Ref: ED-2020004

13 February 2020

Mr Anthony Chu
Clerk, Public Accounts Committee
Legislative Council Complex
1 Legislative Council Road
Central, Hong Kong

Dear Mr Chu,

Public Accounts Committee
Consideration of Chapter 3 of the Director of Audit's Report No. 73
Governance and Administrative Issues of the Hong Kong Productivity Council

As per the request from the letter dated 19 December 2019 (Your Ref: CB4/PAC/R73), the Hong Kong Productivity Council shall provide the relevant details of Part (I) of Appendix. Hong Kong Productivity Council provided a written reply with the relevant details and attachments via email on 2 January 2020 in response to the letter. An email dated 7 February 2020 was then received, which requested the written reply shall list out all corresponding questions. Please see the updated details and attachments herein below:

Part 2：Corporate governance and performance reporting

1) According to paragraphs 1.3 to 1.6 and 2.13 to 2.18, the Hong Kong Productivity Council ("HKPC") had commissioned a Consultancy Study in 2002 to review its role.

   The Consultancy Study recommended HKPC's service focus in 2002 over the following five years (i.e. up to 2007).   The Memorandum of Administrative Arrangements ("MAA") was also reviewed in 2009 but no change was made to HKPC's service focus.   There was no documentary evidence showing that the service focus was considered during the review. Since the 2002 Consultancy Study, HKPC's service focus stated in MAA has not been reviewed to ensure that it remains relevant in the context of Hong Kong's economic development.   According to paragraph 2.17, after the Consultancy Study conducted in 2002, there had been changes in Hong Kong's economic development as well as HKPC's strategic themes and service focus.

   Supplementary information about HKPC's Memorandum of Administrative Arrangements (MAA):

   (a) Why did HKPC not review the service focus stated in MAA when MAA was reviewed in 2009?   Is the service focus stated in MAA still relevant in the context of Hong Kong's latest economic development?

      The MAA was reviewed in 2009 with focus on the relationship between the Innovation and Technology Commission (ITC) and HKPC, Three-year Forecast, and the Annual Programme and Estimates.

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With the changes in Hong Kong's economic development in the recent years, the Service Focus clause in the MAA generally remains relevant in such context. The HKPC Council held two Strategic Planning Meetings respectively on 4 May 2011 and 27 February 2016, attended by the Council Members, public officers and senior management, to evaluate the industry condition, service needs, as well as formulating the future strategic direction for HKPC.

Since 2011, the HKPC Council has reviewed the Three-year Strategic Plan, Three-Year Forecast, and the Annual Programme and Estimates on an annual basis. The business programmes and focus of HKPC set out in these papers are the results from industry consultation and market trends analysis. In the 2016 Strategic Planning Meeting, the HKPC Council agreed to the amendment of HKPC's vision, mission, values and overarching strategic themes; this also led to the re-organisation of HKPC on 1 April of the same year to facilitate implementation of relevant strategies.

HKPC works and advances with the industry over the years, in provision of relevant assistance and support to the market. The HKPC Council oversights the strategic framework and positioning of HKPC, leading the strategy and initiatives formulation, to enable HKPC to fulfil demands from the wider industry sector in Hong Kong.

(b) Has HKPC completed the review and update of the relevant sections of MAA with the Innovation and Technology Commission ("ITC") according to paragraph 2.20(d)? If no, what is the progress of the review? Does HKPC have any directions and timetable for the review?

HKPC agrees with the recommendations made by the Audit Commission in this regard. A review on the MAA will be conducted between ITC and HKPC, which will include the Service Focus clause. The parties have agreed for HKPC to propose revisions to the relevant section by end January 2020 to ITC for review and comment in order that the proposed revisions shall be submitted for the Council's consideration in March 2020.

2) According to paragraph 2.10, from 2015 to 2019, 12 (13%) of the 95 annual declarations of interest forms were submitted by Council members after the required submission dates. The delays ranged from 1 to 55 days, averaging 15 days. According to paragraph 2.11, Audit noted that there was a case where a member submitted his annual declaration of interest form after the Staffing Committee papers and Council papers had been circulated to him.

Supplementary information about the submission process of declaration of interests by Council Members:

(a) Is it unsatisfactory that the late declaration would have made it impossible for the HKPC Council ("the Council") Secretariat to withhold circulation of sensitive information in the relevant papers to the member concerned if he had declared a known direct pecuniary interest?

HKPC agrees that the submission process of Council Members' declaration of interests was inadequate, with room for improvement. Concerning the case of delayed

submission of declaration forms stated in paragraph 2.11, according to our knowledge, there were no potential conflicts of interests involved in the relevant meeting agenda.

(b) Have any measures been implemented to remind members to submit declaration of interest? Are they effective?

At the special Council meeting in October 2019, Council Members were briefed that further measures would be taken to remind Members to submit declaration of interest in a timely manner. Starting from the next round annual invitation for Members to update their interest records in January 2020, Council Secretariat will issue reminders 7 days prior, as well as on the date of submission deadline. Individual follow-up calls will be made to ensure Members' timeliness in submission. Members who have not submitted their declarations of interests shall not receive meeting papers, in order to avoid conflicts of interest.

Council Secretariat will also encourage submission of electronic copy of the declaration form, followed by the original signed copy. In addition, starting from the next round Council meetings, HKPC will table declaration forms for Members who have not returned the forms to sign before commencement of respective meetings.

In fact, started from July 2019, Council Secretariat has taken the measure of reminding Members, when circulating the meeting papers, to declare any interests observed in the meeting agenda. In addition, before the start of each meeting, Chairman of the meeting will remind Members to declare interest so as to avoid potential conflicts of interest.

It is believed that the above measures will be of help to the situation.

3) Pursuant to paragraph 2.17 (b), the Council formulated a future development strategy and 10 strategic themes in 2016. According to paragraph 2.17 (c), Audit noted that HKPC has expanded its service focus to industries other than manufacturing to match the different industries covered by the 10 strategic themes.

Supplementary information about strategic themes of HKPC:

(a) Has HKPC set any goals similar to 10 strategic themes before 2016? If so, what are the results?

Earlier before 2016, HKPC set similar goals under strategic themes in the form of new business initiatives and development goals. In the 2011 Strategic Planning Meeting, Council Members, public officers and the Management formulated the long-term goals and future strategic directions of HKPC after considering the industry situation and needs. Based on the agreed strategic directions, the Three-Year Strategic Plans for ensuing years were developed with a list of business initiatives and development goals for implementation in respective years. The results of work done had been reported to the Council since 2013, including new R&D projects, enhanced services, new industry support measures, new testing services, technology commercialisation etc.

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(b) At present, the annual and financial reports of HKPC do not provide separate reports to show the performance of specific industries, including information such as the number of projects or income.   Does HKPC have any objective figures or indicators to assess the relevant work for each of the 10 strategic themes?   Do these figures or indicators need to be reviewed regularly by the Council, and are there any monitoring or review mechanisms?

There were no quantitative indicators adopted to evaluate the work done under the strategic themes. Every year in July, HKPC reports to the Council the result of such work, with explanation of the natures of application, scope, and service target, supported by quantitative data, e.g. the number of participants in promotion events of particular initiatives, the number of new technologies and patents, the number of new strategic business partners etc. Qualitative achievements are presented in an objective manner for the Council to review the effectiveness of HKPC's work in supporting the industry.

4) According to paragraph 2.22, HKPC's performance was reported with reference to 23 key performance indicators ("KPIs") in 2018-2019, including 13 "Core KPIs" and 10 "Other KPIs". Please tabulate the targets and actual performance of each KPI in the past five years.

Supplementary information on HKPC's Key Performance Indicators (KPIs) are as follows:
Numbers of KPIs: 30 KPIs in 2014-15; 22 KPIs in 2015-16; 23 KPIs from 2016-17 to 2018-19.

Table 4.1: KPIs in 2014-15 (Number: 30)

KPIs in 2014-15	2014-15 Target	2014-15 Actual
(1) Key Performance Measure : Service Delivery		
(a) Number of consultancy projects accepted	1,250	970
(b) Number of fee-charging training courses	300	180
(c) Number of people attended fee-charging training courses	5,800	3,041
(d) Number of exhibitions/fee-charging study missions/conferences	50	57
(e) Number of people attended exhibitions/fee-charging study missions/conferences	2,900	3,969
(2) Key Performance Measure: Operating Efficiency		
(a) Percentage of employee hours charged to billable projects	68.0%	62.0%
(3) Key Performance Measure: Financial Result (HK$M)		
(a) Overall income/expenditure ratio	67.4%	71.1%
(b) Income from consultancy projects	290.675	265.44
(c) Income from training courses	19.81	12.898
(d) Income from exhibitions/study missions/conferences	5.506	9.386
(e) Income from manufacturing support projects	33.103	26.027
(f) Overall income per employee	0.58	0.637
(g) Income from each consultancy project in progress	0.15	0.129
(4) Key Performance Measure: Effectiveness		
(a) (i) Number of theme-based industry consultation organized: Hong Kong Industry Network Cluster (HK-INC)	6	6
(ii) Number of theme-based industry consultation organised: non HK-INC	31	36
(b) Number of people attended events/networking activities for associations/non-fee charging seminars	200	310
	18,160	23,531
(c) Number of new services and products introduced	29	30
(d) Number of and approved funding for commercial R&D projects (HK$M)	8	10
	2	2.1
(e) Number of patent/licence/royalty	8	19
(f) Number and approved funding of new government-funded projects (HK$M)	35	28
	64.7	49
(g) Number and contract value of products/ technologies commercialised (HK$M)	13	15
	12	14.0
(h) (i) Number of new R&D projects	29	31
(ii) Number of R&D projects in progress	43	67
(i) Percentage of customers reporting productivity increase	95%	100%
(j) Customer satisfaction index	8.7	8.9
(k) Training participants satisfaction index	7.7	8.1

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Table 4.2: KPIs in 2015-16 (Number: 22)

| KPIs in 2015-16	2015-16 Target	2015-16 Actual
(1) Key Performance Measure : Service Delivery		
(a)　　Number of consultancy projects accepted	1,070	917
(b)　　Number of fee-charging training courses	285	196
(c)　　Number of people attended fee-charging training courses	5,370	4,248
(d)　　Number of people attended exhibitions/fee-charging study missions/conferences	2,180	2,221
(2) Key Performance Measure: Operating Efficiency		
(a)　　Percentage of business employee hours charged to billable projects	87.0%	92.8%
(3) Key Performance Measure: Financial Result (SM)		
(a)　　Overall income/expenditure ratio	68.4%	70.7%
(b)　　Income from consultancy projects	300	307.716
(c)　　Income from training courses	19	8.91
(d)　　Income from exhibitions/study missions/conferences	3.9	4.844
(e)　　Income from manufacturing support projects	34	23.602
(f)　　Overall income per employee	0.62	0.676
(g)　　Income per consultancy project in progress	0.15	0.152
(4) Key Performance Measure: Effectiveness		
(a)　　Number of theme-based industry consultation organised: Hong Kong Industry Network Cluster (HK-INC) and non HK-INC	40	51
(b)　　Number of people attended events/networking activities for associations/non-fee charging seminars	18,430	20,620
(c)　　Number of new services and products introduced	24	30
(d)　　Number of patent/licence/royalty	8	13
(e)　　Number of products/ technologies commercialised	14	21
(f) (i)　　Number of new R&D projects	29	38
(ii)　　Number of R&D projects in progress	52	99
(g)　　Percentage of customers reporting productivity increase	95%	100%
(h)　　Customer satisfaction index	8.8	8.92
(i)　　Training participants satisfaction index	8	8.4
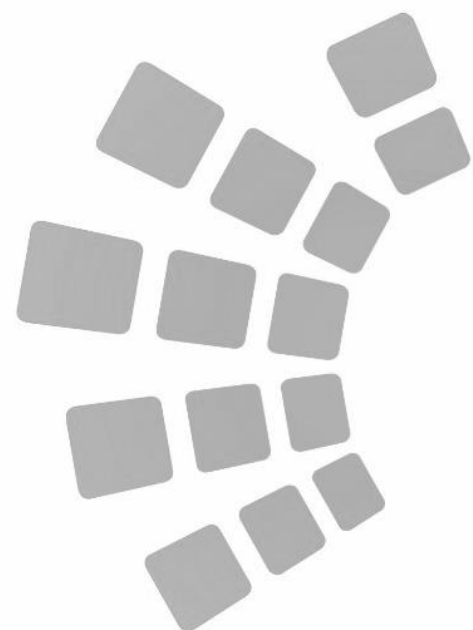
Table 4.3: KPIs from 2016-17 to 2018-19 (Number: 23)

KPIs from 2016-17 to 2018-19	2016-17 Target	2016-17 Actual	2017-18 Target	2017-18 Actual	2018-19 Target	2018-19 Actual
Part I Core KPIs						
(1) Key Performance Measure: Operating Efficiency						
(a) Percentage of business employee hours charged to billable projects	87.50%	**96.4%**	90%	**96.6%**	92%	**95.2%**
(2) Key Performance Measure: Financial Result (HK$M)						
(a) Overall income/expenditure ratio	69%	**74.1%**	69.60%	**76.4%**	67.60%	**77.5%**
(b) Overall income per employee	0.65	**0.76**	0.68	**0.82**	0.74	**0.81**
(c) Total external income	429.4	**447.3**	449.8	**471.7**	433.9	**464.5**
(3) Key Performance Measure: Effectiveness						
(a) Number of theme-based industry consultation organised: Hong Kong Industry Network Cluster (HK-INC) and non HK-INC	40	**42**	40	**50**	40	**65**
(b) Number of people attended events/networking activities for associations/non-fee charging seminars	22,000	**22,093**	22,000	**24,187**	22,000	**28,396**
(c) Number of new services and products introduced	24	**28**	26	**35**	27	**27**
(d) Number of patent/licence/royalty	8	**18**	10	**14**	10	**22**
(e) Number of products/ technologies commercialised	14	**19**	18	**24**	18	**18**
(f) Number of new R&D projects	30	**46**	35	**45**	35	**43**
(g) Percentage of customers giving a score of 7.5 or above out of 10 in terms of productivity gain	75%	**87%**	80%	**87%**	82%	**90%**
(h) Customer satisfaction index	8.8	**9**	8.8	**9.0**	8.8	**9.1**
(i) Training participants satisfaction index	8	**8.4**	8.2	**8.4**	8.2	**8.6**
Part II Other KPIs						
(1) Key Performance Measure : Service Delivery						
(a) Number of consultancy projects accepted	1020	**948**	968	**699**	935	**889***
(b) Number of fee-charging training courses launched	226	**203**	200	**267**	200	**233**
(c) Number of people attended fee-charging training courses	3390	**4198**	3000	**6196**	3000	**6079**
(d) Number of people attended exhibitions/fee-charging study missions/conferences organised	4000	**4293**	4000	**4425**	4000	**4039**
(2) Key Performance Measure: Financial Result ($M)						
(a) Income from consultancy projects	312.6	**342.4**	346.6	**362.6**	322.8	**340.9**
(b) Income from training courses	17.6	**9.4**	14	**8**	12.6	**7.6**
(c) Income from exhibitions/study missions/conferences	3.9	**9.4**	7.2	**8.1**	5.5	**6.2**
(d) Income from manufacturing support projects	36.6	**25.2**	33.7	**26.7**	26.1	**30.0**
(e) Income per consultancy project in progress	0.15	**0.14**	0.155	**0.166**	0.15	**0.16**
(3) Key Performance Measure: Effectiveness						
(a) Number of on-going R&D projects	49	**99**	65	**127**	65	**132**

*After the PAC meeting on 13 December 2019, in the process of preparing the project details on the "Consultancy – Professional Manufacturing Support Service" type, all 141 projects under this type were checked to ensure the accuracy. However, 55 projects were found not to meet the criteria for counting under the KPI of "number of consultancy projects accepted" as decided at the monthly management meeting in July 2018 to include manufacturing support projects "if service amount exceeds $5,000". It was believed that the erroneous counting was due to insufficient cascading to frontline staff, and the failure in updating such information timely in Standard Practice – which was a primary guideline for frontline staff to categorize project types. Based on such finding, a rectification will be immediately carried out to revoke the number of "Consultancy – Professional Manufacturing Support Service" projects from 141 to 86, deducting the 55 wrongly included projects. Hence, the total of the "Number of consultancy projects accepted" will be adjusted from 944 to 889. The above situation was reported immediately to ITC and the Council Chairman upon discovery. As effort to avoid similar situations from happening again, the Standard Practice will be updated during the upcoming KPI revamp, in consultation with ITC and the Council. The exercise to define new KPIs and targets is expected to complete by March 2020, and submit to ITC and Council for approval.

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5) According to paragraph 2.24, if HKPC fails to achieve agreed performance targets, HKPC is required by MAA to provide explanations for such failures to the satisfaction of the Commissioner for Innovation and Technology ("CIT").   However, for the targets on two KPIs on "Number of consultancy projects accepted" and "Income from manufacturing support projects", there was no documentary evidence showing that HKPC had provided explanations to CIT for failing to meet these two performance targets in 2017-2018.   Why?

According to 2.29(a), HKPC will set up, in consultation with the ITC, a more formal mechanism for submitting the reasons for shortfalls against KPI targets.   Has the formal mechanism been set up between HKPC and ITC?   What is the progress?

Supplementary information on the report of 2017-18 KPI results:

HKPC reported the 2017-18 KPI results to ITC during 3 meetings in 2018.

- At the Housekeeping meeting with Commissioner for Innovation and Technology (CIT) on 14 June 2018, the results of 23 KPIs for 2017-18 were presented with one of presentation slides devoted to the 3 KPIs with unmet targets.

- At the 60th Staffing Committee meeting on 13 July 2018, HKPC reported the KPIs results including the reasons for not meeting 3 KPI targets. A representative from ITC attended the meeting among other committee Members.

- At the 138th Council meeting on 25 July 2018, one of the agenda items was to discuss the KPIs results with a detailed work report. A representative from ITC attended the meeting among other Council Members. During the meeting, HKPC explained the reason for not meeting the target for individual KPI (income from training courses).

HKPC has started to discuss with ITC to establish a more formal mechanism for submitting the reasons for shortfalls against KPI targets to CIT. Relevant arrangements will be incorporated into the future revised MAA for implementation.

6) According to paragraph 2.25, 11 KPIs were not disclosed in the Annual Reports and Controlling Officer's Reports ("CORs").   Justifications for not disclosing some KPIs in CORs.

The HKSAR Government provides subvention to HKPC with CIT assigned as the "Controlling Officer". During the preparation of the annual "Controlling Officer's Reports" (COR), CIT will consult HKPC for input to the contents (including the KPIs). During the upcoming holistic review on KPIs, HKPC will discuss with ITC on the KPIs to be listed in the COR.

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Part 3: Human Resource Management

7) According to paragraph 3.3, Audit compared the staff establishment and the staff strength of HKPC as at 30 June 2018 and 30 June 2019 at Table 6 and Table 7. The total staff strength fell short of the total staff establishment by 131 (18.8%) as at 30 June 2018 and by 123 (17.7%) as at 30 June 2019. As at 30 June 2018 and 30 June 2019, there were significant staff shortfalls for Grade 4 to Grade 8 staff and there were significant staff surpluses for Grade 2 and Grade 3 staff.

Supplementary information about HKPC's human resource management are as below:

(a) Please list out the staff establishment for each grade for each of the past 10 years.

For the Staff Establishment, please see attachment: Chap 3_Q7a

With approval from the Council, HKPC appointed a human resources consulting firm (Korn Ferry Hay Group) in 2015 to review the job grades and salary structure. In October 2017, HKPC completed a two-year transformation to restructure the 30 job ranks to 9 job grades, which was reflected in the staff establishment from 2017-18.

(b) What factors determine the staff establishment of HKPC? Has the Council or the Staffing Committee set any guidelines for adjustment of staff establishment?

In the third quarter of every financial year, HKPC management and all divisions plan for next financial year's business development directions, annual programme and estimates, and staffing resources. The staff establishment should complement the current and future business development needs, for recruiting and training relevant technical professional of different job grades. After reviewing and organising the staffing resources needs from each division, the management would submit the proposal to the Staffing Committee and the Council for approval. The Staffing Committee, the Council and the management will have thorough deliberation of the proposal at the meetings.

At the annual discussion meetings of the Staffing Committee and the Council above, the Members and HKPC share the same considerations of business development directions, annual programme and estimates, and staffing resources for preparing the Staff Establishment.

(c) Why did HKPC have significant staff shortfalls for some staff grades and significant staff surpluses for some other staff grades? Has HKPC taken any measures to address the issue?

The Staff Establishment of HKPC requires approval from the Staffing Committee and the Council, whilst HKPC is responsible for daily operation. From 2013-14 to 2019-20, the Staff Establishment at HKPC remains at 695 mannings. Each year, HKPC would adjust the numbers of particular grades in accordance with business development directions, annual programme and estimates, and staffing resources where appropriate.

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At the time for preparing the 2018-19 Staff Establishment, HKPC aimed to meet the market operation and support the developments towards smart city, smart industry and Industry 4.0 and etc., under the fast-paced business and technological advancement, some mannings of the job grades were adjusted, following the completion of the 2-year transformation of grade structure in October 2017. The changes were as follows:

- Grade 2: reduced from 107 to 58
- Grade 3: increased from 127 to 133
- Grade 4: increased from 171 to 174
- Grade 5: increased from 178 to 241
- Grade 6: reduced from 88 to 66

The number of Grade 5 (Consultant) mannings was increased with corresponding reduction in Grade 2 and Grade 6 mannings to maintain the total mannings at 695.

To support the consultancy services for Hong Kong industries, HKPC intends to beef up the number of middle-level consultants to strengthen the backbone of the consultancy service. This could effectively support HKPC's business directions on smart city, smart industry and Industry 4.0 and etc., as well as grasp the opportunities arising from the "Greater Bay Area", and "The Belt and Road" initiatives. Moreover, HKPC is hoping to attract more talents, and nurture internal high-potential talents as consultants.

The Staff Establishment in 2019-20 is generally the same as that of 2018-19. Under such Staff Establishment:

- Grade 2 staff members reduced gradually. As at end November 2019, the reductions in the past two years were 12% (2018-19) and 24% (2017-18) respectively.
- Grade 3 staff members exceeded the mannings, as they are mainly technical and research talents critical for the support to technical development and consultancy service. HKPC has been providing promotion and nurturing opportunities to the good performers. As at end November 2019, the increments in the past two years were 9% (2018-19) and 12% (2017-18) respectively.
- Grade 4 staff members were fewer than the mannings but they are picking up in numbers. They are equipped with required technical skills and experience to provide consultancy services together with the Grade 5 staff members. As at end November 2019, the increments in the past two years were 10% (2018-19) and 29% (2017-18) respectively.
- Grade 5 staff members were fewer than the mannings. It is due to the shortage of talent with solid experience in innovation and technology in Hong Kong, fierce competition of talents in the talent market, and hence difficulty in recruitment. HKPC has been putting efforts in recruitment, retention and promotion of appropriate talents. From 2018-19, the number of Grade 5 staff members has been increasing. As at end November 2019, the increments in the past two years were 8% (2018-19) and 6% (2017-18) respectively, and the gap between staff strength and mannings has been narrowed.

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HKPC will continue grooming the talents in Grade 3 and 4, promoting and recruiting appropriate talents of different grades, with an aim to achieving the Staff Establishment progressively.

In order to tackle the shortage of talents, HKPC has proactively launched various initiatives to attract and recruit suitable manpower for the organisation, including:

- Under the principle of prudent financial management, HKPC continues to enhance the competitiveness of HKPC's remuneration package, including converting two-year contract staff of Grade 1-6 to permanent employment from July 2019. This is also one of the talent retention initiatives following the full scale implementation of the new job grades and salary structure.
- Posting vacancies internally to encourage cross division applications from potential staff.
- Engaging 5 recruitment agencies from 2019 for Grade 5 and critical posts to reach out the talents.
- Expanding the source and pool of candidates through social media platform, recruitment agencies, university recruitment talks and overseas channels from 2018.
- Launching corporate branding programmes from October 2019 to increase public awareness of the Council's job openings.

8) According to paragraph 3.5, the overall staff turnover rates for the five years from 2014-2015 to 2018-2019 were on the high side.   The average staff turnover rate was 19.2%, ranging from 17.1% to 22.5%.   The staff turnover rates were particularly high from Grade 3 and Grade 5 staff.   The average staff turnover rates for Grade 3 and Grade 5 staff during the period were over 20%.   With reference to paragraph 3.7, the main reasons for departure were remuneration and career advancement.

(a) What were the reasons for the high staff turnover rates?

Supplementary information about the turnover rate of HKPC:

In recent years, with the rapid growth in innovation and technological development, there has been a shortage of talents in the market. HKPC's staff turnover rate is seen on similar levels with other research and development centres. Moreover, HKPC has been providing training to the talents, nurturing them to continue contributing to the innovation and technology development of Hong Kong even if they depart from HKPC.

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Reasons for staff departure

Reason	2014-15	2015-16	2016-17	2017-18	2018-19
Remuneration/ Career Advancement*	52.8%	40.6%	39.2%	64.0%	60.6%
Job Nature/ Work Issues	34.4%	34.2%	37.4%	15.8%	20.2%
Further Study / Emigration	2.4%	3.6%	0.0%	5.0%	1.0%
Other Reasons	10.4%	21.6%	23.4%	15.2%	18.2%

* According to the data analysis, the main reason for staff departure at HKPC is about "Remuneration/ Career advancement" of which, over half left due to "career development", entailing career advancement, opportunities of development and training, and the staff's career aspirations

(b) What are the differences between the remuneration packages of employees at all grades of HKPC and those in the market at present?

With approval from the Council, HKPC appointed a human resources consulting firm (Korn Ferry Hay Group) in 2015 to review the job grades and salary structure. Started from 1 October 2017, HKPC's salary structure was transformed from "Pay Point" to "Pay Range". The Council also approved for a salary range review every three years, as an effort to match HKPC's salary pay range with the market and retain its competitiveness. The most recent review was completed in March 2018, and the new salary range was then adopted till now. The staff's salary level was on par with the market.

HKPC has also introduced some benefits benchmarked with the market to strengthen its competitiveness for attracting and retaining talents. Examples of the newly launched initiatives in recent two years are as follows:
   i.   Convert staff of Grade 1 to 6 from two-year contract to permanent employment from 1 July 2019;
   ii. Review salary payment for individual cases as talent retention;
   iii. Introduce workplace enhancement measures for improving staff welfare:
       • Enhanced the types of leaves, e.g. 3 days' marriage leave and compassionate leave from January 2018.
       • Extended paid maternity leave from 10 weeks to 14 weeks, and paid paternity leave from 3 days to 5 days for eligible staff members with effect from November 2018.
       • Added a new MPF service provider from April 2019.

   iv. Carry out development programmes for staff's career development, to enhance their core skills in the areas of consultancy services, project management, financial management, crisis management, leadership and communication skills, to upgrade their competencies for new developments
       • SEED Programme Phase 1 for Grade 3-4 staff members from December 2018
       • SEED Programme Phase 2 for Grade 3-4 staff members from December 2019
       • GROW Programme Phase 1 for Grade 5 staff members from May 2019

   v.   Simplify the daily administrative procedures from 2018, and digitise such from 2019 to improve work efficiency.

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9) As in paragraph 3.8(b), in the 532 completed Employee Opinion Survey questionnaires, employees generally perceived that HKPC's performance had yet to catch up with their expectation on all 14 dimensions of performance. What are the details of the 14 dimensions of performance?

The 14 dimensions covered in the Employee Opinion Survey are:

i. **Company mission and leadership** – This dimension measures employees' perceptions regarding the desired direction for the company and the leadership of the senior management. The extent to which the company communicates its direction and the degree to which the Vision/Mission and goals are understood and supported by the employees.

ii. **Corporate culture** – Culture can be defined as the character of the company. This factor measures the extent to which the employees are supportive of the company ethos and each other. This includes respect for the individual, the way change is managed and pride in working for the company. Culture can be summarised as "the ways things are done around here".

iii. **Quality Principles & Practices** – The extent to which the company is quality or customer driven is assessed by this factor as is the ability of the company to deliver consistently high service or quality levels. This is achieved through employees commitment to quality/service, delegation of authority, the systems and procedures for delivering customer service and, finally, gathering customer feedback.

iv. **Innovation & Change** - In order to survive in the longer term, organisations must adapt to changes in the market place and evolving customer needs. This dimension measures the readiness to change and reflects the degree of proactivity in the organisation. It also assesses the extent to which change is imposed on employees as opposed to involving them in its implementation.

v. **Climate** - The degree of satisfaction employees experience within their job is described by Climate. It is a function of the meaning people attach to their job, the richness of their work, the level of morale and their desire to remain within the company. This dimension can also be interpreted as an indicator of longer-term staff turnover.

vi. **Performance Management** – Measures to what extent performance standards are clearly defined, and the performance management system is in line with the corporate strategies and values. It also indicates how individual and group performance is clearly and fairly assessed.

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vii. **Role Clarity** – This dimension measures the extent to which employees are clear about what is expected of them and how they are briefed to meet job requirements. This dimension also describes the extent to which employees are provided with the information they need to do their job effectively.

viii. **Communication** – The adequacy of communication has a large part to play in the efficiency of the company. This dimension measures the extent to which different levels and work units communicate effectively and the availability and acceptability of communication channels both vertically and horizontally.

ix. **Compensation and Benefits** - This measures employee satisfaction with the formal reward systems of the company. The amount of remuneration both in monetary form and in tangible benefits. Perceptions regarding the competitive edge of the company in the local job market as compared with the pay and benefits offered by other companies are also measured.

x. **Recognition and Rewards** – Just as important as monetary rewards are the informal recognition schemes within the organisation, in other words the non-monetary side of the total reward system. This dimension measures the extent to which employees believe the company treats them as an asset. This is evidenced by the degree that good performance is reinforced and that praise and promotion are tied to actual performance.

xi. **Management Style** - This dimension describes the impact that the immediate superior has on the individual employee. It measures the extent to which management is seen as effective and supportive. It assesses the quality of the relationship between supervisory and non-supervisory levels.

xii. **Teamwork & Co-operation** - This dimension surveys the way that different levels and units work together to achieve common goals. The teamwork dimension also covers the degree of co-operation within natural work groups as well as between them.

xiii. **Training and Development** - This dimension measures the extent to which employees have been properly trained for their jobs. It also assesses the support provided for future career advancement, the availability of personal and professional development for employees and the quality of internal training programmes.

xiv. **Working Conditions** – Measures the acceptability of the "hygiene factors" and physical working conditions. This includes the level of job pressure, arrangement of working hours, condition of working environment, availability of sufficient resources, and a secure and safe work place.

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10) According to paragraph 3.11(b), HKPC has enhanced the competitiveness of the remuneration package, posted vacancy information internally to encourage potential staff to apply and adopted flexible timing for promotion, in response with audit's comments on HKPC's human resource management.

Supplementary information of HKPC's recruitment policy:

(a) Which party (the Council, the Staffing Committee, or management) is responsible for proposing and/or approving these responsive measures involving compensation adjustments and employee benefits?

All compensation and benefits policies of HKPC, including salary review, variable pay, performance-linked reward, grading structure, leave, contract conversion etc., were recommended by HKPC's management to the Staffing Committee, and then approved by the Council as well as ITC.

(b) Please elaborate the details of providing incentives for employees to improve their job performance.

Under the existing performance management, Performance Appraisal Board (PAB) meetings are convened annually to assess staff's performance of all job grades. PAB is composed of division representatives and they discuss the performance and achievements of staff, and determine the performance bandings collectively with a fair and impartial assessment.

The performance band is a 6-point scale, with staff attaining Band 1 being the best performers and Band 6 the sub-standard performers. The salary review, variable pay and performance-linked reward are linked with the performance bands. According to the variable pay mechanism, best performers (Band 1) will be awarded the highest variable pay, and the marginal performers (Band 5) and sub-standard performers (Band 6) with unsatisfactory and poor performance will generally not be entitled to any variable pay. Marginal performers will undergo a three-month performance improvement plan, and the sub-standard performers will be subject to employment termination. This mechanism aims to incentivise staff members for good performance, and uplift their capabilities.

Similarly, according to the mechanism of salary review, best performers (Band 1) with lower salary would receive a higher percentage of pay adjustment; steady performers (Band 4) with higher pay would receive a lower percentage of pay adjustment; marginal performers (Band 5) or sub-standard performers (Band 6) will not be entitled to any pay adjustment

HKPC would submit proposals on pay review, variable pay, and performance-linked reward to the Staffing Committee in July every year, and then seek the Council's and ITC's approval.

(c) Are the measures in (a) and (b), if any, effective? Have the staff shortfalls and surpluses improved?

In recent years, the HKPC has proactively adopted different new measures to revamp internal procedures and introducing benefits offered in the market to enhance its competitiveness, so as to recruit talents and reduce the turnover rates. The number of new joiners in recent years is on the rising trend.

Number of new joiners in recent years:

	2016-17	2017-18	2018-19	As at November 2019
Total	105	129	213	145

The following are the reasons for variation in staff numbers of different job grades:
- Grade 3 staff are the potential successors in technology and R&D development, and they are providing important support for new technology development and consultancy services of HKPC. Thus HKPC would continue to provide promotion opportunities for well-performing staff members, and recruit more talents.
- Grade 4 staff are required to have technical competencies and relevant working experience. They have to provide consultancy service to clients together with Grade 5 staff members. Though there is a discrepancy between the manning and the actual strength, the staff number is increasing.
- Grade 5 staff are required to have solid and substantial experience. However, due to the shortage of experienced R&D talents in Hong Kong, and the fierce competition in the market, recruitment has been difficult.

HKPC has been putting efforts in recruitment, retention and promotion of appropriate talents. From 2018-19, the staff number of Grade 5 has been increasing, progressively narrowing the gap with the manning.

11) According to paragraph 3.15(d), in 52 recruitment exercises, some required information on the Selection Interview Evaluation Forms, such as the ratings and comments on candidates after the interviews, was missing. According to paragraph 3.17(d), Executive Director, HKPC said that in general the selection of candidate is based on consensus reached at Selection Panel meetings and hence the missing information would not have impact on the decision.

Supplementary information concerning HKPC's staff recruitment:

(a) Why has HKPC allowed such information missing in a large number of Selection Interview Evaluation Forms, contrary to the requirements stipulated in HKPC Standard Practices?

In the recruitment process, there were indeed omissions in the recruitment records. Hence, Human Resources Unit has enhanced the recruitment process management, to ensure members of Selection Panel completed the Interview Evaluation Forms. Also, HKPC has started the procurement process of electronic recruitment system, to ensure the recruitment process being properly completed through digitisation.

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According to the Standard Practice, recruitment of Grade 7 (General Managers) should be done by Staffing Committee, with HKPC management and Council Members to take part in the interview for selecting suitable candidate, and make proposal to the Staffing Committee for approval. As for the hiring of Grade 1-6 staff members, the recruitment should be done by hiring managers of respective divisions and the Human Resources Unit, including shortlisting, interview, and seeking management's approval.

The 52 recruitment exercises mentioned in Part 3.15(d) of the Audit Report:

i. Two cases were for the recruitment of General Manager: Two members among the Selection Panel did not complete the scoring data for one of the six selection criteria (problem solving and rational decision making) in the Interview Evaluation Form. At those two occasions, Selection Panel members did not input any comment in the Interview Evaluation Form as it was not a mandatory requirement. Comment about the candidates were recorded by the secretary of the Selection Panel.

In the abovesaid hiring process, the omission of scoring data would not impact the final hiring decision. The hiring decision was made upon the consensus of the Selection Panel, with the secretary of the Selection Panel to prepare the paper incorporating comment and decision from the Panel members, for seeking the Staffing Committee's approval.

ii. For the other 50 recruitment exercises, all Selection Panel members had rated according to each assessment criteria and recorded their comments, with the only omission being the total sum of score. Since the Selection Panel decided the most suitable candidates based on the consensus after the interview meetings, and approval would then be sought from the management, such omission of total score summation would not impact the final decisions.

(b) Without the required information such as the ratings and comments on candidates after the interviews, how could the Selection Panel reach consensus?

As mentioned in item i. above, the recruitment of Grade 7 (General Managers) should be done by Staffing Committee, with HKPC management and Council Members to take part in the interview for selecting suitable candidate. The hiring decision was made upon the consensus of the Selection Panel, with the secretary of the Selection Panel to prepare the paper incorporating comment and decision from the Panel members, for seeking the Staffing Committee's approval. The omission of scoring data and comment input hence would not impact the final decisions.

For the Grade 1-6 recruitment exercises as listed in item ii., the Selection Panel had rated according to each assessment criterion and recorded their comments, with the only omission being the total score. Since the Selection Panel decided the most suitable candidates based on the consensus after the interview meetings, and approval would then be sought from the management, such omission of total score would not impact the final decisions.

12) According to paragraph 3.15(g), there was a case in which a person was offered a Grade 4 post which he had not applied for and he had not gone through the shortlisting and interview procedures laid down in HKPC Standard Practices (Case 1). Does HKPC agree that it is not satisfactory to offer a post to a person who has not applied for it without going through the shortlisting and interview procedures? Would this be unfair to other potential applicants for the post? Without shortlisting other applicants for the post for interview, how can HKPC ensure the person appointed by HKPC was the best person for the post?

The recruitment process of this hiring case was not complete. Human Resources Unit has enhanced the recruitment process management and will ensure all recruitment cases follow the complete and proper process. The case details are as follows.

The candidate first submitted an application of a Grade 2 post (Assistant Engineering Officer). After the shortlisting and interviewing process, the Selection Panel considered that the candidate was a Doctoral degree holder (from the Chinese Academy of Sciences) with 15 years of solid experience in the field of mechatronics and computer-aid engineering. He had previous teaching experience in mainland universities, participated in R&D and application development, led and trained teams. The Selection Panel shortlisted the candidate because of his outstanding qualification and experience recorded in the application form, and considered there was high chance of his suitability for more senior post. Hence, two rounds of interviews of Grade 2 post were conducted to understand more about the candidate's background and expertise, and make assessment of his capabilities against the senior post for final decision on the appointment.

After two rounds of interviews, the Selection Panel considered that the candidate should fit another Grade 4 post given his Doctoral degree qualification and expertise. The job requirement of the Grade 4 vacancy was Bachelor or Master Degree qualification with two years' relevant experience. Since the candidate outshined the job requirement of a Grade 4, and the fact that two posts (Grade 2 and Grade 4) would report to the same supervisor, and the composition of Selection Panel would be the same, there was already a full assessment of the candidate's capabilities in fulfilling the Grade 4 post,, the candidate was therefore not required for interview for the Grade 4 post.

In view of the shortage of the talent with comparable qualification and work experience in the market, fierce competition of talents in the industry, and division's urgent need for talent to participate in R&D and consultancy projects, the Selection Panel decided to proceed with the interviews of the candidate in the Grade 2 post, and eventually offered a Grade 4 post.

The Selection Panel members declared that they had no relation with the candidate, hence there was no potential conflict of interests.

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Upon HKPC's review of the recruitment case, it is noted that the recruitment process is partially completed with posting of job advertisement and approval for approval, but omission of the following steps:

- Set out shortlisting criteria for selecting candidates to the Grade 4 post;
- Select suitable candidates to attend the Grade 4 interviews;
- Request the candidate to submit application again for the Grade 4 post.

Learning from this experience, HKPC has stepped up the efforts to strengthen the recruitment process management, and will ensure will ensure all recruitment cases follow the complete and proper process.

13) According to the Annual Report of HKPC, the Staffing Committee is responsible for approving appointments at the general manager level and will advise the Council on human resources development policies and employee compensation and benefits. With reference to the response of HKPC in paragraph 3.17 to Audit's recommendations in paragraph 3.15:

a. Does the current mandate of the Staffing Committee include oversight of recruitment matters (e.g. recruitment procedures and related criteria)? If not, who will be responsible to formulate and supervise the recruitment process in paragraphs 3.17 (a) to (i)?
b. If the functions of the Staffing Committee do not include oversight of recruitment matters, will HKPC study whether to expand the functions of the Staffing Committee to cover these matters?
c. As the current recruitment procedures failed to meet the requirements of the "Best Practice Checklist of Staff Administration" issued by Independent Commission Against Corruption ("ICAC"). Has HKPC invited ICAC to comment on the newly formulated procedures?

Supplementary information on HKPC's staffing strategy:

According to the Council's terms of reference, the responsibilities of the Staffing Committee include:
- Approves the appointment of General Managers;
- Monitors the staffing situation and recommends changes to the Council where appropriate;
- Advises the Council on human resources development policies;
- Monitors HKPC's general terms and conditions of service, to ensure that these are adequate to recruit and retain competent staff, and recommends changes to the Council where necessary;
- Provides a channel between the Council and staff for the communication of grievances about general terms and conditions of service, in situations where they cannot be resolved by consultation.

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Recruitment matters are part of HKPC's operations, and hence are taken care of by the Human Resources and Facility Management Division for daily coordination and administration.

HKPC will invite Independent Commission Against Corruption (ICAC) to advise on the revised recruitment policy accordingly.

Part 4：Procurement and other administrative issues

14) According to paragraph 4.6, there were two purchase orders issued to the same supplier by the same requisitioning division on the same day (i.e. 24 January 2019) for the purchase of the same product (i.e. robot arms).   The purchase requisitions of these two purchase orders were also raised on the same day (i.e. 5 December 2018).
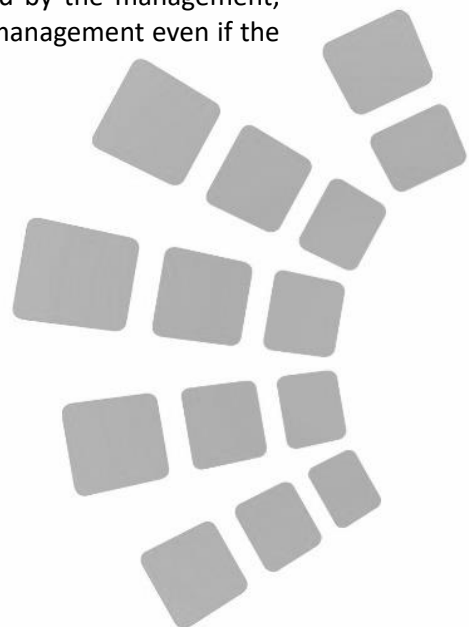
According to paragraph 4.7, if the two purchase requisitions were bundled, the total estimated purchase value would amount to $631,923, which was over the quotation limit of $500,000, and therefore, tendering procedures needed to be followed.   According to paragraph 4.8, there was no documentary evidence showing that the requisitioning officer was unable to anticipate the second purchase at the time when the first purchase was made and that the different delivery dates had made it impossible to bundle the purchases, as required under paragraph 4.5(b).

Does HKPC agree that the two purchases should have been bundled and tendering procedures should have been followed?   If yes, what measures has HKPC taken to ensure that in the future, similar purchases will be bundled?

Supplementary information for Part 4.6 of Ch. 3:

HKPC agrees with the recommendation from the Audit Commission, that the two orders could be bundled in one for process; not only because of potential saving cost, but also that an open tender process should be executed if the amount of any bundled order was over HK$500,000.

In this case, the purchased products were used in two different projects with different applications, which was allowed by the then Standard Practice. The procurement through two purchase requests and two purchase orders were all approved by the management, which also followed the approval protocol to approve by the same management even if the two purchases were combined.

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In response to this case, HKPC will tighten the control on purchasing process by taking the following actions:

- Amend Standard Practice requirement:
  - Split order for similar or same products/services issued to the same supplier by the same requisitioning division for the same client within 30 calendar days to circumvent the management approval requirements are strictly forbidden;
  - HKPC Procurement Unit will reinforce and closely monitor the new requirements. If a split order is suspected, the requisitioning officer is required to justify why repeated purchase is within 30 calendar days after the first purchase was made.

- The revised Standard Practice will be cascaded to all staff members during division meetings, with aim to strengthen communications and enhance awareness; Procurement Unit will also monitor closely in the daily operations. Should any potential anomaly be found, Procurement Unit will report to the management immediately.

15) According to paragraph 4.24 and Table 15, 52 (16%) of the 320 items of equipment did not achieve the expected utilization and two of the four divisions with equipment under their custody did not achieve the target rate of asset optimization.

Supplementary information for utilisation of HKPC's equipment:

(a) Is it a waste of money if the equipment does not achieve the expected utilization? Was HKPC aware that many items of equipment did not achieve the expected utilization? Why has HKPC not taken any measures to address the issue?

By introducing pioneering technologies and specialised equipment that fit the needs of the market, HKPC helps Hong Kong enterprises to increase their productivity. In order to fulfill the needs of the market and advancement in technology development, many technology-related service projects, including test verification and precision mould technology etc., would rely on new advanced equipment for the development of new processes. All the proposed purchases of new equipment are based on the perceived demand from the industry. A standard budgeting process overarches the equipment procurement before every financial year. The General Managers of each division are required to submit their proposed equipment purchases in their budget proposal with justifications. Details includes estimated amount, whether it is a new purchase or a replacement, and written reasons/justification of the purchase. In the budget approval process, Executive Director and Directors will review and evaluate the budget and justifications according to market demands. Such budget spending of HKPC will later be submitted to the Council for approval. Then after the purchase of equipment, the management will review internal equipment utilisation report on a quarterly basis.

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In 2018-19, HKPC's management also reviewed the equipment utilisation reports, and discussed the plans of improvement with divisions, e.g. organising more promotion events to the industries, to increase the industries' awareness of the services provided thru those equipment. For some equipment which are too old or becoming obsolete, they would be handled in accordance with the Standard Practices on "Fixed Assets - Disposal and Transfer".

The utilisation rates of the 52 equipment mentioned in the report are as follows:

No. of equipment	Purchase or Utilisation Status
34	Continuously strengthening promotion and monitoring utilisation rate
11	The technology is yet to mature, and further development is needed to make the equipment become more commonly used
7	The equipment has been purchased for more than 10 years, most of which are waiting for repair or disposal

HKPC has been introduced the test and laboratory services through different events, including seminars of different industries and promotion events for specific customer groups, to promote the latest testing requirements to the industry, market trends and related testing services of HKPC.

Also, to increase the utilisation rates of the available equipment, HKPC frequently promotes its testing services via digital channels, and the information of testing and laboratory services is also included in different printed materials. HKPC is also actively engaged in long-term cooperation with commercial labs to improve equipment utilisation.

(b) In addition to the current procurement procedures described in paragraph 4.5, are there any other requirements, such as requiring the approving officers to consider expected utilization rate, during the procurement process?

(c) Are there any guidelines stipulating the limits that each grade of personnel can propose/approve in the procurement of equipment?   If yes, what are the details?

All equipment should be purchased in accordance to the procurement procedure mentioned in Part 4.5, Ch. 3 of the Audit Report, and the purchase budget must be requested, evaluated and approved via a formal budgeting process before each new financial year. The General Managers of each relevant division are required to submit detailed equipment budget proposals, with information including the amount of equipment, whether the equipment is newly purchased or replaced, and the reason for purchase. In the approval process, Executive Director and Directors will review the equipment budget expenditures and reasons, and then, the overall budget expenditures will be submitted to the Council for approval. Subsequently, before the procurement of the equipment takes place, the Finance and Procurement Division will check if the purchase has been approved previously in the budgeting process. In the future, the expected utilisation rate will also be reviewed when approving equipment purchase requests, and when a new equipment is planned to be purchased.

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(d) According to paragraph 4.43(d), HKPC will closely monitor utilization of the equipment and the rate of asset optimization of individual division through quarterly review meeting, regularly review and dispose of the old or outdated equipment with low utilization, and enhance promotion of available equipment to relevant institutions and companies.   What actions have been taken so far?   What is the progress?

According to the equipment utilisation rate report of the first half of 2019-20, with effective promotion and service integration, 23 out of the 52 equipment mentioned in (a) hereabove could meet the expected utilisation rates. Also, as at late November 2019, 7 old or outdated equipment were disposed; and there is a significant improvement in the assets utilisation rate in the 2019-20 first half year report for the 2 Divisions that could not achieve the target.

16) According to paragraph 4.29, from January to March 2019, the utilization of the company car without driver (i.e. Car D) was low.   On 36 (60%) of the 60 working days from January to March 2019, Car D was idle for the whole day.   Has HKPC ascertained the reasons for the low utilization of Car D?   With reference to paragraphs 4.42(f) and 4.43(e), has HKPC reviewed the cost-effectiveness of maintaining Car D?   If so, what are the results?

Supplementary information concerning the Car D mentioned in Part. 4.29:

HKPC often carries out project services that include offsite duties. In past experience, when staff members were required to carry heavy items such as testing equipment or tools, or samples to perform duties at remote areas, they would hire rental vehicles for transportation, adding extra expenses to the total project costs.

Car D is an Electric Vehicle (EV), with a comparatively lower maintenance costs, fuel costs and annual car licence fee than an ordinary diesel or petroleum-powered Multi-Purpose Vehicle (MPV).

- In terms of maintenance costs: Take January to November 2019 as an example, the maintenance fee of Car D is HK$28,745, compared with the high maintenance fee HK$60,808 of other 3 cars (Car A,B and C)

- In terms of fuel costs: As there are charging stations in HKPC building, no fuel costs are incurred for Car D. As compared with other 3 cars (Car A, B and C), the average fuel costs for the 11 months was HK$ 33,209. Also, no extra installation cost was required for a charging station was already set up within the HKPC Building.

- For the license fee: The annual license fee of EVs is approximately HK$4,254; which is more cost effective than MPV (approximately HK$5,794 to HK$7,664).

In consideration of the above reasons, HKPC decided to purchase Car D (an Electric Vehicle) to fulfill the business needs for greater economic and green benefits.

As to our knowledge, there are several reasons leading to the low utilisation of Car D:
  i.   As Car D was mainly used for site works, its utilisation rate then depended on the actual needs and progress of relevant projects.
  ii.   Utilisation rate is subject to divisions' operation needs and project cycles.

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    iii.   Car D is an EV, hence its driving range would be restricted by the capacity of its battery. With its battery starting to age, according to the actual usage experience at HKPC, Car D would require a recharge for travelling a single trip from Kowloon Tong to the Airport, adding to the fact that other charging stations might not be easily accessible in other areas. As at 25 November 2019, Car D ran approximately 18,855 km.

As utilisation of Car D is relatively low, HKPC will closely monitor its utilisation and maintenance costs within the next six months. If utilisation of Car D is less than 50% during the monitoring period, HKPC will arrange disposal for Car D.

17) According to paragraph 4.38, 9 of the 73 applications of official travels outside Hong Kong failed to comply with the requirements of HKPC Standard Practices and were approved after the relevant staff members departed. Please provide a table showing the staff level, reason, destination, and expenditure involved in each of the 73 applications, with the 9 applications mentioned above marked as such.

For the details concerning the 73 applications for official travels outside Hong Kong as listed in paragraph 4.38 for, please refer to attachment Chap 3_Q17. HKPC will continue to improve the situation in future.

Please feel free to contact me if you have any question about the information provided.

Yours sincerely,

Mohamed D. Butt
Executive Director
Hong Kong Productivity Council

c.c.   Secretary for Innovation and Technology
        Commissioner for Innovation and Technology
        Secretary for Financial Services and the Treasury
        Director of Audit (Attention: Mr Anthony Lo, Senior Auditor)

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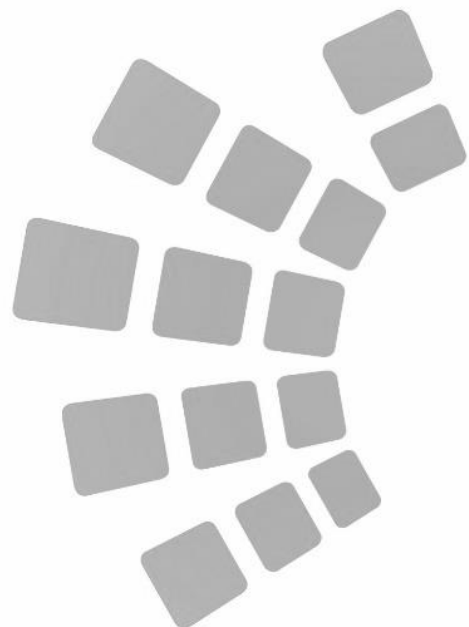
Staff Establishment (2009/10 - 2019/20)

Grade	Description	2019/20 Establishment
9	Executive Director	1
8	Branch Director	3
7	General Manager	12
6	Senior Consultant/ Manager	66
5	Consultant/ Manager	241
4	Associate Consultant/ Assistant Manager	178
3	Officer/ Cadet Engineer	129
2	Assistant Officer	58
1	Office Assistant/ Driver	7
Total		695

Grade	2018/19 Establishment
9	1
8	3
7	12
6	66
5	241
4	174
3	133
2	58
1	7
Total	695

Grade	2017/18 Establishment
9	1
8	3
7	12
6	88
5	178
4	171
3	127
2	107
1	8
Total	695

Rank	Description	2016/17 Establishment
ED	Executive Director	1
DED	Deputy Executive Director	1
BD	Branch Director	2
GM	General Manager	12
PC	Principal Consultant	22
SC	Senior Consultant	66
CON	Consultant	178
AC	Associate Consultant	55
TP	Trainee Professional	4
S ENG	Senior Engineer	3
ENG	Engineer	38
A ENG	Assistant Engineer	14
LA I	Laboratory Assistant I	2
LA II	Laboratory Assistant II	9
S PO	Senior Project Officer	23
PO I	Project Officer I	90
PO II	Project Officer II	38
PO III	Project Officer III	21
APO I	Assistant Project Officer I	51
APO II	Assistant Project Officer II	14
APO III	Assistant Project Officer III	22
ES I	Executive Secretary I	1
ES II	Executive Secretary II	3
SEC I	Secretary I	10
SEC II	Secretary II	2
SEC III	Secretary III	1
CLK I	Clerk I	3
CLK II	Clerk II	0
DRIVER	Driver	3
OA	Office Assistant	6
Total		695

Rank	2015/16 Establishment
ED	1
DED	1
BD	2
GM	12
PC	25
SC	66
CON	183
AC	51
TP	0
S ENG	3
ENG	36
A ENG	14
LA I	2
LA II	10
S PO	22
PO I	100
PO II	33
PO III	17
APO I	49
APO II	16
APO III	22
ES I	1
ES II	3
SEC I	10
SEC II	2
SEC III	1
CLK I	3
CLK II	1
DRIVER	3
OA	6
Total	695

Rank	2014/15 Establishment
ED	1
DED	1
BD	2
GM	12
PC	25
SC	61
CON	175
AC	56
TP	4
S ENG	1
ENG	30
A ENG	13
LA I	2
LA II	12
S PO	23
PO I	109
PO II	22
PO III	16
APO I	44
APO II	17
APO III	24
ES I	1
ES II	2
SEC I	11
SEC II	4
SEC III	1
CLK I	7
CLK II	10
DRIVER	6
OA	3
Total	695

Rank	Description	2013/14 Establishment
ED	Executive Director	1
DED	Deputy Executive Director	1
BD	Branch Director	2
GM	General Manager	12
PC	Principal Consultant	25
SC	Senior Consultant	60
CON	Consultant	169
AC	Associate Consultant	57
TP	Trainee Professional	3
S ENG	Senior Engineer	1
ENG	Engineer	24
A ENG	Assistant Engineer	13
LA I	Laboratory Assistant I	2
LA II	Laboratory Assistant II	13
S PO	Senior Project Officer	24
PO I	Project Officer I	113
PO II	Project Officer II	23
PO III	Project Officer III	15
APO I	Assistant Project Officer I	50
APO II	Assistant Project Officer II	17
APO III	Assistant Project Officer III	24
ES I	Executive Secretary I	1
ES II	Executive Secretary II	2
SEC I	Secretary I	12
SEC II	Secretary II	3
SEC III	Secretary III	1
CLK I	Clerk I	8
CLK II	Clerk II	10
DRIVER	Driver	3
OA	Office Assistant	6
Total		695

Rank	2012/13 Establishment
ED	1
DED	1
BD	2
GM	12
PC	24
SC	56
CON	164
AC	63
TP	0
S ENG	1
ENG	24
A ENG	12
LA I	2
LA II	14
S PO	25
PO I	114
PO II	23
PO III	16
APO I	52
APO II	15
APO III	29
ES I	1
ES II	2
SEC I	11
SEC II	3
SEC III	1
CLK I	9
CLK II	10
DRIVER	8
OA	3
Total	698

Rank	2011/12 Establishment
ED	1
DED	1
BD	2
GM	12
PC	25
SC	54
CON	162
AC	66
TP	0
S TECH	1
TECH	23
A TECH	13
LA I	2
LA II	14
S PO	25
PO I	121
PO II	23
PO III	17
APO I	56
APO II	13
APO III	32
ES I	1
ES II	2
SEC I	11
SEC II	3
SEC III	1
CLK I	9
CLK II	10
DRIVER	3
OA	8
Total	711

Rank	Description	2010/11 Establishment
ED	Executive Director	1
DED	Deputy Executive Director	1
BD	Branch Director	2
GM	General Manager	12
SPC	Senior Principal Consultant	1
PC	Principal Consultant	22
SC	Senior Consultant	57
CON	Consultant	164
AC	Associate Consultant	50
TP	Trainee Professional	18
S TECH	Senior Technician	1
TECH	Technician	27
A TECH	Assistant Technician	10
LA I	Laboratory Assistant I	1
LA II	Laboratory Assistant II	16
S PO	Senior Project Officer	24
PO I	Project Officer I	125
PO II	Project Officer II	21
PO III	Project Officer III	14
APO I	Assistant Project Officer I	59
APO II	Assistant Project Officer II	11
APO III	Assistant Project Officer III	24
ES I	Executive Secretary I	1
ES II	Executive Secretary II	2
SEC I	Secretary I	11
SEC II	Secretary II	3
SEC III	Secretary III	1
CLK I	Clerk I	8
CLK II	Clerk II	10
DRIVER	Driver	3
OA	Office Assistant	1
Total		701

Rank	2009/10 Establishment
ED	1
DED	1
BD	2
GM	12
SPC	2
PC	22
SC	60
CON	170
AC	36
TP	9
S TECH	1
TECH	24
A TECH	10
LA I	2
LA II	18
S PO	23
PO I	132
PO II	22
PO III	10
APO I	66
APO II	13
APO III	25
ES I	1
ES II	3
SEC I	10
SEC II	4
SEC III	1
CLK I	8
CLK II	12
DRIVER	3
OA	1
Total	704

The 73 Travel Applications outside Hong Kong

No.	Destination City	Staff Level	Trip Duration (Days)	Total of Claims	Reason
1*	Panyu, CHINA	G5	2	465.00	Live Run Support
2*	Guangzhou, CHINA	G4	1	641.43	Project prospection
3*	Shenzhen, CHINA	G4	1	104.00	Project work
4*	Shunde, CHINA	G4	2	498.00	Meeting with Client in Shunde
5*	Shunde, CHINA	G4	1	200.00	Meeting
6*	Shenzhen, CHINA	G5	2	531.77	3D Drawing validation & Vendor meeting
7*	Shenzhen, CHINA	G4	1	131.31	Verify vision software function
8*	Changping, CHINA	G3	1	309.55	Project meeting –
9*	Changping, CHINA	G2	1	155.00	Project meeting -
10	Shanghai, CHINA	G6	3	1,870.00	meeting with 及 總部
11	Changping, CHINA	G3	1	155.71	Project meeting of
12	Foshan, CHINA	G5	5	2,098.90	Superband i4.0 assessment project
13	Foshan, CHINA	G4	5	2,098.90	Superband i4.0 Assessment Project
14	Foshan, CHINA	G6	2	249.00	Superband i4.0 Assessment Project
15	Zhuhai, CHINA	G6	1	302.44	Project Delivery
16	Shanghai, CHINA	G8	3	4,247.82	Business meetings w/ 1. 2.
17	Panyu, CHINA	G5	1	209.16	Project implementation ( )
18	Shanghai, CHINA	G9	3	1,870.00	Meetings with , visit

Cases with delay in approval of travel application.

The 73 Travel Applications outside Hong Kong

No.	Destination City	Staff Level	Trip Duration (Days)	Total of Claims	Reason
19	Macau, MACAO	G5	1	331.00	project meeting w/c
20	Shunde, CHINA	G4	1	200.00	meeting with client
21	Foshan, CHINA	G6	5	2,098.90	i4.0 Assessment Project
22	Yangon, MYANMAR	G6	4	110.00	To conduct on site supporting work
23	Geneva, SWITZERLAND	G7	9	15,400.00	Attend 47th International Exhibition of Inventions Geneva
24	Macau, MACAO	G6	2	850.00	Project work for 10007055 - Security Policy Establishment
25	GZ, PRC	G5	4	288.07	BUD project – Manage the HK Pavilion in GZ pharm expo
26	Las Vegas	G8	6	951.69	To visit CES 2019 (Jan 8-11) in Las Vegas
27	Tel Aviv	G6	8	172.30	Study Mission
28	Munich	G5	6	3,082.75	Visit Munich Fabric Start for Updates on Fabric Trends
29	Los Angeles -> Las Vegas -> San Francisco	G6	7	1,491.64	To attend CES 2019
30	廣州	G6	2	245.00	兩化融合與工業 4.0
31	Foshan & Guangzhou	G6	2	245.00	兩化融合與工業 4.0
32	Beijing	G9	2	1,800.00	To visit and
33	深圳坪山	G8	1	337.00	To visit and explore collaboration opportunity
34	Shenzhen	G4	1	263.87	Project implementation, vendor visit

Cases with delay in approval of travel application.

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The 73 Travel Applications outside Hong Kong

No.	Destination City	Staff Level	Trip Duration (Days)	Total of Claims	Reason
35	Fo Shan	G6	2	757.96	Superbank - I4.0 Security Assessment (Proj 10008060, I4U)
36	Zhuhai	G4	1	333.00	Project work at client site (　)
37	Macau	G6	1	371.00	Project prospection meeting with Environmental Protection B
38	FoShan, Dongguan	G6	1	249.00	To attend Client (　　　) Industry 4.0 kick off ceremony
39	Dongguan	G5	1	183.42	Project work
40	Macau, MACAO	G5	2	850.00	ISO27001 Audit
41	30045707- 佛山, 廣州, 武漢 & 30045707-Dongguan	G6	1	245.00	30045366-Business Meeting, 30045707-meeting with
42	Zhongshan, CHINA	G5	1	430.00	Project Implementation (　)
43	Seoul, KOREA	G6	5	4,200.00	visit a factory and evaluate the IoT service provider
44	Macau, MACAO	G3	2	850.00	ISO27001 Audit
45	Foshan, CHINA	G5	4	1,827.00	Project Implementation -
46	Foshan, CHINA	G6	4	1,636.43	Exploration of smart system for 3D metal arc welding process
47	Foshan, CHINA	G6	3	1,289.00	Project implementation (　　)
48	Geneva, SWITZERLAND	G5	9	15,400.00	Attend 47th International Exhibition of Inventions Geneva
49	Macau, MACAO	G4	1	315.00	Project Meeting for Macau SME White Paper
50	Macau, MACAO	G4	1	331.00	Project meeting for Macau SME white Paper
51	Macau, MACAO	G6	1	315.00	Project Delivery for Macau White Paper

* Cases with delay in approval of travel application.

The 73 Travel Applications outside Hong Kong

No.	Destination City	Staff Level	Trip Duration (Days)	Total of Claims	Reason
52	Nanchang, CHINA	G4	2	3,476.00	visit for project issue
53	Zhuhai, CHINA	G3	1	423.35	Sampling for Project work (sludge cultivation)
54	Dongguan, CHINA	G3	1	309.55	Exploration of the application of 3D arc welding
55	Dongguan, CHINA	G3	1	309.55	Project Meeting –
56	Geneva, SWITZERLAND	G6	9	9,593.12	Meeting with sponsor on e-minibus prototype build plan
57	Dongguan, CHINA	G3	1	414.84	Project work
58	Guangzhou, CHINA	G4	1	502.00	Discussion on potential corporate training
59	Zhongshan, CHINA	G4	1	430.00	Project Implementation ( )
60	Geneva, SWITZERLAND	G8	6	39,600.00	To participate Geneva Award (9-14/4)
61	Yantai, CHINA	G3	3	918.76	Visit vender
62	Yantai, CHINA	G5	3	856.98	Project Meeting with Vendor for RoboForming
63	Guangzhou, CHINA	G6	1	502.00	Seek collaboration & introduce New team
64	Foshan, CHINA	G5	1	120.00	Supplier visit-
65	Guangzhou, CHINA	G4	1	210.00	Project meeting-Company :
66	Changping, CHINA	G3	1	309.44	Exploration of the application of 3D arc welding
67	Changping, CHINA	G3	1	309.55	Project Meeting –
68	Changping, CHINA	G2	1	309.55	project meeting
69	Zhuhai, CHINA	G5	1	220.00	Meeting on project progress review

Cases with delay in approval of travel application.

The 73 Travel Applications outside Hong Kong

No.	Destination City	Staff Level	Trip Duration (Days)	Total of Claims	Reason
70	Macau, MACAO	G2	1	331.00	submitting tender proposal for Macao Food Waste
71	Shenzhen, CHINA	G5	1	284.69	Project Work
72	Guangzhou, CHINA	G6	1	184.76	inspection of vehicle & resolve issues
73	Dongguan, CHINA	G3	1	244.02	Work with sponsor on e-minibus prototype build

* Cases with delay in approval of travel application.