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Panel on Health Services

Background brief prepared by the Legislative Council Secretariat for the meeting on 11 January 2010

Remuneration of Hospital Authority staff

Purpose

This paper gives an account of the past discussions by the Panel on Health Services (the Panel) on the remuneration of Hospital Authority (HA) staff.

Background

2. Section 10 of Schedule 3 to the Hospital Authority Ordinance (Cap. 113) stipulates that HA shall determine, amongst others, the remuneration, and the terms and conditions of employment, of its employees.
3. The remuneration package offered to HA employees on the establishment of HA in 1991 was based on the principle of cost comparability with the civil service, i.e. in terms of total cost to the employer, the cost of HA package should be comparable to that of the civil servants then serving in the Hospital Services Department (HSD). This principle still applies.
4. Although historically HA pay scales resemble closely to those of the civil service, HA has over the years implemented various reforms on staff's remuneration structures. The salary structures of staff in HA have been delinked from the pay scales of the civil service for some time, albeit HA having all along correspondingly adjusted the dollar value of HA pay scales according to the civil service pay adjustment exercise. Other than the annual pay adjustment, most of the general staff and senior executives are also entitled to incremental pay point adjustment provided their performance is satisfactory and still fall within the corresponding salary range.
5. There are separate mechanisms in HA to consider and decide remuneration packages of its senior executives and staff in general. For senior executives, their remuneration packages and contract terms are determined by the Staff Committee under the HA Board. To address public concern over senior executive remuneration,

an external consultancy firm was appointed by HA in January 2005 to conduct a review on the remuneration packages of its senior executives. On 25 September 2005, the HA Board decided to, amongst others, abolish the granting of performance incentive award to its senior executives as suggested in the consultancy report.

Past discussions

6. On 25 February 2005, the Administration briefed the Panel on the remuneration packages of HA staff, the different types of employment in HA and the changes that were in the pipeline in view of changing circumstances and concern over staff morale.

7. Members urged HA to convert temporary staff into contract staff to boost staff morale. Chief Executive, HA advised that HA had requested its Cluster Chief Executives to review the operational needs in their respective clusters and identify temporary General Services Assistant and Technical Services Assistant posts which were required recurrently. Staff on temporary employment who had worked in HA for at least one year and with proven good performance would be given the opportunity to switch to a contract employment package, which offered more secured tenure and better terms and conditions. According to HA's projection, out of its 3 250 temporary full-time staff (as at January 2005), only about 280 of them would not be offered a contract package. These staff would continue with their temporary employment with HA based on operational need.

8. Members noted that in recent years, HA had increased the use of contract employment partly because of the employment of contract Residents undergoing specialist training, and partly because of the financial uncertainties of the organisation. Recognising the need to strike an appropriate balance on the extent of use of contract employment so as to ensure that cohesive, loyal teams of staff were available for delivery of quality service to the public, consideration was being given by HA to converting some well-performing contract staff after a certain period to permanent terms of employment. On the progress in converting contract full-time employees to permanent full-time employment, Chief Executive, HA advised that HA was giving consideration to providing an avenue for contract full-time employees with proven and consistently outstanding performance to secure long-term appointment on permanent terms. The details of the plan, including the target groups to be covered, and the conversion criteria and mechanism, were being explored, taking into account HA's manpower needs, organisational development, and experience in other healthcare organisations.

9. Members further noted that in 1997, HA changed the employment terms for new medical trainees from permanent to contract employment, well before such practice was introduced to other grades. Concern was raised about the job insecurity created by contract employment. Chief Executive, HA explained that this measure and the further changes made in connection with the medical grade reform implemented in 2000 and in subsequent years enabled HA to continue to take in about 300 new medical graduates every year for training and secure a definitive number of

promotions every year despite severe budgetary constraints. However, continued employment in HA after completion of training could not be guaranteed because of the size of HA and the public funding allocated to healthcare services could not be expanded without limit.

10. Members also noted that at the time of establishment of HA, a number of allowances adopted in HSD were abolished, but many had been retained to help ensure a smooth transition. However, changes in both the job and skill mix requirements brought about by the realignment of existing ranks into broadbanding of jobs to encourage multi-skilling of staff to optimise utilisation of staff resources and advances in technology posed questions on the need for continued payment of such allowances. After a thorough review of all types of allowances and expenses/reimbursement in HA conducted in 2002, 10 categories of allowance/reimbursement payment were abolished in HA with effect from 2003. The remaining allowance items were either considered essential for operation, or would be further reviewed and discussed with staff. The allowances that would be further reviewed and discussed with staff included Hardship Allowance (obnoxious duties), Shift Duty Allowance, Typhoon Allowance, Rainstorm Black Warning Allowance, Overtime Allowance, Stand by Duty Allowance, Allowance for Clerks Working in Wards and Duty Mileage Allowance.

Recent development

11. After consultation with various staff groups and unions, HA has implemented new career structure and starting salary for its staff since October 2007. The entry pay of doctors, nurses and allied health professionals has been raised to improve the remuneration package of HA staff and address staff's concerns on pay disparity. Under the new career structure of doctors, all Residents undertaking specialist training will be offered a nine-year training contract subject to achievement of acceptable performance standard and specified training milestones, thereby addressing the concern of frontline doctors on job security.

12. Major features of the new career structure for doctors are as follows -

- (a) all serving Residents have been migrated to the corresponding pay point in the revised pay scale (with an increase in both minimum and maximum pay points) based on their prevailing years of service and qualification attained;
- (b) all Residents undertaking specialist training will be offered a nine-year training contract subject to achievement of acceptable performance standard and specified training milestones; and
- (c) to dovetail the revised pay scale of Residents, the starting pay point of Associate Consultants has also been revised.

13. Major features of the salary adjustment for nursing, allied health and non-clinical staff groups are as follows -

- (a) the salary of the staff employed at entry ranks since April 2000 have been adjusted. In broad terms, new entry pay for the ranks concerned has been raised by two or three points. For existing staff whose pay was below the new entry pay point as at the implementation date of salary adjustment, their pay has been raised to the new entry pay point;
- (b) for those whose pay was already on or above the new entry pay point as at the implementation date of salary adjustment, they have been granted one extra pay point subject to the maximum of the respective pay scale of the rank; and
- (c) to address the high turnover rate of nurses and as a token of recognition and encouragement of their work, an additional increment would be given to nurses who joined HA between June 2002 and December 2005 and have worked for five full years of service.

14. HA has also issued clear guidelines on performance standard of doctors to facilitate hospital management in assessing doctors' performance and in deciding the renewal of contract. Hospital management has been reminded of the good practice to inform staff whether their contract will be renewed at least three months before expiry of contract as far as practicable.

Relevant papers

15. Members are invited to access the Legislative Council's website (<http://www.legco.gov.hk>) for details of the relevant papers and minutes of the meeting.

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