

# LCQ19: Remuneration and benefits for politically appointed officials

Following is a question by the Hon Mrs Regina Ip and a written reply by the Secretary for Constitutional and Mainland Affairs, Mr Erick Tsang Kwok-wai, in the Legislative Council today (December 11):

Question:

Since the Government introduced the political appointment system in 2002, politically appointed officials (PAOs) have experienced four pay reductions in 2002, 2003, 2009 and 2020. There are views that nowadays the real value of the remuneration and benefits packages for PAOs has declined substantially. In this connection, will the Government inform this Council:

(1) in each of the past 10 years, of (i) the monthly cash remuneration levels for various tiers of PAOs, (ii) the percentage increase or decrease compared to the previous year, (iii) the total weighted average cost of the remuneration package for civil servants at D8 level, and (iv) the respective differences in actual value and percentage between (i) and (iii) mentioned above;

(2) whether the Government will consider following the practice of employing contract staff on Non-Civil Service Contract terms and offering an end-of-contract gratuity to principal officials, so as to attract and retain outstanding political talents to take up such posts; if so, of the details and the implementation timetable; if not, the reasons for that; and

(3) given that PAOs are eligible for medical and dental benefits on the same basis as those provided to civil servants during their term of employment, but there are views that the current utilisation rates of the six families clinics under the Department of Health are close to saturation, whether the Government will consider providing PAOs with a medical insurance allowance; if so, of the details and the implementation timetable; if not, the reasons for that?

Reply:

President,

The reply to the Hon Mrs Regina Ip's question is as follows:

(1) The monthly cash remuneration for each tier of Politically-Appointed Officials (PAOs) of the Hong Kong Special Administrative Region (HKSAR) Government in the past 10 years, as well as the percentage change as compared to the previous year are at Annex 1. As regards the average monthly salary for a civil servant at Point 8 of the Directorate Pay Scale and its comparison with the monthly cash remuneration of a politically-appointed

Director of Bureau, please see Annex 2. Other than the salary mentioned above, the staff cost for civil servants covers other staff benefits, including retirement protection, housing benefits, annual leave, education allowance, and medical and dental benefits, and etc. Civil servants are eligible for these benefits according to relevant conditions and actual circumstances.

(2) The political appointment system has been implemented since 2002. According to the remuneration package at that time, PAOs are, apart from cash remuneration, entitled to annual leave, medical and dental benefits as those provided to civil servants, Mandatory Provident Fund contribution by the Government, as well as a car and driver during their term of office, while their remuneration package has been so structured that there are no housing allowance, no leave passage, no children's education allowance and no gratuity or retirement benefits. When the Independent Commission on Remuneration for Members of the Executive Council and the Legislature, and Officials under the Political Appointment System of the HKSAR (the Commission) reviewed the remuneration package of PAOs in 2016, the Commission proposed some enhancement measures, including a one-off increment of 12 per cent on their cash remuneration, as well as an annual adjustment in line with the average movements of Consumer Price Index (C) thereafter. The proposal was approved and passed by the Legislative Council Finance Committee and is still in use today. As regards other components of the remuneration package, the Commission's recommendation at that time was to make no change, and the relevant arrangements are maintained until now. The Commission will carry out periodic review on the remuneration package of PAOs, so as to ensure it is commensurate with their responsibilities, and that it is fair, reasonable and sustainable for the recruitment and retention of high calibre talents.

(3) When the Commission carried out a review on the remuneration package of PAOs again in 2022, it considered that the level of medical and dental benefits that different layers of PAOs should be entitled to require careful examination and justification. The Commission will study and discuss the subject further before the end of March 2025.