

**Paper for the Legislative Council
Subcommittee on Review of
Payment of Honoraria to Members
of Boards and Committees**

Purpose

This paper sets out the background and the present arrangements for remunerating non-official members of boards and committees. For clarity, this discussion does not cover remuneration for Members of the Executive Council, Legislative Council and District Councils.

Background

2. As at 1 July 1999, based on the published Civil and Miscellaneous Lists, there are 228 statutory and 142 permanent but non-statutory boards and committees with non-official members. These boards and committees are serving the functions of -

- (a) advising the Government on specific issues;
- (b) providing arbitration or dealing with appeals;
- (c) serving as board of directors for statutory bodies or trust funds; and
- (d) providing regulation or discipline, e.g. in respect of certain professional groups.

General principles on remuneration for non-official members

3. It has long been the Administration's view that, as a basic principle, the service of non-officials on boards and committees is voluntary and, as a general rule, un-remunerated. However, at the same time, we consider that no individual should suffer pecuniary embarrassment through public service nor should the Administration be obtaining the services of qualified, professional persons "on the cheap".

4. The principles for remunerating non-officials serving on boards and committees set up by the Government were first reviewed and approved by Finance Committee (FC) in 1980. The broad principles approved by FC were-

(a) 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;

(b) remuneration should normally be in respect of payment of expenses and/or compensation for earnings forgone.

The approved maximum rate was then set at \$200 per attendance. Approval of payment of honorarium based on the above principles was made administratively provided the rates did not exceed the ceiling. A copy of the agenda item B54 of 9.7.1980 is at Enclosure 1.

5. At its meeting on 5 March 1993, FC reaffirmed the principles and in light of the inflation that had taken place since 1980 approved the Administration's proposal to revise the maximum rate to \$570 per attendance in order to maintain the real value. At the same meeting, FC also approved delegating to the Secretary for the Treasury the authority to approve future revisions of the maximum rate by reference to the movement in the Hang Seng Consumer Price Index (now Consumer Price Index (C)). A copy of the agenda item FCR(92-93)148 is at Enclosure 2.

6. In the discussion of FCR(92-93)148, FC asked the Administration to review and consider setting new guidelines which would enable the question of remuneration to be considered without requiring the chairman of the board or committee to make such a request. The Administration subsequently reported to FC *vide* FCRI(93-94)19 at Enclosure 3, that henceforth, the question of remuneration should first be considered by Branch (now bureau) Secretaries in the light of the approved principles. If they are satisfied that remuneration is necessary and appropriate, they may make a recommendation to the Secretary for the Treasury who will approve the payment of such remuneration on an administrative basis subject to the prevailing maximum rate. Under this new guideline, the chairman or a member of the board or committee may still initiate a remuneration proposal for consideration by the Bureau Secretary concerned, if he or she so wishes.

Present Position

7. The above general principles are currently in effect. The maximum rate of the remuneration was last revised by the Secretary for the Treasury on 1 August 1999 and is now set at \$785 per attendance. Each case is considered on its own merits having regard to the general principles. In considering the extent of remuneration, we will take into account the need for non-official members to incur expenses in connection with their duties, say to cover transport or out-of-pocket expenses. Although the current maximum rate is on a per attendance basis, a monthly honorarium based on the per-attendance rate is sometimes approved if attendances are more frequent.

8. A list of boards and committees receiving remuneration within the approved ceiling is at Enclosure 4.

9. Where the honoraria proposed by the Bureau Secretaries concerned are higher than the maximum rate, we will seek approval from FC on a case-by-case basis. Such higher rates are often justified on grounds that the business of the board or committee is very time-consuming and calls for substantial sacrifice of their members in terms of time and earnings forgone. In some other cases, professional experience and expertise are required and should be appropriately recognised. We understand that the LegCo Secretariat is compiling a list of such recent cases approved by FC for member' reference.

Expenditure

10. Total expenditure on payment of honoraria to members of boards and committees in 1998-99 was \$12.3 million.

**List of Boards and Committees with Non-official
Members Receiving Remuneration
within the Approved Ceiling
(Position as at 19.2.2000)**

Department/ Bureau	Name of Board/Committee	Member- ship	Rate per Attendance \$
Buildings Department	Authorised Persons' Registration Committee	8	785
Buildings Department	Structural Engineers' Registration Committee	6	785
Economic Services Bureau	Electricity Ordinance Appeal Board	33	775
Education Department	Curriculum Development Council and its working parties	783	90
Food and Environmental Hygiene Department	Liquor Licensing Board	11	785
Independent Police Complaints Council	Independent Police Complaints Council (non-official members)	18	Chairman: 3,630/mth Vice-Chairman: 2,260/mth Member: 1,960/mth
	Expanded IPCC Observers Scheme	50	200
Labour Department	Labour Advisory Board	12	785
Planning Department	Town Planning Board	24	785
Planning & Lands Bureau	Appeal Board Panel (Town Planning)	40	785
Television and Entertainment Licensing Authority	Broadcasting Authority and its Complaints Committee	15	328
Transport Bureau	Panel of Hearings for Unwithdrawn Objections under Railways Ordinance	13	785