

立法會
Legislative Council

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From : Clerk to the Legislative Council
To : All Members of the Legislative Council

Council meeting of 16 December 2009

**Proposed amendments to motion on
“Formulating operational standards for public organizations”**

Further to LC Paper No. CB(3) 224/09-10 issued on 3 December 2009, three Members (Hon Frederick FUNG Kin-kee, Hon Miriam LAU Kin-ye and Dr Hon PAN Pey-chyou) have respectively given notice of their intention to move separate amendments to Hon Mrs Regina IP LAU Suk-ye’s motion on “Formulating operational standards for public organizations” scheduled for the Council meeting of 16 December 2009. As directed by the President, the respective proposed amendments will be printed in the terms in which they were handed in on the Agenda of the Council.

2. To assist Members in debating the above motion and amendments, I set out below the procedure to be followed during the debate:

- (a) Hon Mrs Regina IP moves her motion;
- (b) the President proposes the question on Hon Mrs Regina IP’s motion, and orders a joint debate;
- (c) the President calls on the three Members, who intend to move amendments, to speak in the following order, but no amendment is to be moved at this stage:
 - (i) Hon Frederick FUNG;
 - (ii) Hon Miriam LAU; and
 - (iii) Dr Hon PAN Pey-chyou;

- (d) the President calls upon the designated public officer(s) to speak;
- (e) joint debate on the motion and the amendments follows thereafter;
- (f) the President gives leave to Hon Mrs Regina IP to speak for the second time on the amendments;
- (g) the President calls upon the designated public officer(s) again to speak;
- (h) in accordance with Rule 34(5) of the Rules of Procedure, the President has decided that he will call upon the three Members to move their respective amendments in the order set out in paragraph (c) above. The President invites Hon Frederick FUNG to move his amendment to the motion, and forthwith proposes and puts to vote the question on Hon Frederick FUNG's amendment;
- (i) after Hon Frederick FUNG's amendment has been voted upon, the President deals with the other two amendments; and
- (j) after all amendments have been dealt with, the President calls upon Hon Mrs Regina IP to reply. Thereafter, the President puts to vote the question on Hon Mrs Regina IP's motion, or her motion as amended, as the case may be.

3. For Members' ease of reference, the terms of the original motion and of the motion, if amended, are set out in the **Appendix**.

(Mrs Justina LAM)
for Clerk to the Legislative Council

Encl.

(Translation)

**Motion debate on
“Formulating operational standards for public organizations”
to be held at the Legislative Council meeting
of Wednesday, 16 December 2009**

1. Hon Mrs Regina IP LAU Suk-yee’s original motion

That dozens of public organizations in Hong Kong, some being statutory bodies, provide important public services in areas including housing, transportation, commerce and trade as well as financial services, etc; the funding for such organizations is mostly provided by the Government in full or in part, and some of them are authorized by legislation to impose levies or develop other businesses to enhance their profitability; it is learnt that in determining the pay and bonus for the management of these public organizations, their profitability is one of the important criteria for measuring performance, causing some public organizations to fully strive to expand and compete with the private sector for profits, hence disregarding the purposes of their establishment, development of free market economy and public interests; as such, this Council urges the Government to formulate operational standards for public organizations, which include ensuring that their operation:

- (a) shall meet the purposes laid down upon the establishment of the organization;
- (b) shall meet the overall interests of the community;
- (c) shall comply with stringent indicators for corporate social responsibility;
- (d) shall be subject to the regulation of competition law;
- (e) shall have a highly transparent mechanism for declaration of interests, including proper confidentiality and exit arrangements, so as to prevent real or potential conflicts of interests or transfer of interests;
- (f) shall be subject to value for money audits by the Director of Audit on a regular basis; and
- (g) shall not jeopardize the principles of ‘big market, small government’ and free market economy;

and peg the pay/bonus for the remunerated directors and senior executives of public organizations to the above criteria.

2. Motion as amended by Hon Frederick FUNG Kin-kee

That, *owing to historical, social and economic factors, the Government has in the past established* dozens of public organizations ~~in Hong Kong~~, some being statutory bodies, *to* provide important public services in areas including housing, transportation, commerce and trade as well as financial services, etc; the funding for such organizations is mostly provided by the Government in full or in part, and some of them are authorized by legislation to impose levies or develop other businesses to enhance their profitability; it is learnt that in determining the pay and bonus for the management of these public organizations, their profitability is one of the important criteria for measuring performance, causing some public organizations to fully strive to expand and compete with the private sector for profits, hence disregarding the purposes of their establishment, development of free market economy and public interests; as such, this Council urges the Government to formulate operational standards for public organizations, which include ensuring that their operation:

- (a) shall meet the purposes laid down upon the establishment of the organization;
- (b) shall meet the overall interests of the community;
- (c) shall comply with stringent indicators for corporate social responsibility;
- (d) shall ~~be subject to~~ *take into account the social functions of the relevant public organizations and bring them under* the regulation of competition law *as the situation may require*;
- (e) shall have a highly transparent mechanism for declaration of interests, including proper confidentiality and exit arrangements, so as to prevent real or potential conflicts of interests or transfer of interests; *and*
- (f) shall be subject to value for money audits by the Director of Audit on a regular basis; ~~and~~
- ~~(g) shall not jeopardize the principles of 'big market, small government' and free market economy;~~

and peg the pay/bonus for the remunerated directors and senior executives of public organizations to the above criteria.

Note: Hon Frederick FUNG Kin-kee's amendment is marked in *bold and italic type* or with deletion line.

3. Motion as amended by Hon Miriam LAU Kin-ye

That, *owing to different policy objectives, the Government has in the past set up dozens of public organizations in Hong Kong, some being statutory bodies, to provide important public services in areas including housing, transportation, commerce and trade as well as financial services, etc; the funding for such organizations is mostly provided by the Government in full or in part, and some of them are authorized by legislation to impose levies or develop other businesses to enhance their profitability; it is learnt that in determining the pay and bonus for the management of these public organizations, their profitability is one of the important criteria for measuring performance, causing some public organizations to fully strive to expand and compete with the private sector for profits, hence disregarding the purposes of their establishment, development of free market economy and public interests; as such, this Council urges the Government to ~~formulate operational standards for public organizations, which include ensuring that their operation~~ **strengthen the monitoring of the operation and finances of various public organizations, which include ensuring that they exercise prudence in financial management, make effective use of public funds, put in place a highly transparent mechanism for declaration of interests and are subject to audits by the Director of Audit on a regular basis; and public organizations having an objective to make profits have to strike a balance between pursuing profits and public interests, should be subject to the regulation of competition law and uphold the principles of 'big market, small government' and free market economy in their operations; in addition, different public organizations should evaluate their performance based on their respective nature and the following five criteria:***

- (a) shall meet the purposes laid down upon the establishment of the organization;
- (b) shall meet the overall interests of the community;
- (c) shall comply with stringent indicators for corporate social responsibility;
- (d) shall ~~be subject to the regulation of competition law~~ **attain public service standards which are updated from time to time and are measurable; and**
- (e) **for public organizations having an objective to make profits, shall adhere to the principle of prudent business operation;**
- (e) ~~shall have a highly transparent mechanism for declaration of interests, including proper confidentiality and exit arrangements, so as to prevent real or potential conflicts of interests or transfer of interests;~~
- (f) ~~shall be subject to value for money audits by the Director of Audit on a regular basis; and~~
- (g) ~~shall not jeopardize the principles of 'big market, small government' and free market economy;~~

and peg the pay/bonus for the remunerated directors and senior executives of public organizations *as well as the appointment and removal of the chairmen of public organizations and members of their management boards or management committees* to the above ~~criteria~~ *evaluation results*.

Note: Hon Miriam LAU Kin-ye's amendment is marked in *bold and italic type* or with deletion line.

4. Motion as amended by Dr Hon PAN Pey-chyou

That *the SAR Government has* dozens of public organizations ~~in Hong Kong~~, some being statutory bodies, *to* provide important public services in areas including housing, transportation, commerce and trade as well as financial services, etc; the funding for such organizations is mostly provided by the Government in full or in part, and some of them are authorized by legislation to impose levies or develop other businesses to enhance their profitability; it is learnt that in determining the pay and bonus for the management of these public organizations, their profitability is one of the important criteria for measuring performance, causing some public organizations to fully strive to expand and compete with the private sector for profits, hence disregarding the purposes of their establishment, development of free market economy, *staff remuneration* and public interests; as such, this Council urges the Government to formulate operational standards for public organizations, which include ensuring that their operation:

- (a) shall meet the purposes laid down upon the establishment of the organization;
- (b) shall meet the overall interests of the community;
- (c) shall comply with stringent indicators for corporate social responsibility;
- (d) shall implement a good staff management culture, which provides staff with reasonable salary, job stability and reasonable workload, and enables them to have fair treatment in employment relationship;**
- ~~(d)~~**(e)** shall be subject to the regulation of competition law;
- ~~(e)~~**(f)** shall have a highly transparent mechanism for declaration of interests, including proper confidentiality and exit arrangements, so as to prevent real or potential conflicts of interests or transfer of interests;
- ~~(f)~~**(g)** shall be subject to value for money audits by the Director of Audit on a regular basis; and

~~(g)~~**(h)** shall not jeopardize the principles of ‘big market, small government’ and free market economy;

and peg the pay/bonus for the remunerated directors and senior executives of public organizations to the above criteria; ***in addition, the Government should enhance public participation in the board of directors of various public organizations, include staff representatives who have recognition to sit on the board and, at the same time, strengthen the board’s ability in monitoring the operation, governance and financial operations of the organizations.***

Note: Dr Hon PAN Pey-chyou’s amendment is marked in ***bold and italic type*** or with deletion line.