

立法會
Legislative Council

LC Paper No. AS162/00-01

Ref : AM12/01/19 (Pt 2)

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

**Minutes of meeting
held on Thursday, 30 November 2000 at 10:45 am
in Conference Room B of the Legislative Council Building**

Members Present : Hon NG Leung-sing (Chairman)
Hon LEUNG Yiu-chung
Hon Howard YOUNG, JP
Hon YEUNG Yiu-chung
Hon Emily LAU Wai-hing, JP
Hon Andrew CHENG Kar-foo

Member Absent : Hon Cyd HO Sau-lan

Clerk in Attendance : Mrs Anna LO
Principal Assistant Secretary (Administration)

Staff in Attendance : Mr Ricky FUNG, JP
Secretary General

Mr Joseph KWONG
Accountant

Action **I. Confirmation of Minutes of Last Meeting**
(LC Paper No. AS 115/00-01)

Minutes of the last meeting held on 9 November 2000 were confirmed.

Action

II. Matters Arising

(LC Paper No. AS 117/00-01)

2. The Chairman recapped briefly the request of the House Committee for concrete proposals on the review of the existing level of Members' operating expenses reimbursement (OER). He reported that although Members had been invited to express their views on the issue, no further suggestions had been received other than those given at the House Committee meeting on 17 November.

Members' Operating Expenses in June 2000

3. The Chairman then drew members' attention to the statistics of Members' operating expenses in June 2000. He noted that 63.2% of office operation expenses reimbursements was used on employing staff, while 10.6% was spent on office rental. These two major expenses were relatively fixed even at times of deflation. Hon Andrew CHENG appreciated that it was difficult for some Members to understand the complexity of the issue. This was the reason why they opposed the argument for not adjusting the OER downward in tandem with the CPI(C) movement.

Staffing

4. In reply to Hon Emily LAU's inquiry on the staffing establishment used by the Administration in estimating the staff costs of Members, the Chairman quoted the report issued in October 1994 by the Commission on Remuneration for Members of the Legislative Council (the Commission):

"3.12 When the current allowance system was devised, the Administration applied a notional figure of \$44,630 for expenditure on staff. In respect of office expenses, it based its figure on the result of a questionnaire survey on LegCo Members office costs. The staff cost figure of \$44,630 was equivalent to the sum of the mid-point salaries of an Executive Officer I, a Personal Secretary II and a Clerical Officer II. The figure for office expenses was \$6,970."

5. Referring to paragraph 7 of LC Paper No. AS 117/00-01, Hon Emily LAU asked how the 76 district offices were distributed among the Members. Mr Joseph KWONG replied that 26 Members had one office, 16 Members had two and six Members had three, including those shared with others. Hon Emily LAU proposed that the Administration should use the same manning scale as mentioned in paragraph 4 above for funding Members' offices.

Action Agreement on principles instead of detailed mechanisms

6. Hon Andrew CHENG noted that Members elected through different channels were operating under different modes, running different numbers of ward offices and employing disparate numbers of staff at varying salary ranges. He opined that it would be difficult to arrive at a concrete proposal on how the level of expenses reimbursement should be revised. Moreover, since most people were opposing fee increases, the public's possible response should be considered before Members proposed to increase their own expenses reimbursements and remuneration. He suggested that the Subcommittee should recommend principles, instead of detailed mechanisms, for the endorsement of House Committee. Members agreed.

Equal treatment of all Members

7. Hon Howard YOUNG pointed out that it had been well established that Members elected through different channels should be provided with the same resources.

Downward adjustments of Operating Expenses Reimbursement

8. Hon Howard Young also suggested that the staff salary and rental portions of the expenses reimbursement could follow the respective relevant indexes (such as the civil service annual pay adjustment and rental indexes), while the portion for other types of expenses could follow CPI(C). Meanwhile, in view of the inelasticity of salaries and rentals due to contractual or moral obligations, he supported the idea that funding for these two items should not be reduced. However, the short-deducted amounts should be deducted from future upward adjustments when inflation picked up again.

9. Hon YEUNG Yiu-chung had reservations about the argument that Members' OER should only go up but not down. The decrease in prices did provide more room for resource allocation. In his opinion, the issue of increasing resources was more important than the way the amount was adjusted. He believed it was justified to review the overall resources provided to Members, because the methods by which Members were elected, the accountability of Members and the transparency of their work had enhanced.

10. Hon Andrew CHENG agreed that more resources should be provided as the area and constituents covered by each geographical constituency had increased substantially because of the change in election methods. Hon Emily LAU recalled that in 1999, although the Administration was aware of this very valid reason, it chose to introduce an expenses reimbursement for information technology and communication equipment of \$100,000 per LegCo term, rather than

Action increase Members' monthly OER. She would like the Administration to know that IT equipment was not a practical alternative for district offices where members of the public might meet Members personally. Other members agreed that it was very important that the quality of their service to the public should be maintained.

11. As there were different interpretations on whether Members' OER should be adjusted downward when CPI(C) moved down, Hon Andrew CHENG and Hon LEUNG Yiu-chung considered it necessary for the original intention of the Commission to be clarified and the adjustment urgently rectified.

Separate adjustments of different components of Operating Expenses Reimbursement

12. Mr Ricky FUNG reminded the meeting that in March 1994 the then Legislative Council's Working Group on the Review of Allowances for Legislative Council Members had already recommended that the staff and office expenses be adjusted in a way different from the travelling and entertainment component. However, the Commission decided otherwise. The Working Group's recommendation was:

"15. The level of the component for office and staff costs should be determined by making reference to the scope of duties of a Legislative Council Member so that necessary supporting staff could be employed and adequate office expenses could be provided to assist Members in performing their duties effectively. As regards the adjustment of the non-accountable component on travelling and entertainment, reference should be made to inflation and the Consumer Price Index."

13. Members agreed with the Working Group's recommendation and noted that it had not suggested a method for adjusting the component for staff and accommodation costs.

Members' Remuneration

14. In response to the Chairman's question on whether Members' remuneration should be pegged to the civil service pay scale, Mr Ricky FUNG informed the meeting that the Commission had considered the suggestion in 1994:

" 2.13 Because LegCo work is not a job, we do not find it possible to link the level of remuneration for LegCo Members to the pay scales of the civil service or pay levels in the private sector. We have therefore considered instead whether the present level of remuneration is reasonable.

Action

We are aware that there will not be any community consensus on how the level should be determined. We believe, however, whether people are coming forward as candidates in LegCo elections is not and should not be determined solely by the level of the remuneration.

2.14 We therefore choose to consider whether the present level of payment at \$43,250 per month is reasonable for those people of more modest means who may regard LegCo work as their main occupation. In this connection, we made reference to the statistics on monthly employment and household earnings in Hong Kong and note that the existing level of remuneration, at \$46,250 per month, puts LegCo Members in the top 1.5% (as at 4th quarter 1993) of salary earners in Hong Kong."

15. Hon Howard YOUNG agreed with the Commission. He said that Members' remuneration should not deviate too much from that of an average salary earner. The Chairman considered that Members should work for the noble cause of serving the community.

16. While the Subcommittee did not intend to make any concrete proposal on Members' remuneration, it was of the view that the Independent Commission should conduct a review in the light of the changes in the past years.

Long Service Payment

17. Members agreed that the Administration should also provide additional funds for Members to pay their staff's long service payments as discussed at the last meeting.

Recommendations for House Committee

18. The Chairman summarized Members' opinions and Secretariat requested the Secretariat to prepare a paper for the consideration of the House Committee on 8 December 2000. As Members had started making MPF contributions already, he hoped the House Committee could urge the Administration to review the matter urgently.

(Post-meeting note: LC Paper No. AS 123/00-01 was submitted for discussion at the above House Committee meeting.)

Adjournment

Action 19. There being no other business, the meeting ended at 12:12 pm.

Legislative Council Secretariat
January 2001