

Remuneration Package for Members of the Fifth Term District Council

Introduction

This paper reports on the remuneration package for members of the fifth term District Council (DC).

Background

2. It is the Government's established practice to review the remuneration package for DC members and announce the new package before the commencement of the next DC term, so that potential candidates are aware of the package before deciding whether to run in the election.

3. The purpose of the review is to ensure that DC members are provided with sufficient resources to cover expenses for discharging their DC-related functions and duties. A holistic approach has been adopted as in previous reviews, having regard to a host of factors including past expenditure patterns.

4. We issued an information paper to DC members in January 2015 to set out the results of the review of the remuneration package conducted in 2014.

Latest Developments

5. On 6 February 2015, we consulted the Panel on Home Affairs of the Legislative Council (LegCo) on the proposed increase in the monthly honorarium and the new provision for duty visits for DC members. While Members unanimously supported the proposals, some suggested that DC members should be allowed to claim reimbursement of expenses on procurement of Furniture and Equipment (F&E) and the associated repair and maintenance costs under Operating Expenses Reimbursement (OER), while keeping the entitlement ceilings of OER and Setting-up Expenses Reimbursement (SER) unchanged. The purpose is to allow additional flexibility for DC members, particularly those re-elected members who have not relocated their ward offices in the new term, to deploy their OER resources to meet operational needs. We

consider it reasonable and thus propose to expand the remit of the OER to cover expenses on procurement of F&E and the associated repair and maintenance costs starting from the new DC term, while keeping the entitlement ceilings of OER and SER unchanged.

6. At the meeting on 26 June 2015, the Finance Committee of the LegCo has approved the enhancements of remuneration package for DC members. Enhancements with effect from 1 January 2016 (i.e. commencement of the next DC term) include:

- (a) increasing the honorarium for DC members by 15%, from \$25,760 to \$29,620 per month at 2015 price level;
- (b) introducing a new provision, capped at \$10,000 per member per term, to finance DC members' duty visits; and
- (c) expanding the remit of the accountable OER to cover procurement of F&E and associated repair and maintenance costs while maintaining the entitlement ceiling of OER.

Other Components of the Remuneration Package

7. Following the completion of the mid-term review in 2013, the OER has increased by 34% in real terms with effect from 1 January 2014. We consider that the current levels of OER and other components of the remuneration package for DC members including Miscellaneous Expenses Allowance, Medical Allowance, end-of-term gratuity, Entertainment Expenses Reimbursement for DC Chairmen, as well as the SER and Winding-up Expenses Reimbursement generally appropriate and their present levels should be maintained and would continue to apply to the fifth term DC.

Remuneration Package for Members of the Fifth Term DC

8. The remuneration package for DC members, effective as from the fifth term DC, together with the existing package, is at the Annex.

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Home Affairs Department
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