

Legislative Council Panel on Home Affairs
Review of the Operation
of Government Advisory and Statutory Bodies

PURPOSE

This paper sets out the major findings and recommendations of a review conducted by the Administration on the operation of government advisory and statutory bodies (ASBs).

BACKGROUND

2. In February 2000, a LegCo Subcommittee was set up to conduct a review of the current arrangements for remunerating non-official members serving on Government boards and committees. In its report, the Subcommittee on Payment of Honoraria to Government Boards and Committees recommended, inter alia, that the Administration should conduct a general review on the operation of the current Government boards and committees and the remuneration policy for non-official members.

3. In response to Members' request, the Administration undertook to conduct a general review of the ASB system.

SURVEY

4. The Home Affairs Bureau (HAB) was tasked to conduct the general review. In its study, HAB focused, in particular, on :-

- (a) the operation and effectiveness of the ASB system;
- (b) the appointment and remuneration of ASB members;
- (c) possible measures to increase the transparency of ASBs;
- (d) the age and gender of ASB members; and
- (e) the participation of District Council members in ASBs.

5. HAB conducted a survey among all bureaux and departments to gather:

- (a) information on ASBs; and
- (b) comments and views on the operation of ASBs.

6. The survey was completed in late 2001. Information on 634 ASBs (ASBs include ASBs and their subcommittees) were collected.

FINDINGS

(a) Effectiveness of ASBs

7. Bureaux and departments generally found the ASBs under their purview effective. 89% of the ASBs were considered to have achieved the objectives stipulated in the relevant legislation or set out in their terms of reference. Only 9% of the ASBs was considered by their responsible bureaux/departments to have duplicated the role and functions of another ASB or body. On the basis of the assessments of bureaux and departments, nearly all (90%) of the ASBs should continue with their work. On the whole, the current ASB system appears to be working well.

(b) Appointment of non-officials

8. Bureaux and departments considered it important to appoint ASB members who are of the right calibre and who have the relevant experience. They were of the view that age, gender and District Council membership should not be overriding considerations.

9. Most existing ASB members are men over the age of 35. While we agree that the best person should be appointed to any ASB vacancy, we need to encourage and promote the participation of women, younger people and District Council members in the work of ASBs.

10. At present, as a general rule, a person will not be appointed to more than six ASBs. Also as a general rule, a person will not be appointed to the same ASB for more than six years. The purpose of the "six-board rule" and the "six-year rule" is to ensure a reasonable distribution of workload and a gradual turnover of membership. Most bureaux and departments agreed that these two rules should be maintained. Some suggested that the six-year rule should be relaxed, say to eight years. We consider that the six-board rule and the six-year rule should continue to serve as general guidelines for appointment. However, flexibility should be allowed in special circumstances.

(c) Remuneration

11. Under the existing policy, it is up to the bureaux and departments to decide whether the chairman and members of an ASB under their purview should be remunerated for their service on the ASB. Relevant guidelines have been issued by the Finance Bureau to facilitate bureaux and departments in deciding whether remuneration should be paid, and if so, the level of remuneration. The Secretary for the Treasury has been delegated authority by the Finance Committee of the Legislative Council to approve remuneration, subject to a certain ceiling (currently at \$735 per member per attendance) if the remuneration arrangements are not stipulated in legislation. Any higher rate of remuneration will require the approval of the Finance Committee on a case-by-case basis.

12. Financially-autonomous non-government-funded public bodies, although appointed by the Government, are not subject to the guidelines issued by the Finance Bureau. The remuneration of their board members are governed by the respective Ordinances of these public bodies. However, the remuneration of their board members is scrutinized and monitored by the relevant appointing authorities.

13. According to the survey, most non-official members on ASBs are not remunerated.

(d) Measures to increase transparency

14. According to the survey, 75% of the ASBs has in place a system for their members to declare interests. We agree that in order to maintain the credibility of ASBs and to avoid any conflict of interests, there should be a system of declaration and possibly registration of interests. We recommend that all bureaux and departments should review the declaration of interest mechanism of the ASBs under their purview.

15. Nearly all the ASBs included in the survey (99%) have adopted some measure to increase the transparency of their operation. The most commonly adopted method is to make the agenda of a meeting of the ASB available to the public for information upon request. Responsible bureaux and departments are in a good position to determine what measures should be adopted to improve the transparency of their ASBs. In view of the importance of ASBs and public interest in their work, bureaux and departments should regularly review the need for further measures to enhance the transparency of the ASBs under their purview.

IMPROVEMENT MEASURES

16. In order to improve the operation of the ASB system, we recommend that bureaux and departments should:

- (a) critically review the need to revamp or abolish any ASB which -
 - (i) no longer achieve the role or functions it is set up for;
 - (ii) is not performing effectively; or
 - (iii) overlaps the functions of other ASBs.
- (b) encourage more women, younger people (under 35) and District Council members to participate in ASBs;
- (c) follow the six-board rule and the six-year rule as far as practicable;
- (d) follow the guidelines set out in the Financial Circular issued by the Finance Bureau on the remuneration of non-official members of boards and committees;
- (e) draw to the attention of financially-autonomous public bodies the general principles and guidelines on remuneration for non-official ASB members set out in the Financial Circular issued by Finance Bureau;
- (f) put in place an appropriate and effective system of declaration and possibly registration of interests for ASBs; and
- (g) regularly review the need for further measures to enhance the transparency of the work of ASBs.

17. The Administration will implement the improvements recommended in the review of the Home Affairs Bureau.

Home Affairs Bureau
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