening communications with staff through various channels like forums and workshops.

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21. **Mr LEE Wing-tat** noted that staff was required to fill in activity forms on the basis of their memory. He doubted the reliability of this method and opined that the actual logging method should be used in collecting more realistic information. **Dr Patricia GREER** explained that the exercise served to obtain a breakdown of the portion of time staff spent on different activities so as to identify areas where costs appeared to be high. Actual time logging method was not used since work schedule for a typical week might not actually reflect the general pattern. **Mr R A BATES** supplemented that the data collected would be reliable since the exercise involved a sample size covering 4,000 staff. Moreover, the purpose of the exercise was not to finalize accurate costing information but to identify areas that should be accorded high priority in the next stage.

22. **Dr Rosanna WONG** commented that the Department and the consultant should explain clearly to staff the objectives of any exercises that involved their contribution. The **Chairman** agreed that the Department should clarify that this exercise was a process mapping study to examine the major efforts injected into the processes with a view to improving them for maximum efficiency. He pointed out that the study would inevitably arouse staff concern and anxiety as it involved changes in processes and responsibilities. The Department should reinforce communications with staff and explain to them on a frequent basis that this was not a PSI exercise.

(Mr LEE Wing-tat left the meeting at this juncture.)

23. Noting that one of the objectives of the streamlining consultancy was to assess the competitiveness of the Department's EMM services, **Mr Michael CHOI** asked about the difference between this study with the earlier consultancy study which was reported to the HA in March. He raised his concern over the possibility of different findings of this study when compared with the previous report. **Mr R A BATES** explained that the Department's present system of recording information did not facilitate comparison of service costing between the Department and private sector. The streamlining consultancy would examine this aspect in greater detail. **Dr Rosanna WONG** added that this explained why the Department used a two-pronged approach of conducting the streamlining consultancy and deciding the extent and the pace of PSI at the same time. If the study found that the Department was more competitive than the private sector, the Task Force would consider the Sixth Option put forward by staff.

24. The meeting noted that the assessment on the competitiveness of



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the Department's EMM services would not be made until the proposal on the service costing of the Department had been completed.

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25. There being no other business, the meeting closed at 4:18 p.m.

**CONFIRMED** on

Mr YEUNG Ka-sing, JP  
(Chairman)

Miss Patti HO  
(Secretary)

File Ref. : HA/COM/27/2