

立法會
Legislative Council

LC Paper No. AS 438/00-01

(These minutes have been
seen by the Administration)

Ref : AM12/01/19 (Pt 4)

**Subcommittee on Members' Remuneration and
Operating Expenses Reimbursement**

**Minutes of meeting
held on Friday, 15 June 2001, at 4:15 pm
in Conference Room B of the Legislative Council Building**

- Members Present** : Hon NG Leung-sing, JP (Chairman)
Hon Cyd HO Sau-lan
Hon Emily LAU Wai-hing, JP
Hon Andrew CHENG Kar-foo
- Members Absent** : Hon LEUNG Yiu-chung
Hon Howard YOUNG, JP
Hon YEUNG Yiu-chung, BBS
- Public Officers Attending** : Mr Andrew WONG, JP)
Director of Administration)
)
Ms Miranda CHIU) For discussion
Deputy Director of Administration) on Agenda Item I
)
Mr David LEUNG)
Assistant Director of Administration)
- Clerk in Attendance** : Mrs Anna LO
Principal Assistant Secretary (Administration)
- Staff in Attendance** : Mr Ricky FUNG, JP
Secretary General

Mr LAW Kam-sang, JP
Deputy Secretary General

Mr Joseph KWONG
Accountant

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I. Meeting with the Administration on review of Members' remuneration and operating expenses reimbursement (Open Meeting)

(LC Paper No. AS 369/00-01(01) from the Administration)

At the invitation of the Chairman, the Director of Administration (D of Adm) briefed the meeting on the major recommendations of the Independent Commission on Remuneration for Members of the Executive Council and the Legislature of the Hong Kong Special Administrative Region (the Independent Commission). Two of the major recommendations were (a) to increase the Office Operation Expenses Reimbursement (OOER) by \$25,000 a month, and (b) to provide Member with the option of an alternative mechanism for annual adjustments to the OOER i.e. splitting the OOER into a fixed and a variable component. He said that, in making the recommendations, the Independent Commission had taken into account Members' opinions and their actual expenditures.

2. D of Adm advised that the Independent Commission had confirmed that the current annual adjustment mechanism provided for both upward and downward adjustments, in line with movements in the Consumer Price Index (C) (CPI(C)).

3. D of Adm added that, if Members preferred the alternative annual adjustment mechanism, Members should reach a consensus on the proportion between the fixed and variable components, in the light of Members' expenditure pattern on staff salaries and office accommodation. He emphasized that any decision would apply to all Members. The fixed component would remain unchanged for their entire term of office, while the variable component would continue to be annually adjusted according to the movement of the CPI(C).

Relationship between increase of the OOER by \$25,000 and standard manning scale

4. Miss Cyd Ho welcomed the proposed increase of the OOER by \$25,000 a month. She enquired what the recognized workload of a Member was and how the \$25,000 was arrived at in relation to the increased workload of Members. D of Adm replied that the \$25,000 was recommended as the Independent Commission noted that compared to the Council-related workload in the 1993-95 term when the current manning scale was set up, Members' workload had increased both in terms of volume and complexity. Miss Cyd Ho and the Chairman recommended that the Independent Commission should consider setting out a manning scale as it did in 1994. In response, D of Adm said that in view of Members' diverse modes of operation, the Independent Commission did not consider it appropriate to set a standard manning scale, neither did it

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wish to stipulate the types and numbers of staff to be employed by each Member.

Political donations

5. In reference to a suggestion on fund raising floated by a member of the Independent Commission at its meeting with Members on 17 May 2001, Miss Cyd Ho opined that even though she only partly agreed to this way of financing Members' work, she agreed this additional source of financing should be explored. Therefore, she requested the Administration to review and relax the rules governing political donations.

Strengthening of Legislative Council Secretariat for support of Members

6. With reference to para 2(d) of the paper, Miss Cyd Ho acknowledged that support for Members might be provided through the Legislative Council Secretariat or directly to individual Members. Lower direct financial support for Members could only be justified by more financial resources for the Secretariat. She asked if there were any plans from the Administration for strengthening the Secretariat. D of Adm replied that such a review should be undertaken by The Legislative Council Commission and considered by the Administration in the light of the justifications and figures advanced in support of the requests for additional resources. The Independent Commission's recommendation was based on the belief that such services as research and legal services, would be more effectively delivered to Members through the Secretariat.

Resource required for serving large constituencies

7. Miss Emily Lau suggested that the Administration should consider how much resources and how many offices should be required by directly-elected Members for serving those constituencies with a million or more citizens. D of Adm reiterated that Members' modes of operation were diverse and the number of offices operated by them varied significantly; it was difficult to determine the optimum number of district offices. Therefore, only Members' Council-related workload was considered. As mentioned in paragraph 7 of the paper, the Independent Commission did not accept the argument that individual Members would necessarily require more district offices to serve their constituencies.

Individual support to be provided by the Secretariat

8. Referring to paragraph 2(d) of the paper, Miss Emily Lau questioned to what extent the Secretariat should entertain individual Members' request for supporting service, in addition to collective support for committees. D of Adm replied that the allocation of resources given to the Secretariat should be determined by The Legislative Council Commission.

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Proposed fixing of a portion of the OOER for four years to cover salaries and rents

9. Paragraph 6 of the paper sought Members' views on an alternative annual adjustment mechanism for the OOER. Miss Emily Lau opined that the fixed component offered no flexibility for Members to increase their staff's salaries. It would be impractical to ask Members not to fully utilize the financial provision in the initial years of their term, just for the sake of reserving some room for future pay rises. Besides, office rent might also go up when leases were renewed. D of Adm advised that while the amount of the fixed component would not change for the entire term of office, Members could freely use both the fixed and variable components for employing staff or paying other office expenses provided that the ceiling of the OOER is not exceeded.

10. Mr Andrew Cheng was of the opinion that the proposed fixed component was restrictive — no additional funds would be available for pay rises even during inflationary periods. He suggested that the OOER be split into three components: one for staff salaries, which should be adjusted according to the Government's pay trend survey; one for office rents, which should be adjusted according to the rental index compiled by the Rating and Valuation Department; and one for other office expenses, which could be adjusted according to the CPI(C) as at present. D of Adm replied that it was difficult for the OOER to be further divided and differently adjusted, given Members' different modes of operation and the resulting diverse expenditure patterns. He added that any counter-proposals had to be referred to the Independent Commission for consideration.

11. In response to Members' enquiry, D of Adm suggested that, in the light of Members' past expenditure pattern on salaries and rent, the fixed component could be fixed at around 70% to 80% of the OOER. He emphasized that as any index adopted for reference might go up and down, it would be difficult not to revise the OOER downward if the pegged index went down. Miss Emily Lau asked when civil servants' pay was revised downwards though their pay was supposed to be linked to the pay trend. D of Adm answered that each system was subject to its own rules; the mechanism for adjusting civil servants' pay was within the purview of the Secretary for the Civil Service.

Revision of the proposed fixed component

12. The Secretary General (SG) enquired how the fixed component would be adjusted for the following LegCo term. D of Adm replied that the Independent Commission would consider that nearer the time.

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Long service payment

13. In response to Miss Emily Lau's question on why no additional funding was provided for covering staff's long service payments (LSPs), D of Adm advised that statutory payments under labour laws had been covered by the OOER since the reimbursement system was first set up.

14. Miss Emily Lau asked whether the OOER would be sufficient to pay for LSPs. The Accountant replied that with the establishment of mandatory provident fund (MPF) schemes, LSPs would more or less be offset by the accrued benefits of a Members' monthly MPF contributions. However, as MPF schemes were only set up on 1 December 2000, LSPs in relation to services before that date would probably have to be paid out of the OOER.

Level of Member' remuneration and adjustment mechanism

15. Referring to paragraph 15 of the paper, Miss Emily Lau asked how Members' remuneration would be determined. D of Adm replied that the Independent Commission would consider the factors for determining Members' remuneration for the next term before the commencement of the next term. Meanwhile the Independent Commission considered it not appropriate to link Members' remuneration to the pay scales of the civil service or pay levels in the private sector as it was the Commission's view that Legislative Council membership was a form of service to the public.

Merging of monthly provisions to form yearly provisions

16. Miss Cyd Ho enquired what the implications on an outgoing and an incoming Member would be if an outgoing Member had used more than his or her time-apportioned yearly provision at the time he or she ceased as Member. The Chairman believed that if any extra funding was required, it would have to come from the Administration.

Impact on the Secretariat

17. In reply to Miss Emily Lau, SG said that the Secretariat should be able to cope with the proposed changes. He believed that funding could be readily arranged to ease any cash flow problem.

Finance Committee's approval

18. D of Adm advised that if the proposal was to take effect in the coming session in October 2001, the approval of the Finance Committee would have to be sought at its last meeting in the current session on 6 July 2001.

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19. Members discussed the possibility of moving only the part for the \$25,000 increase at the said Finance Committee meeting, if Members needed more time for considering the annual adjustment mechanism. D of Adm reminded Members that the current adjustment mechanism would be used to revise the reimbursement rates in October 2001 if a new adjustment mechanism was not adopted in its place by then.

Consultation

20. In order to gauge Members' views on whether the existing or the proposed annual adjustment mechanism should be used, and if the latter was preferred, on the size of the fixed component, the Subcommittee Secretariat agreed that a survey should be conducted.

(Post-meeting note: Consultation paper LC Paper No. AS 375/00-01 was issued on 19 June 2001.)

(D of Adm and his colleagues left the meeting at 5:35 pm.)

II. Parliamentary Pension Schemes (Closed meeting)

(IN15/00-01)

(IN16/00-01)

(IN17/00-01)

(IN18/00-01)

(IN19/00-01)

(IN20/00-01)

As this part of the meeting was held in camera, the minutes would not be available to the general public.

III. Date of Next Meeting

22. Members agreed that the next meeting should be held on 26 June 2001, at 2:30 pm.

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Adjournment

23. There being no other business, the meeting was adjourned at
6:00 pm.

Legislative Council Secretariat
July 2001

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