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**Panel on Home Affairs**

**Background brief prepared by the Legislative Council Secretariat  
for the meeting on 6 February 2015**

**Review of the honorarium arrangement  
for District Council members**

**Purpose**

This paper provides background information on the Government's reviews of the remuneration package for District Council ("DC") members and summarizes Members' views and concerns, in particular, on the honorarium for DC members.

**Background**

Government's reviews of the remuneration package

2. According to the Administration's reply to an oral question raised by Hon Regina IP on the remuneration package for DC members at the Council meeting of 14 November 2012, regular reviews of DC members' remuneration package are conducted to ensure that the package is appropriate and in line with time. It has been the established practice for the Government to complete the review and to announce the package about one year before the commencement of the next DC elections, so that potential candidates are aware of the agreed remuneration package in good time before deciding whether to run in the elections.

3. The objective of the remuneration package is to make it possible and attractive for a broad spectrum of individuals from different sectors and all walks of life of the community to be DC members to serve the public. It is an established practice that any proposal involving substantial changes to the

remuneration package for DC members shall only take effect from the beginning of the next term.

#### Prevailing remuneration package for DC members

4. In reviewing the remuneration package for DC members, the Government will take into account the views of DC members, Legislative Council ("LegCo") Members and the Independent Commission on Remuneration for Members of the District Councils of the Hong Kong Special Administrative Region ("the Independent Commission").

5. The current remuneration package for DC members was last reviewed in 2010 and the recommendations put forward in that review were implemented in 2012. The package comprises eight components, namely (a) a monthly honorarium, (b) an annual provision of accountable Operating Expenses Reimbursement ("OER"), (c) a non-accountable monthly provision of Miscellaneous Expenses Allowance, (d) an accountable Setting-up Expenses Reimbursement, (e) an accountable Winding-up Expenses Reimbursement, (f) an accountable Medical Allowance, (g) an end-of-term gratuity equivalent to 15% of the honorarium and (h) an Entertainment Expenses Reimbursement only provided to DC Chairmen for meeting entertainment expenses incurred on behalf of their respective DCs. Regarding the monthly honorarium, it is adjusted annually in accordance with the Consumer Price Index (A). According to the information provided by the Administration for the meeting of the Panel on Home Affairs ("the Panel") on 8 November 2013, the monthly honorarium for a DC member at that time is \$23,020 (\$46,040 for Chairmen and \$34,530 for Vice Chairmen).

#### **Members' views and concerns on the honorarium for DC members**

6. While members were generally supportive of the enhancements to the remuneration package for DC members proposed by the Administration in 2010, such as the introduction of a medical allowance and an end-of-term gratuity, which were modelled on those for LegCo Members, some members expressed regret over the Administration's unwillingness to increase the honorarium for DC members. In their views, the level of honorarium set at that time was insufficient to attract people of high calibre to join DCs and disproportionate to the heavy workload and contribution to the society made by many DC members working full time. There was also a view that the level of honorarium for DC members should be gauged in connection with the public expectation on DC members' role and work.

7. As explained by the Administration, the remuneration package was

drawn up following consultation with the Independent Commission and DC members. The Administration did not see the need for public consultation on the remuneration package for DC members, as public views should be adequately reflected during the deliberations of the Independent Commission, an independent body comprising non-DC members from a wide spectrum of background. Stressing that due regard had been given to the operational needs of DC members, the increasingly important role of DCs and the public expectation on DC members' work, the Administration advised that it was confident that the remuneration package as a whole would attract potential candidates to run in the DC elections.

### **Latest developments**

8. Starting from 2014, the Government has increased the expense reimbursements for DC members, including an increase in OER by 34% in real terms. The major expenditure items of OER include salaries for their assistants, rental for ward offices and other operating expenses. When the Panel received a briefing by the Secretary for Home Affairs on the policy initiatives of the Home Affairs Bureau covered in the 2014 Policy Address at the meeting on 24 January 2014, Members were informed that the Administration would review the honorarium arrangement for DC members for the next DC term and announce any changes by the end of 2014, ahead of the next DC election scheduled for late 2015.

9. The Chief Executive has just announced in his 2015 Policy Address that starting from the new term of DCs in January 2016, the Government proposes to increase the honorarium of DC members by 15% in real terms and offer every DC member a new provision of \$10,000 per term to cover expenses for duty visits. The Administration will consult the Panel on the above proposals at the Panel meeting on 6 February 2015.

### **Relevant papers**

10. A list of relevant papers on the LegCo's website is in the **Appendix**.

## Appendix

### Relevant papers on the review of the honorarium arrangement for District Council members

| Committee             | Date of meeting        | Paper  |
|-----------------------|------------------------|--|
| Panel on Home Affairs | 12.11.2010<br>(Item V) | <a href="#">Agenda</a><br><a href="#">Minutes</a>  |
| Council meeting       | 14.11.2012             | <a href="#">Oral question raised by Hon Regina IP on "Remuneration package for District Council members"</a> |
| Panel on Home Affairs | 8.11.2013<br>(Item IV) | <a href="#">Agenda</a><br><a href="#">Minutes</a>  |
| Panel on Home Affairs | 24.1.2014<br>(Item I)  | <a href="#">Agenda</a><br><a href="#">Minutes</a>  |

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