

立法會

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Paper for the House Committee meeting on 23 June 2000

Report of the Subcommittee on Payment of Honoraria to Government Boards and Committees

Purpose

This paper reports the findings and recommendations of the Subcommittee on Payment of Honoraria to Government Boards and Committees (the Subcommittee) following its study on the current arrangements for remunerating non-official members serving on the boards and committees set up by the Government.

The Subcommittee

2. In response to a request from the Finance Committee, the House Committee decided at its meeting on 14 January 2000 to set up a subcommittee to conduct a review of the current arrangements for remunerating non-official members serving on Government boards and committees (Government committees). The need for this study arose from repeated queries raised at Finance Committee meetings over the apparent lack of consistency in the granting of honoraria to the non-official members of Government committees.

3. The Subcommittee has held three meetings under the chairmanship of Hon Gary CHENG Kai-nam. The membership list is attached at **Appendix I**.

4. The Finance Bureau, represented by the Deputy Secretary for the Treasury, was invited to each meeting of the Subcommittee. Representatives from the Administration Wing of the Chief Secretary for Administration's Office and the Home Affairs Bureau were also invited to the third meeting to provide information on matters relating to general policies on the establishment of Government committees.

The Study

5. At its first meeting on 22 February 2000, the Subcommittee agreed on the following terms of reference:

- (a) To examine the principles adopted by the Government in remunerating non-official members serving on Government boards and committees; and
- (b) To examine the current mechanism for determining whether and at what rates should non-official members of a Government board or committee be remunerated.

6. As one of the main objectives of the study is to identify the deficiencies in the current arrangements which has led to the inconsistencies, the Subcommittee considers that the scope of committees under examination should also cover the financially autonomous bodies established by statute. Members are aware that financially autonomous bodies are not directly funded by General Revenue, and the remuneration policy for their board members is entirely a matter of their own. Members however are of the view that many of these public bodies operate on Government-injected funds and, apart from those chairmen performing executive functions, the non-official members are appointed to serve on these bodies as a public service. For the purpose of this study which reviews the current mechanism in determining honoraria for non-officials appointed to serve on Government committees as a public service, it is appropriate to include these financially autonomous bodies in the study.

7. With the help of the Finance Bureau, the Subcommittee has obtained a complete list of the Government committees including the governing boards of the financially autonomous public bodies, with information on the meetings held by each of the committees each year, the level of remuneration (if any) granted to its chairman and members, and the authority for approving remuneration for respective committees.

Present position

8. According to the information provided by the Administration, there are at present 585 boards, councils, panels, advisory groups, commissions, authorities and tribunals with a total of 10 522 non-official members. Of these, only 65 involving 1 991 members are remunerated. As a general principle, the service of non-officials on boards and committees is voluntary and, as a general rule, un-remunerated. However, following a review in 1980, it

has been agreed by the Finance Committee that where considered appropriate, remuneration may be considered, but the rate should normally be in respect of payment of expenses and/or compensation for earnings forgone. A maximum rate for such remuneration has also been set and further adjusted by the Secretary for the Treasury under delegated authority. The current rate is \$785 per attendance. The annual expenditure on the payment of honoraria for non-officials out of General Revenue is \$12 million.

9. The Subcommittee notes that it is up to the Bureau Secretaries concerned to propose the payment of remuneration/honoraria for the chairman or members of the committees under their own portfolios. When a proposal is put to the Secretary for the Treasury for approval, the responsibility of the Finance Bureau is to consider whether the proposed rate exceeds the approved ceiling. Approval is given to each case not exceeding the approved ceiling. Where the honoraria proposed by the Bureau Secretary are higher than the maximum rate, approval will be sought from the Finance Committee on a case-by-case basis. Such higher rates are often justified on grounds of time spent on the work concerned and earnings foregone, as well as the professional experience and expertise required.

Findings

10. Based on the information provided by the Administration, it is noticed that of the 585 committees, 226 are established by statute, with 36 being provided a mechanism for remunerating the members sitting on the committees. 359 committees are non-statutory committees. Appointments to these non-statutory committees are normally made by the respective Bureau Secretaries or Heads of Departments.

Rates of honoraria

11. Regarding the rates of honoraria, the Subcommittee considers that its function is not to recommend whether remuneration should or should not be granted, nor to suggest any increase or decrease in rates. Its duty is to identify any deficiencies in the current remuneration arrangements. After comparing the honoraria granted to the chairmen and members of committees with comparable functions, the Subcommittee has come up with the following findings:

Boards/committees with executive functions

- (a) Out of the 36 boards/committees with executive powers and functions, 12 provide honoraria to the non-official chairmen and/or

members. With the exception of those chairmen who are also the chief executives of the organizations, the honoraria given to the chairmen of these committees range from \$1,086,300 per annum in the case of Housing Authority, to \$100,000 per annum in Land Development Corporation Management Board, but none in most cases.

- (b) As for members of boards/committees with executive functions, the honoraria range from \$234,000 per annum in the case of the Securities and Future Commission, \$110,000 per annum in Airport Authority and the boards of the two railway companies, to \$200 per meeting in Consumer Council. In some cases, members are given travelling allowance, but in most cases, members do not receive any remuneration.
- (c) For the two licensing bodies, the Liquor Licensing Board and the Air Transport Licensing Authority. the chairman and member of Liquor Licensing Board are remunerated at \$1,180 and \$785 per attendance respectively, while no remuneration is given to the latter authority as proposals are made by circulation.

Advisory committees

- (d) There are 253 committees giving advice to the Government in respect of policies and administration of government functions. Only 19 of them are providing their members with remuneration/honoraria. The honoraria range from \$240,000 per annum in the case of the Electoral Affairs Commission to \$6,000 per annum in the Subcommittees of the Quality Education Fund. Quite a number of these committees provide a per-meeting honorarium, ranging from \$785 in Town Panning Board and Labour Advisory Board, \$306 in Broadcasting Authority, \$90 in curriculum-related committees, to \$50 in ICAC's citizens advisory committees and subcommittees.
- (e) For some advisory committees with quasi-judicial functions, e.g. Guardianship Board, members and witnesses are given honoraria on a per-day or per-half-day basis. The rate for members who are lawyers or doctors is \$3,000 per day while social workers and psychologists receive \$2,000 per day and other members receive \$800 per day. Adjudicators for the control of obscene and indecent articles also receive an honorarium of \$800 per day.

Appeal boards/tribunals

- (f) Of the 52 appeal boards/tribunals handling appeals and complaints, 25 of them provide remuneration to the chairmen and members. 8 of them have their remuneration packages approved by the Finance Committee as the rates proposed are above the approved ceiling. The rate is \$86,520 for annual retainer, \$4,440 for each sitting and \$8,870 for writing a decision. For the Review Body of Bid Challenges, an hourly rate of \$4,000 - \$5,000 is granted to the Chairman having regard to the market rate for engaging legal professionals.
- (g) The rates for the other 17 boards/tribunals approved by the Secretary for the Treasury are lower than those in (f) though the duties are similar. The rate for the chairmen of 3 finance-related appeal boards is \$50,000 for annual retainer, \$3,500 for each sitting and \$3,500 for writing a case. The rate for the Chairman of the Copyright Tribunal is \$6,870 per day. The Chairman of the Appeal Tribunal Panel (Buildings) receives \$790 per hour while the Chairman of Appeal Board Panel (EIA) receives no remuneration. The chairman of these appeal bodies/tribunal should be person qualified as a solicitor or barrister and for appointment as District Judge.
- (h) The rates for members sitting on appeal boards/tribunals fluctuated greatly. No remuneration is granted to the members of the pollution-related appeal boards, while a per-meeting rate of \$785 is granted to those sitting on Town Panning Board and the Review Body on Bid Challenges and \$220 to those on Inland Revenue Board of Review.

Registration/Disciplinary boards for professionals and occupations

- (i) Of the 37 boards responsible for the registration and disciplinary proceedings in respect of professions and occupations, 10 are allowed by law to be remunerated in view of their public duty. Only 5 of them are providing honoraria for their members, ranging from \$3,030 per day to \$785 per day. The other 26 boards are mainly registration bodies of professions or occupations. Three of them, all under the Buildings Department, are remunerating the members, and the rates are all set at \$785 per meeting, while no remuneration is granted in all other committees.

Trust fund bodies

- (j) There are 27 charitable trust funds bodies, to which members of the general public of specific groups in the community may turn for relief and assistance. None of the chairmen or members of these trust fund bodies receive any honoraria or remuneration.

District bodies

- (k) 178 district bodies play an advisory and liaison role to assist and enhance Government's effort in serving the community. None of the chairmen or members of district bodies receive any honoraria or remuneration.

12. The Subcommittee finds that the rates of remuneration vary greatly and the rates adopted differ from Bureau to Bureau. The situation is particularly unsatisfactory in the case of those committees with executive responsibilities. No particular pattern or rationale can be identified from the different levels of honoraria granted to the non-official members serving on these committees. It is however observed that those who are remunerated are those sitting on committees responsible for services the public is more concerned about, e.g. housing, transport, securities and futures. Nevertheless, no remuneration is given to those sitting on the Hospital Authority or the Board of the Hong Kong Exchanges and Clearing Limited, despite their services are also of great concern to the public.

General Principles and mechanism for determining the granting of remuneration

13. The Subcommittee notes that the only general principles available for remunerating non-officials serving on Government committees were those approved by the Finance Committee in 1980. One of the broad principles was that "remuneration should only be considered when the chairman, official or unofficial, or the person responsible for making appointments to committees and boards, has indicated that remuneration would be appropriate". There is however no central machinery to oversee how this principle is being implemented.

14. The Subcommittee also observes that there is little communication between the Bureaux with responsibility for Government committees over remuneration matters. While the Home Affairs Bureau has the responsibility to co-ordinate policy matters relating to Government committees, it has no role in

matters relating to the granting of remuneration. The Finance Bureau, on the other hand, is responsible for approving remuneration proposals within the authority delegated to it by the Finance Committee, but its role is no more than a “paying agent” for proposals not exceeding the maximum rate. It is not even in a position to query why members of a committee are or are not remunerated, or why a specific rate is proposed. The representative from the Administration Wing has confirmed that it has no role to play in matters relating to Government committees.

15. As a result, whether the chairman and members of a committee should be remunerated is entirely a decision of the individual Bureau Secretary concerned. Bureau Secretaries are not required to follow any particular common yardsticks to assess whether remuneration should be granted. The great difference in treatment for the non-officials of committees under different Bureau Secretaries is illustrative in the examples given in **Appendix II**. In view of the lapse of time and the increase in the number of committees, it is likely that the subject of remuneration has escaped the attention of the Bureau Secretaries. The Subcommittee has noted that one committee under the Trade and Industry Bureau has been found to be inactive for the last 13 years in the course of this study. The Administration has now decided to abolish the committee.

Common yardsticks

16. Both the Subcommittee and the Administration agree that there is a need to provide some common yardsticks to Bureau Secretaries although a certain degree of flexibility should be provided to cater for different situations. The Finance Bureau informs the Subcommittee that it is prepared to review the criteria with new guidelines drawn up. Attention will be drawn to the need to consider the frequency, duration or even location of meetings when determining the rates of honoraria. The Bureau also intends to put information on the honoraria granted to non-officials on its own website for general reference and streamline the procedure for applications. Members however do not consider that the adopting of mere administrative means without making changes to the fundamental approving/monitoring mechanism would serve any meaningful purpose in rectifying the current unsatisfactory situation.

Remuneration for boards/committees of financially autonomous bodies

17. Although the Government insists that the remuneration for non-official chairmen and members serving on the boards of financially autonomous bodies should not be a subject of the present review, members of

the Subcommittee hold the view that the process in determining remuneration for the chairmen and members of the boards of these public bodies should not remain unchecked. It is not the intention of the Subcommittee to suggest any arrangement to interfere with the decisions of these boards. However, a mechanism must exist to ensure that there is no abuse of the power given to these financially autonomous bodies and the granting of remuneration is subject to careful scrutiny.

18. Members have also drawn to the Administration's attention that the remuneration currently granted to certain chairmen or members of these public bodies do not necessarily have the approval of the respective boards. Some of the remuneration packages might have been in existence due to historical reasons and justifications for the current rates of remuneration are no longer traceable. In some cases, the remuneration was determined at the time when the appointment was made. There was no way that the boards could be involved. It is this lack of transparency and accountability that has caused much concern among the general public.

Conclusion and recommendations

19. The Subcommittee concludes that the current arrangements in determining remuneration for non-official members of Government committees are highly unsatisfactory. Apart from the lack of an appropriate policy on remuneration matters, there is no mechanism to keep the subject under review. Members' concern is not only on the degree of fairness in recompensing non-official members for the time and effort they spent on the work of the committees, but the transparency of the process and continued monitoring of the effectiveness of the committees.

Need for a review of general effectiveness of committees and remuneration for non-officials

20. The Subcommittee recognizes the difficulties of laying down standard guidelines for application to all committees. In view of the different work nature of Government committees, the subcommittee agrees that some flexibility should be retained. However, general principles and common yardsticks, which are subject to periodic reviews, should be drawn up to ensure consistency and fairness. In drawing up these general principles and common yardsticks, consideration should also be given to the level of responsibilities of the non-official members, let alone the time spent on the activities of the committees. The Subcommittee observes that notwithstanding any stipulation of the duties of a committee in law or in its terms of reference, the depth of involvement of the committee in such duties depends very much on the

committee itself and how much the Administration or the executive body would like the committee to be involved. The level of responsibilities of individual members therefore varies according to the extent of work which the committee is prepared to take up.

21. Under the circumstances, the Subcommittee considers it necessary for the Administration to conduct an overall review of the Government committees, including the purposes they serve, the method of appointing non-officials, the involvement of non-official chairmen and members, the role of Government officials in the work of these committees and whether and how remuneration is to be granted to the non-officials. In this respect, the Subcommittee is disappointed at the reluctance of the Administration in considering the need for such a review. While the Finance Bureau remains open-minded on the general principles to be adopted in guiding Bureaux in making requests for remunerating their non-officials, none of the Bureaux consider that there is any need for change. Even the Bureaux themselves are not certain which one of them should be the party to follow up the matter.

Need for higher accountability in financial autonomous bodies

22. The Subcommittee is particularly concerned about the way financially autonomous bodies decide on the remuneration of their board chairmen and members. The Subcommittee sees no reason why the general principles and common yardsticks applicable to Government-funded committees cannot be provided to these financially autonomous public bodies for reference. Since Government officials also sit on the boards of these public bodies, they have the responsibility to draw the attention of the boards to the general principles on remuneration, although due consideration should be given to the needs of individual circumstances. The Subcommittee considers that it is equally important for public bodies with financial autonomous status to be accountable for the money they spend on the remuneration of their own directors and senior executives.

Recommendations

23. The Subcommittee considers that a general review on the present operation of the current Government committees as well as the remuneration policy for non-official members, as described in para 21 above, should be undertaken. In view of the lack of co-ordination among the various Bureaux currently responsible for different policy aspects of Government committees, there is no commitment at this stage on the part of Administration that this review will be conducted. The Subcommittee therefore recommends that, subject to the House Committee's endorsement of this report, the Chairman of

the House Committee be requested to write to the Chief Secretary on the need for conducting such a review. The Subcommittee also recommends that the subject be followed up by the House Committee in the next term.

Acknowledgement

24. The Subcommittee wishes to thank the Finance Bureau for its assistance to the Subcommittee and the Legislative Council Secretariat for compiling the necessary information to facilitate the work of the Subcommittee. The Subcommittee would also like to thank Hon Michael HO for the information he provides to the Subcommittee when deliberating on the responsibilities of non-officials on Government Committees.

Council Business 1
Legislative Council Secretariat
20 June 2000

**立法會
支付酬金予各政府委員會事宜小組委員會**

**Legislative Council
Subcommittee on Payment of Honoraria to Government Boards and Committees**

**委員名單
Membership list**

程介南議員(主席)	Hon Gary CHENG Kai-nam, JP (Chairman)
何承天議員	Hon Edward HO Sing-tin, SBS, JP
李國寶議員	Dr Hon David LI Kwok-po, JP
蔡素玉議員	Hon CHOY So-yuk

合共： 4 位議員
Total: 4 Members

日期： 2000 年 2 月 22 日
Date: 22 February 2000

Appendix II

Examples of honoraria granted to non-official members of appeal boards/tribunals

<u>Bureau</u>	<u>Appeal board/tribunal</u>	<u>Rate for members</u>
Finance Bureau	- Inland Revenue Board of Review	\$220 per sitting
Finance Services Bureau	- MPF Scheme Appeal Board	\$2,500 per sitting
	- ORSO Appeal Board	\$2,500 per sitting
	- Securities & Futures Appeals Panel	\$2,500 per sitting
Trade & Industry Bureau	- Copyright Tribunal	\$1,570 per day
	- Appeal Board (Consumer Goods Safety)	\$1,570 per day
	- Appeal Board (Toy & Children's Products Safety)	\$1,570 per day
Security Bureau	- Immigration Tribunal	\$3,780 per day
	- Registration of Persons Tribunal	\$3,780 per day
	- HKSAR Passport Appeal Board	\$3,780 per day
	- Refugee Status Review Board	\$3,130 per day
	- Witness Protection Appeal Board	Nil
Planning & Lands	- Appeal Tribunal Panel (Buildings)	\$720 per hour
Transport Bureau	- Railway Objections Hearing Panel	\$785 per attendance
	- Transport Tribunal	Nil
Health & Welfare Bureau	- Pharmacy & Poisons Appeal Tribunal	Nil
	- HK War Memorial Pensions Appeal Board	Nil
Administration Wing	- Administrative Appeals Board	Nil (though allowed under the law)
Education & Manpower Bureau	- Appeals Board (Education)	Nil
	- Occupational Deafness Compensation Board	Nil
Works Bureau	- Drainage Appeal Board	Nil
EMSD	- Appeal Board Panel (Amusement Rides Safety)	Nil
	- Appeal Board Panel (Gas Safety)	Nil
Environment & Food Bureau	- Licensing Appeals Board	Nil
	- Appeal Board Panel (EIA)	Nil
Housing Bureau	- Appeal Panel (Housing)	Nil
IT & Broadcasting	- Board of Review (Film Censorship)	Nil
Trade & Industry	- Appeal Board of the Travel Industry Council	Nil