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## HONG KONG TOURISM BOARD 香港旅遊發展局

Your Ref: CB(3)/PAC/R49

2 January 2008



By E-mail and By Hand  
Public Accounts Committee  
Legislative Council  
G/F., Legislative Council Building  
8 Jackson Road, Central HK  
Attn: Ms Miranda Hon

Dear Ms Hon,

Re: The Director of Audit's Report on the results for value for money audits (Report No. 49) Chapter 5

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We refer to your letter of 24 December 2007 and would like to provide the following additional information:

- (a) The 11 staff whose salaries were higher than 125% of the market median (red circle staff) mentioned in paragraph 4.7(c) of the Audit Report were on continuous employment (one was converted to contract term as from January 2004 due to employment after retirement age and this staff subsequently resigned from HKTB in March 2005). Please refer to item 3 of the attached Board paper for meeting of 20 July 2005 for details of background and performance rating of the red circle staff concerned.
- (b) The decrease in the number of Band D staff from 126 in 2000/01 to 76 in 2001/2002 is attributable to outsourcing of research fieldwork (11 staff was cut), re-allocation of workload in Finance and Administration, Tourism and Convention Marketing, Marketing Communications and Human Resources functions as well as streamlining and automation of work processes in line with the objective of the Government's Enhanced Productivity Programme, and in order to allow for re-allocation of resources to overseas marketing activities.
- (c) The average actual monthly salary of HKTB Head Office staff from 1999/2000 to 2005/2006 by the 4 different staff bands (Bands A to D) are outlined as per attached table.

**\*Note by Clerk, PAC:** (a) Attachments in items (a), (d) and (e) not attached.  
(b) correspondence in item (f) not attached.

- (d) In accordance with the employment contracts of the former Executive Director (signed by the former Chairman) and the former General Managers (signed by the former Executive Director), copies of which HKTB have earlier provided to the PAC, the variable pay/ incentive award of the former Executive Director and the former General Managers was subject to satisfactory achievement of targets (for instance, tourism arrival, tourism spending, performance indicators with reference to the annual business plan etc) as agreed with the Board or Executive Director respectively.

Please refer to the attached minutes of meeting of the Remuneration Review Committee (composed of the Board Chairman and the Staff and Finance Committee members) held on 30 November 2006 for the approval of variable pay to the former Executive Director for FY05/06.

Please refer to the performance evaluation/ assessment of respective General Managers by the former Executive Directors which HKTB have earlier provided to the PAC in respect of incentive payment to the former General Managers.

- (e) As you will see from the Board paper submitted to Board members on 31 July 2004 (item 4.2 of the paper attached), the former Deputy Executive Director recommended implementing the performance-based award scheme for staff of rank Senior Manager and below at a date after FY2005/06 when the macro environment was more conducive of such a change and the revamp of the Performance Management System was completed. On 24 March 2006, the former Deputy Executive Director reported to the Board about the progress of revamping the Performance Management System (PMS) and sought the Board's approval on implementation of the new Performance Management System as from FY2006/07 (relevant board paper is attached). The new PMS was subsequently implemented in FY2006/07.
- (f) We regret not being able to retrieve documentary proof showing the exact date of signing of the second employment contract by the former Executive Director. As you will see from the attached emails and correspondence we retrieved from Ms Clara Chong's personnel file, the contract was still not signed as of February 2005.

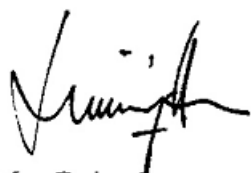
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We understand that the PAC will copy our response to relevant parties attending the hearing. For those who are unable to attend the hearing, the PAC will provide copy to them on the same day by mail.

All of the above are personal data and we appreciate the same not be included in the appendix of the PAC report and identities of individual mentioned in those documents or information be masked.

Thank you for your kind attention to our request

Yours sincerely



Mrs Daisy Lam  
Deputy Executive Director

Enc.

cc Secretary for Commerce and Economic Development (without enc)  
Commissioner for Tourism (without enc)  
Secretary for Financial Services and the Treasury (without enc)  
Director of Audit (without enc)  
Hon Mrs Selina Chow (without enc)  
Ms Clara Chong (without enc)  
Mrs Grace Lee (without enc)

**Information on Headcount and Salary Information****Head Office**

	1999/2000	2000/01	2001/02	2002/03	2003/04	2004/05	2005/06*	2005/06 #
<b>Total Headcount Establishment</b>	325	271	222	222	222	226	226	226
<b>Band A</b>								
Headcount	7	7	7	7	8	8	7	7
Salary Range (HK\$)	94,350-154,150	94,350-250,000	94,350 - 250,000	94,350 - 250,000	94,350 - 250,000	120,980 – 252,730	120,980 – 252,730	123,999 – 259,052
Average Actual (HK\$)	129,913	151,090	147,197	144,566	147,189	163,456	163,456	168,608
<b>Band B</b>								
Headcount	32	34	41	42	41	41	43	43
Salary Range (HK\$)	50,120 - 79,595	50,120 - 79,595	50,120 - 79,595	50,120 - 79,595	50,120 - 79,595	41,038 - 90,192	41,038 - 90,192	42,064 – 92,447
Average Actual (HK\$)	65,205	63,757	65,451	63,832	64,093	62,796	62,582	63,256
<b>Band C</b>								
Headcount	129	104	98	98	103	105	103	103
Salary Range (HK\$)	21,465 – 35,400	21,465 – 35,400	21,465 – 35,400	21,465 – 35,400	21,465 – 35,400	21,554 – 31,923	21,554 – 31,923	22,093 – 32,721
Average Actual(HK\$)	25,677	25,627	25,750	25,020	24,566	24,819	24,238	24,436
<b>Band D</b>								
Headcount	157	126	76	75	70	72	73	73
Salary Range (HK\$)	7,750 – 14,970	7,750 – 14,970	7,750 – 14,970	7,750 – 14,970	7,750 – 14,970	8,885 – 17,708	8,885 – 17,708	9,107 – 18,150
Average Actual (HK\$)	12,778	12,191	12,679	12,834	12,797	12,515	12,482	13,324

**Remarks:**

The salary figures in the 2005/06 \* column were reported in May 2005 but the annual salary review for 2005/06 had not yet been effected at the point of reporting. The column of 2005/06 # contains the salary figures that had reflected the 2005/06 annual salary review.

**Carol Wong**

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**From:** Joanna To  
**Sent:** Tuesday, March 01, 2005 9:19 AM  
**To:** Carol Wong  
**Subject:** FW: Contract renewal for ED

Dear Carol

For yr record pls.

rgds  
Joanna

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**From:** Brenda Chan (ITHR)  
**Sent:** Tuesday, March 01, 2005 8:35 AM  
**To:** Patricia Lam  
**Cc:** Joanna To  
**Subject:** FW: Contract renewal for ED

Dear Pat  
Please see the confirmation from Grace on payment of leave passage to Clara.

Thanks  
Brenda

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**From:** Grace Lee  
**Sent:** Monday, February 28, 2005 11:31 PM  
**To:** Brenda Chan (ITHR)  
**Cc:** Joanna To  
**Subject:** RE: Contract renewal for ED

Dear Brenda,

Have reminded Clara to sign back the contract. Will do so again. As regards the leave passage, it was agreed that the amount can be paid to her as a non accountable allowance. Pls proceed to make the payment accordingly.

Grace

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**From:** Brenda Chan (ITHR)  
**Sent:** Mon 2/28/2005 21:23  
**To:** Grace Lee  
**Cc:** Joanna To

26/10/2005

**Subject:** FW: Contract renewal for ED

Dear Grace

In the past, we made leave passage payment to ED in March.

A reminder to ensure that we will be able to make timely payment this year.

Thanks  
Brenda

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**From:** Brenda Chan (ITHR)  
**Sent:** Monday, February 21, 2005 2:51 PM  
**To:** Grace Lee  
**Subject:** FW: Contract renewal for ED

Dear Grace

We have not yet received the signed contract from Clara. Have you had a chance to speak to Clara since we talked last time?

For the payment of leave passage, shall I ask Pat Lam to effect the payment based on 3 return tickets on Biz Class, HK-UK without the need to wait for the signed contract, which has been enforced in practice?

Brenda

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**From:** Patricia Lam  
**Sent:** Monday, February 21, 2005 1:46 PM  
**To:** Brenda Chan (ITHR)  
**Subject:** RE: Contract renewal for ED

Dear Brenda,

Any news? As I do not have a copy of the new contract, I have no idea how the leave passage of \$146,400 is to be paid out. Need any supportings?

Regards,

Pat

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**From:** Patricia Lam  
**Sent:** Tuesday, November 16, 2004 3:38 PM  
**To:** Brenda Chan (ITHR)  
**Subject:** RE: Contract renewal for ED

Thanks.

26/10/2005

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**From:** Brenda Chan (ITHR)  
**Sent:** Tuesday, November 16, 2004 3:37 PM  
**To:** Patricia Lam  
**Subject:** RE: Contract renewal for ED

Dear Pat

I've only got the draft. Have just asked Winnie's help. Will make a copy to you when available.

Brenda

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**From:** Patricia Lam  
**Sent:** Tuesday, November 16, 2004 3:33 PM  
**To:** Brenda Chan (ITHR)  
**Subject:** Contract renewal for ED

Dear Brenda,

Please advise if you have received the signed copy of the above (from 19 March 2004). If so, please pass me a copy. Fyi, Grace has told me in July/Aug that the letter has been passed for Clara's signature.

Thanks.

Pat

26/10/2005