

**立法會**  
***Legislative Council***

LC Paper No. CB(1)1970/99-00  
(These minutes have been seen  
by the Administration and  
cleared by the Chairman)

Ref.: CB1/HS/3/99

**Legislative Council**  
**Subcommittee on payment of honoraria**  
**to Government boards and committees**

**Minutes of meeting**  
**held on Monday, 19 June 2000, at 10:45 am**  
**in Conference Room B of the Legislative Council Building**

**Members present** : Hon Gary CHENG Kai-nam, JP (Chairman)  
Hon Edward HO Sing-tin, JP  
Hon CHOY So-yuk

**Non-Subcommittee member attending** : Hon Michael HO Mun-ka

**Members absent** : Dr Hon David LI Kwok-po, JP

**Public officers attending** : Mrs Carrie LAM  
Deputy Secretary for the Treasury  
  
Mr LEUNG Pak-chung  
Deputy Director of Administration  
  
Mrs Betty C S Y FUNG  
Deputy Secretary for Home Affairs  
  
Miss Susanne W S HO  
Assistant Secretary for Home Affairs

**Clerk in attendance :** Ms Pauline NG  
Assistant Secretary General 1

**Staff in attendance :** Mrs Eleanor LAM  
Senior Assistant Secretary (1)2

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**I Confirmation of minutes of last meeting**  
(LC Paper No. CB(1)1863/99-00)

The minutes of the meeting held on 2 June 2000 were confirmed.

**II Meeting with the Administration**  
(LC Papers No. CB(1)1641/99-00 and CB(1)1736/99-00(01))

2. The Chairman welcomed the representatives from the Administration and Mr Michael HO Mun-ka to the meeting. In recapping the deliberation of the Subcommittee at the previous meeting, the Chairman highlighted that a lot of inconsistencies had been found in the granting of remuneration for non-official members of Government boards and committees. Members had considered it necessary for the Administration to conduct a comprehensive review to ascertain if all the committees were serving any meaningful purpose and under what circumstances should remuneration be granted to non-officials including those serving on boards of financially autonomous bodies.

3. At the invitation of the Chairman, Deputy Secretary of Treasury (DS/Tsy) said that the Finance Bureau was open-minded and would welcome any recommendations from the Subcommittee to improve the current arrangements. The Finance Bureau was in the process of drafting a financial circular to remind Bureau Secretaries of the general principles of remunerating non-official members of Government boards and committees. These would include the need to consider the actual involvement of the non-officials in the work of the committees, e.g. frequency, duration or even location of the meetings, when determining the rates of honoraria. Information on the boards/committees and the current remuneration/honorarium arrangement would be posted on the Finance Bureau website and would be updated from time to time. The streamlined procedures would enable Bureau Secretaries to make conscious efforts in reviewing the granting of honoraria for committees members under their portfolios. She added that there was in fact more

awareness among Bureaux on the need to consider the subject. The Finance Bureau had recently approved the Secretary for Home Affairs' proposal on payment of honoraria for members of the Stamp Advisory Committee under the Home Affairs Bureau on grounds of members' considerable input to its work.

Overall review on Government boards and committees

4. Referring to a press report about a committee which had been inactive for many years, Miss CHOY So-yuk asked if the Administration would consider conducting a comprehensive review on all the Government boards/committees. She considered that it was necessary to review from time to time whether the committees continued to serve a meaningful purpose with no duplication of functions and that they had not become obsolete. She opined that the re-issue of a Financial circular without making any fundamental change to the approving mechanism would not serve any purpose.

5. Deputy Secretary for Home Affairs (DS/HA) said that the number of meetings held by a committee did not necessarily reflect the responsibilities of the committee members. Some committees conducted their business by circulation of papers and no meetings were convened. In the case of appeal boards, no meetings would be held unless in receipt of an appeal. Although some committees, such as the Mandatory Provident Fund (MPF) Schemes-related committees, bore similar names, each of the committees comprised members of different professionals offering expert advice in their respective fields. With regard to the Trading Standards Advisory Committee which, as reported by the media, had been inactive for 13 years, a decision had already been made to abolish this Committee. She emphasized that this was only an isolated case. In this respect, the Home Affairs Bureau (HAB) would remind Bureau Secretaries to review the scope of functions of the existing committees under their portfolios whenever new committees were considered.

6. The Chairman reiterated that the number of meetings provided on the discussion paper was provided by the Administration. He agreed that the frequency of meetings should not be used as the only yardstick to assess the level of responsibilities of committees. The Subcommittee was not particularly concerned about the responsibilities of committees, such as the Sir Jack Cater Scholarship Fund Selection Committee, or appeal boards established under the law. What the Subcommittee was

seeking was the conduct of a review to ensure that all the committees in force were performing their functions meaningfully and effectively, and there was a mechanism to consider the granting of remuneration to the non-officials.

7. Ms CHOY So-yuk enquired if there was any plan to review the current remuneration arrangement for autonomous public bodies. In response, DS/Tsy advised that the Administration was not in a position to super-impose any standardized Government guidelines on these autonomous bodies which had full autonomy over their finances. In addition to the autonomous public bodies, some statutory Government boards/committees, such as the Electoral Affairs Commission and those committees established under the Buildings Ordinance, had within their legislation specific provision for remunerating their chairmen and members out of General Revenue. The general principles governing Government boards and committees were not therefore strictly applicable to these bodies. She reiterated that the general guidelines on the granting of honoraria should only be applicable to Government boards/committees which were funded by the Government and approved by the Finance Committee. She admitted that there were inconsistencies in the actual implementation but the general principles had always been adhered to. In view of the large number of committees with different nature of work, it would be difficult to standardize the payments. Since only 10% of the committee members were being remunerated, the Finance Bureau would provide an environment to facilitate the consideration and application for approval for the granting of honoraria for non-officials. She said that the total expenditure was not expected to be high and she did not consider it necessary to change the current general guidelines approved by the Finance Committee .

#### Financially autonomous bodies

8. Miss CHOY So-yuk did not agree that the autonomous bodies could operate without any control. Notwithstanding that they were established by statute, the Administration should ensure that there was no discrepancy in the approving process and that the situation was monitored. She said that the Government officials sitting on the boards of these bodies should have the responsibility to draw the attention of the boards to the general principles on the granting of remuneration. They had the role to protect the interest of the Government and make the boards accountable to the public where public funds were involved. DS/Tsy explained that the functions and importance of the individual

autonomous public bodies were unique. She agreed that it would not be appropriate to standardize the remuneration for members serving on the executive boards of commercial entities, and the responsibilities of these members were quite different from those serving on an advisory committee.

9. Mr Edward HO said that although the public bodies were financially autonomous and were operating on commercial principles, the appointment of chairmen to the boards, together with the remuneration packages, were made by the Chief Executive, upon the recommendation of the respective Policy Secretaries. It was therefore unacceptable to regard the decision on the remuneration package as entirely a matter of the public body concerned. He was surprised that there was no central mechanism or yardstick within the Government to determine the circumstances under which remuneration should be granted. Even in the case of public bodies with boards and committees with executive functions, the Finance Bureau only took a passive role while the Policy Bureau had complete autonomy in deciding on the remuneration of the executive chiefs and chairmen of these non-Government public bodies.

10. DS/HA said that HAB was responsible for the general policy matters of Government statutory and advisory boards/committees including the need for greater transparency and the appointment procedure of committee members. However, decisions on the appointment criteria of individual boards and committees were made by the Bureau Secretary concerned. As the Policy Bureau in question had the full knowledge of the functions and workings of the committee, it should be in the best position to decide whether or not the committee members should be remunerated. She also agreed with FB that it would be difficult for the Administration to issue any guidelines on the remuneration arrangements for the boards of financially autonomous bodies.

11. Ms CHOY So-yuk could not accept that the Government should not have any control on the remuneration of the non-Government directors of public bodies especially when most of them were operating on Government-injected funds. She found the present lack of transparency and lack of a policy to require the Bureau Secretary to play a role on remuneration matters unacceptable. She held the view that although these public bodies were independent, they should still be accountable to the public and there should be a mechanism to ensure no abuse of the power given to them by legislation. The role of the

Government representative in these public bodies was to ensure that there was consistency with prevailing government policies and procedures.

12. DS/Tsy advised that while the Government would not impose the set of principles on remunerating members of Government boards and committees on those autonomous statutory bodies, this did not mean that there was no monitoring system over the autonomous bodies. Government's control over the autonomous bodies would depend on the relationship they had with the Government. However, generally speaking, the extent of control which the government could exercise over the honoraria payment would not be very different from that over matters such as procurement or investment arrangements.

13. DS/HA said that the HAB would be prepared to remind Bureau Secretaries that in deciding whether or not to propose honorarium payments for non-official members, they should take a conscious decision having regard to all relevant factors.

14. Mr Edward HO disagreed that the Government had no influence in the remuneration package for the executive or non-executive directors of public bodies. When the appointment was made, e.g. to the chairmen of MTRC, the remuneration package had already been decided. He did not believe that the remuneration package was determined by the Board as the Board was not yet in existence. He also quoted the Urban Renewal Authority Bill, in which it was also recommended that the appointment of the chairman and the executive director of the proposed Urban Renewal Authority would likewise be decided by the Government and not the Authority which was to be set up.

15. DS/Tsy admitted that the appointment and the remuneration package of the chairman and executive director of some autonomous bodies were made by the Chief Executive. However, the remuneration for the Chairman of the Housing Authority was approved by the Establishment and Finance Committee of the Housing Authority. If members so wished, she agreed to provide, subject to the agreement of the Housing Authority, a copy of the paper seeking approval for the granting of remuneration to its Chairman. She reiterated that the remuneration of these autonomous public bodies was outside the framework of remunerating Government boards and committees overseen by FB. She had only provided the information on financially autonomous public bodies at the request of members.

### Central mechanism on remuneration matters

16. Mr Edward HO considered the current arrangement in approving the remuneration highly unsatisfactory. He noticed that the functions and level of responsibilities of the committees had not been taken into consideration. Members were concerned that notwithstanding the role of the Finance Bureau which was responsible for controlling Government expenditure, there was no mechanism to ensure fairness, consistency and comparability in the granting of remuneration to non-official members of Government committees nor were there any yardsticks in examining the rate of honoraria/remuneration.

17. DS/Tsy admitted that there were historical reasons for some of the current arrangements, hence the difference in the remuneration. She recapped the general principles adopted by the Administration in putting forward proposals for remunerating the non-officials on Government committees. Following a request from the Finance Committee in 1993 for a review on who should propose remuneration for non-officials, the Administration had studied the matter in detail. Since the Policy Secretaries were responsible for the management of resources within their policy areas, it would be more appropriate for Bureau Secretaries to consider whether non-official members serving on boards/committees within their purview should be remunerated. If the Bureau Secretary was satisfied that remuneration should be granted, a proposal would be put to the Finance Bureau for consideration. However, the Finance Bureau would not draw any comparison on different committees and would approve applications in accordance with the general principles. It was not the responsibility of the Finance Bureau to consider the relative importance of individual committees which had been established with functional purpose.

18. Members also considered that notwithstanding any members not accepting any remuneration for their services, a system to facilitate the consideration of the matter should still be in place. Individual Bureau Secretary should have a complete list of all the committees under their own portfolio, with details of which of the members eligible or not eligible for honoraria and at what rates.

### Involvement of committees

19. Mr Michael HO declared himself a member of the Hospital

Authority. He informed the Subcommittee that although he was not a member of the subcommittee, he wished to share his experience with the Subcommittee on the limitations of a Government board/committee despite the fact that the functions of the committee had already been specified in law. He tabled for members' information an extract from the Hospital Authority (HA) Ordinance on the functions of the HA.

20. Mr HO pointed out that whether or not members of Government boards/committees were remunerated might have an impact on the effectiveness of their performance. In the absence of any specification on the accountability, it would be difficult to determine if the members had performed their duties to a satisfactory level. He was given to understand that when the HA was first established, its first chairman had not accepted any remuneration for its members. The arrangement had remained as it was and no action had been taken to review the situation. He further pointed out that even until this date, after 10 years from the setting-up of HA, the Memorandum of Administration Arrangements (MAA) between the Government and the HA had not been signed. Under the circumstances, it was difficult to determine whether the functions of the HA board had been performed effectively as there was nothing to measure its performance. Mr HO stressed that although the functions and terms of reference of a committee might be stipulated in the law, 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 like the committee to be involved. The level of responsibilities of individual members therefore varied according to the extent of work which the committee was prepared to take up.

21. DS/Tsy advised that according to the provisions of the HA Ordinance, members of the HA could be remunerated. She disagreed that remuneration to non-officials should be linked to their performance, as it was unfair to impose such a criterion for a service which was primarily a voluntary service. A more objective criterion was probably to look at the expected inputs, in terms of time and efforts, from the members. DS/Tsy agreed that a clear understanding of the role of a committee would help enhance its relationship with the Government and its accountability to the public for the services it provided. As regards the MAA for HA, she admitted that the situation was not satisfactory. But following the signing of MAA for the Vocational Training Council (VTC), which had laid down the performance pledges and target output of VTC to justify the level of subvention, she was confident that this



would serve as good reference materials for the MAA for HA.

Follow-up action

22. The Chairman said that the remuneration arrangements for non-officials serving on Government committees including those of autonomous public bodies had become a subject of public concern. He asked if the Administration would consider an overall review on Government boards and committees, including the appointment of non-official members and the remuneration arrangement. Mr Michael HO said that instead of leaving it to the individual Bureau Secretaries, the Administration or the HAB should co-ordinate the review.

23. DS/HA expressed reservation on the usefulness of such a review, although HAB could issue general guidelines and request Bureau Secretaries to take a conscious decision in considering honoraria matters. She would also request Bureau Secretaries to provide information on the existing remuneration arrangement. With the returns from the Bureau Secretaries, HAB would then consider whether there was the need to draw up new guidelines. In response to enquires, Deputy Director of Administration (DD of A) said that policy matters on Government boards and committees rest with HAB and the Administration Wing of the Chief Secretary for Administration Office had no direct involvement in these matters.

24. Members were not satisfied with the Administration's response. They considered that an information gathering exercise would not solve the current problem. The Chairman said that the existing arrangement was most unsatisfactory with no co-ordination amongst the Bureaux nor any common yardsticks which had resulted in a lot of inconsistencies. Quite a number of fundamental problems had been identified by the Subcommittee during the course of its study on the subject, there was no reason for the Administration to refuse to consider conducting an overall review, including the purposes for keeping these committees, the extent of involvement of the committees, the remuneration arrangements and the role of Government representatives on these committees.

25. The discussion with the public officers ended at 12:10 pm.

Legislative Council Secretariat

17 July 2000