

立法會
Legislative Council

LC Paper No. CB(4)222/13-14(06)

Ref: CB4/PL/PS

Panel on Public Service
Meeting on 16 December 2013

Background brief on the manpower situation of the Hongkong Post

Purpose

This paper provides background information on the manpower situation of the Hongkong Post ("HKP") and a summary of the views and concerns expressed by Members on the subject.

Background

The Post Office Trading Fund

2. The Post Office Trading Fund ("POTF") was established by a resolution passed by the Legislative Council on 19 July 1995 under the Trading Funds Ordinance (Cap. 430). In August 1995, HKP began operating as a trading fund, with the Postmaster General as the general manager. As a trading fund, HKP can retain the revenue generated from its business to cover the cost of service provision on a self-financing basis. Section 6 of Cap. 430 requires the general manager to manage a trading fund with the objectives of –

- (i) providing an efficient and effective operation that meets an appropriate standard of service;
- (ii) within a reasonable time, meeting expenses incurred in the provision of the government service and financing liabilities of the trading fund out of the income of the trading fund, taking one year with another; and
- (iii) achieving a reasonable return, as determined by the Financial Secretary, on the fixed assets employed.

Engagement of non-civil service contract staff by the Hongkong Post

3. Of the approximately 7 000 manpower strength in HKP, 2 073 were NCSC staff as at 30 June 2012¹. Half of these NCSC staff carried out sorting and loading/unloading of mails and worked less than the conditioned hours required of civil servants. The remaining half were mainly engaged to undertake operational, marketing, sales and over-the-counter work, which fluctuated according to changes in market demand from time to time.

Financial performance of POTF

4. According to the Administration², the POTF's financial performance has been deteriorating since 2007-08 and it started to incur an operating loss of \$50 million in 2011-12. Although the overall increase in mail traffic has led to a 22% increase in the POTF's operating revenue in the five-year period from 2006-07 to 2011-12, this was insufficient to offset the escalating operating costs, which recorded an increase of 38% in the same period. The major cost components pertinent to the operation of POTF are staff costs, air conveyance cost and terminal dues payments³, which together account for some 80% of the POTF's total operating costs in 2011-12. The POTF has put in sustained efforts in implementing various cost-saving and productivity enhancement measures and exploring new sources of revenue to enhance its financial sustainability. The productivity of the POTF has increased by 14.6% over the past 10 years.

Members' views and concerns

Discussions at the Panel on Public Service

5. The Panel on Public Service discussed issues relating to the manpower situation of HKP when it deliberated on the subject of "Employment situation of NCSC staff" at its meetings on 17 December 2012, 21 January 2013 and 18 March 2013.

6. Some members pointed out that although HKP had employed the largest number of NCSC staff among bureaux/departments ("B/Ds"), none of its NCSC positions had been phased out and replaced by civil service posts. Furthermore, most of the NCSC staff were employed on one-year contracts, which was inconsistent with the Administration's argument that NCSC positions were created to cope with seasonal fluctuations. They called on the

¹ LC Paper No. CB(4)209/12-13(03)

² LegCo Brief on revision of postage rates and miscellaneous postage fees and charges issued by the Commerce and Economic Development Bureau on 11 July 2013 (Ref: CITB CR 5/4-60/1C)

³ Terminal dues are the charges levied by other postal administration for the provision of mail delivery service covering all inbound mail types.

Administration to immediately review the employment of NCSC staff in HKP, and expedite the conversion of those long-term NCSC positions to civil service posts.

7. The Administration responded that HKP was subject to the same monitoring and control as other B/Ds in the engagement of NCSC staff, save the absence of a cap on the number of NCSC staff to be employed having regard to the fact that trading fund departments required more flexibility in the appointment of staff to cope with business fluctuations. Nonetheless, HKP was required to review their engagement of NCSC staff regularly to ensure that its engagement of NCSC staff fitted the ambit of the NCSC Scheme⁴.

8. Noting that about 300 000 hours of overtime work had been accrued by staff of HKP, members criticized that B/Ds operating as trading funds maintained their business at the expense of the well-being of their staff in that they had to work long hours and were deprived of promotion prospects. They asked whether the overtime could be compensated by pay rather than by leave. The Administration responded that a mechanism was in place to alleviate the overtime situation in HKP, and the affected employees would be granted compensation leave.

Discussion at the Subcommittee on Post Office (Amendment) Regulation 2013

9. At the meeting of the Subcommittee on Post Office (Amendment) Regulation 2013⁵ held on 25 October 2013, some members noted that the total mail traffic volume of HKP had maintained at around 1.3 billion mail items in recent years whilst the manpower establishment of HKP had reduced from around 7 400 in 2008-09 to around 7 000 to date. They expressed concern that HKP might have reduced its manpower unreasonably, and opined that the cost control initiatives of HKP should not be undertaken at the expense of the workload of its staff. HKP explained that the reduction in manpower whilst maintaining service quality was made possible by the implementation of various productivity improvement measures.

10. The Subcommittee enquired about the measures taken by HKP to address the overtime problem in HKP, and the estimated timeframe to bring the accumulated overtime balance of staff to an acceptable level. HKP provided a

4 The NCSC Staff Scheme was introduced in 1999 to provide Permanent Secretaries and Heads of Departments with a flexible means of employment to respond more promptly to changing operational and service needs of B/Ds –

- (a) which may be time-limited, seasonal, or subject to market fluctuations;
- (b) which require staff to work less than conditioned hours;
- (c) which require tapping the latest expertise in a particular area; or
- (d) where the mode of service delivery is under review or likely to be changed.

⁵ The Post Office (Amendment) Regulation 2013 was made by Chief Executive in Council on 9 July 2013 under section 3 of the Post Office Ordinance to increase certain postal fees under the Regulation.

written response⁶ advising that under the Civil Service Regulations, the accumulation of uncompensated overtime balance of a civil servant should not exceed 180 hours. HKP had undertaken a number of measures to address the overtime issue, including re-engineering work processes, rescheduling the duty hours of staff, requiring all staff to clear their overtime earned in the current month by the following month, filling vacancies as quickly as possible and setting up a dedicated team targeting those cases with a relatively higher uncompensated overtime balance. As a result of these measures, the total hours of uncompensated overtime balance had decreased by 11% from end December 2012 to end September 2013. For those staff with uncompensated overtime balance, 96% of them had a balance not exceeding 180 hours and about 87% had a balance not exceeding 100 hours. HKP expected that the accumulated overtime balance of all staff would go down to below 180 hours by around mid-2015.

Council question

11. Hon Mrs Regina IP asked an oral question on the employment of NCSC staff at the Council meeting of 6 February 2013. Mrs IP enquired, among others, about the availability of overtime compensation and travel allowances for NSCS staff in HKP. The Administration advised that for daily-rated or hourly-rated NCSC staff, their actual wages would be calculated on the basis of the number of days/hours they have worked. For those who were employed on monthly salaries, overtime work was compensated by time-off in lieu. As to travel allowances, the Administration would state clearly in the recruitment advertisements for those NCSC positions which were remotely located so that job applicants could decide whether they would apply for the concerned positions according to their own circumstances. Arrangements would also be made for the recruited staff to work in districts of their choices as far as possible.

Latest development

12. The Administration will update the Panel on the manpower situation of HKP at the Panel meeting on 16 December 2013.

Relevant papers

13. A list of relevant papers is set out in **Appendix**.

Council Business Division 4
Legislative Council Secretariat
12 December 2013

⁶ LC Paper No. CB(4)139/13-14(02)

Appendix

Manpower situation of the Hongkong Post

List of relevant papers

Meeting	Date of meeting	Paper
Panel on Public Service	17 December 2012 (item II)	Agenda Minutes CB(4)337/12-13(01) CB(4)928/12-13(01)
Panel on Public Service	21 January 2013 (item VI)	Agenda Minutes
Panel on Public Service	18 March 2013 (item III)	Agenda Minutes
Council Meeting	6 February 2013	Official Record of Proceedings Pages 55 - 70 (Oral question raised by Hon Mrs Regina IP's question)

Council Business Division 4
Legislative Council Secretariat
12 December 2013