

立法會
Legislative Council

LC Paper No. AS 318/06-07
(These minutes have been
seen by the Administration)

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

**Minutes of meeting
held on Monday, 30 July 2007 at 11:00 am
in Conference Room B of the Legislative Council Building**

Members present : Prof Hon Patrick Lau Sau-shing, SBS, JP (Chairman)
Dr Hon Lui Ming-wah, SBS, JP
Hon Howard Young, SBS, JP
Hon Emily Lau Wai-hing, JP
Hon Wong Ting-kwong, BBS
Hon Tam Heung-man

Members attending : Hon Chan Yuen-han, SBS, JP
Hon Sin Chung-kai, SBS, JP

Members absent : Hon Mrs Selina Chow Liang Shuk-ye, GBS, JP
Hon Cheung Man-kwong
Hon Abraham Shek Lai-him, SBS, JP

Public officers attending : Miss Elizabeth Tse
Director of Administration (D of Adm)

Miss Shirley Yuen
Deputy Director of Administration (DD of Adm)

Mr Yau Kin-chung
Assistant Director of Administration

Clerk in attendance : Mrs Anna Lo
Principal Council Secretary (Administration) (PCS(A))

Staff in attendance : Mr Ricky Fung, JP
Secretary General

Mr Joseph Kwong
Accountant (ACCT)

I. Members' remuneration, retirement and medical benefits

LC Paper No. AS 279/06-07

LC Paper No. AS 280/06-07

The Chairman welcomed D of Adm and her colleagues to the meeting.

Meeting-cum-visit of the Independent Commission on Remuneration for Members of the Executive Council and the Legislature of the HKSAR (the "Independent Commission")

2. In briefing members on the Administration's paper entitled Comprehensive Review of the Remuneration Package for Members of the Fourth-term Legislative Council (LC Paper No. AS 280/06-07), D of Adm said that the Independent Commission was amenable to paying a visit to Members' district offices and meeting with the Subcommittee on Members' Remuneration and Operating Expenses Reimbursement (the Subcommittee), in September 2007 before formulating its recommendations before the end of 2007. The Independent Commission was open-minded on the detailed arrangements for the meeting-cum-visit.

3. Ms Emily Lau said that she was pleased with the Independent Commission's decision to pay a visit to Members' offices, after repeated offers from Members. Pointing out that none of the members on the Independent Commission had a "direct election" background, she hoped the visit would enhance the Independent Commission's understanding of the difficulties faced by Members returned by direct elections. Visits to district offices on the Hong Kong Island, in Kowloon and the New Territories should be considered by the Independent Commission. Mr Sin Chung-kai suggested that district offices in different regions, as well as offices of Members belonging to different political parties, should be visited. Activities outside Members' district offices could be observed too. Such visits could be conducted at any time, not necessarily pre-arranged or in the presence of the Members concerned. He hoped these visits and observations would enhance the Independent Commission's understanding of the political ecological environment that Members were in. The Chairman further suggested that district offices operated by Members returned from different constituencies should be included in the visit. Mr Howard Young considered that the visits should be conducted in two half-days, one for district offices on the Hong Kong Island and one for those in Kowloon and the New Territories.

4. D of Adm responded that, from experience in organizing meetings of the Independent Commission, scheduling clashes among members were common. In view of this, it might be difficult to arrange more than two half-days during which the Independent Commission could meet with Members and visit their district offices. Ms Emily Lau expressed her dissatisfaction that, even though members of the Independent Commission might be very busy, not finding the necessary time to visit Members' offices might actually reveal their reluctance to understand Members' work.

5. SG suggested that Members with the largest amounts of over-ceiling expenses be visited by the Independent Commission. In Dr Lui Ming-wah's view, visiting two or three typical offices would be sufficient. Members who would like to have their offices visited might have to persuade the Independent Commission with good reasons.

6. In conclusion, members generally agreed that, by the criterion suggested by SG, Member K from functional constituencies and Member B from geographical constituencies as shown in Appendix XII of LC paper No. AS 278/06-07 would be visited.

(Post-meeting note: LegCo Members were notified, vide LS Paper No. AS 293/06-07, that offices of Hon Wong Kwok-hing and Hon Emily Lau would be visited by the Independent Commission on 11 September 2007. By the same circular, Members were invited to notify the Secretariat if they would like to have their district offices visited. No such requests were received.)

Members' medical benefits

7. Dr Lui Ming-wah said that LegCo Members were no longer appointed by the Administration. Quite a number of elected Members had become full-time legislators until they retired. In the light of this political development and the fact that the Administration and the legislature were both constituent parts of the political structure of Hong Kong, he questioned the rationale of the Administration for depriving LegCo Members of medical benefits that were enjoyed by civil servants. Miss Tam Heung-man also noted that general medical insurance was not comprehensive enough to cover all kinds of dental and specialist treatments.

8. D of Adm responded that, regarding the mode of providing staff benefits in the civil service, the current trend was to move away from "provision in kind" and migrate, if practicable, to "provision in cash". In this connection, the Independent Commission had earlier proposed that the LegCo Secretariat might consider arranging a group insurance for Members and Members were allowed to pay the premium for the insurance from their Office Operation Expenses Reimbursement (OOER).

9. In reply to Ms Emily Lau, SG and DD of Adm confirmed that civil servants and staff of the LegCo Secretariat were still provided with medical benefits in kind. However, such benefits would be removed, on the retirement of the civil servants who were appointed on or after 1 June 2000, and upon cessation of employment in the case of Secretariat staff, irrespective of when they were first appointed.

10. Ms Emily Lau said that as the amount for OOER was already insufficient for running Member's office(s), Members could hardly take out medical and dental insurance for themselves using the OOER. Mr Wong Ting-kwong commented that it might be difficult to determine a standard insurance amount which was comprehensive in coverage and acceptable to all parties. He preferred medical benefits similar to those offered to civil servants because public money would only be expended when there was an actual medical need. Such a scheme would set Members' mind at ease, because worries about what would not be covered in an insurance policy would be removed. He further envisaged that medical benefits for newly appointed civil servants would be acceptable to Members. The Chairman added that as pre-existing conditions were normally excluded from insurance policies, free medical care for Members could fill the gap.

11. In response to the proposal of extending the medical benefits for civil servants to LegCo Members, D of Adm pointed out that, due to limitation of resources vis-à-vis the great number of clients, the queuing time for the medical and dental benefits offered to civil servants by the Department of Health and the Hospital Authority was usually long. As a matter of fact, some civil servants had to resort to the services offered by doctors in private practice at their own expense. Moreover, the benefits were provided to civil servants as staff benefits. In considering Members' proposals on medical benefits, the Independent Commission would need to have regard to the issue of whether LegCo Members' work constituted a job.

12. Ms Emily Lau agreed that solving the question of whether Members' work should be regarded as a job or a form of public service was crucial. However, she feared that the conundrum would block the proposal if the Independent Commission maintained that as Members had other incomes and apparently not all of them were working full time on LegCo business, their LegCo work could not be regarded as a job. Mr Howard Young reminded that having other incomes in the case of Members returned from functional constituencies could hardly be avoided, because the electoral rules stipulated that only persons closely related to a functional constituency could stand for election to represent it.

Members' remuneration

13. Mr Howard Young reiterated his previous suggestion that an independent consultant be engaged to advise on the appropriate remuneration package for LegCo Members. Through a points system, attributes such as knowledge, experience and time demanded of a Member could be weighted and priced. The Chairman hoped that the Independent Commission would re-consider this suggestion.

14. In relation to Members' remuneration, SG informed the meeting that some members of The Legislative Council Commission had suggested the following for the Subcommittee's consideration:

- (a) the possibility of changing the annual adjustment mechanism for Members' remuneration package (i.e. according to the movement of CPI(C)) by adopting the mechanism for civil service pay adjustments; and
- (b) modifications to Members' remuneration package should take immediate effect rather than in the next LegCo term.

For the Subcommittee's reference, the Secretariat had prepared a ten-year comparison showing the differences in Members' remuneration between the actual and suggested adjustment mechanisms (LC Paper No. AS 277/06-07 refers).

15. In explaining the comparison, PCS(A) highlighted that Members' monthly remuneration in July 2007 would be \$4,754 higher had it been adjusted according to civil service pay adjustments in the past ten years. Cumulatively, Member would have been better off by \$229,065. She also pointed out that Members' monthly remuneration in July 2007 was \$1,910 lower than ten years ago.

16. Mr Howard Young was not in favour of the suggestion to peg Members' remuneration adjustments to the civil service pay adjustments. He said that the civil service pay adjustments were made according to an established mechanism by comparing similar posts in the private sector, whereas LegCo Members had no equivalents in the private sector. He and other Liberal Party Members had reservations about the magnitude of the civil service pay adjustments, because they reflected only the pay rises awarded by the best employers in Hong Kong. Moreover, Members' varied backgrounds had rendered it difficult to adopt such a peg.

17. Miss Chan Yuen-han said that in the public's mind, a pay of \$55,420 per month for a "part-time job" at LegCo was already a high one, without realizing that some Members devoted more time on LegCo work than what was normally required of a "full-time job". Even her friends in the cultural sector were unable to comprehend the whole issue when discussions on LegCo Members' remuneration package were reported by the media. Very often, media reports on such discussions, or rather "negotiations", were unfavourable to those Members who dared to speak out. She suggested that the Administration should have a comprehensive review of the remuneration package for all councillors, not only for LegCo Members, but also for District Council Members. Taking into account the development of the political system in Hong Kong and the fact that directly and indirectly elected Members would co-exist for a period of time, the Administration's proposals should include long-term as well as short-term packages.

18. Ms Emily Lau opined that the impasse was due to the presence of functional constituencies in the electoral system, which led to the argument that as LegCo Members had other incomes, they could not be working full time at LegCo. With regard to the timing for making modifications to Members' remuneration package, she questioned the practice of postponing implementation until the next LegCo term. She noted from the Secretariat's research that such modifications in other countries were implemented in a subsequent year. Moreover, some parliaments determined the modifications themselves. In her opinion, the low pay for LegCo Members had discouraged new candidates from running for a LegCo seat. She also pointed out that there was a great disparity between the remuneration for government officials and Secretariat staff on the one hand and that for LegCo Members on the other. Acknowledging the disparity could be due to the fact that government officials and Secretariat staff were performing a full-time job, while some Members were not, she felt that a Member's remuneration could be linked to the volume of work he/she performed. Referring to the low pay for Members' assistants as shown in Appendix VIII of LC Paper No. AS278/06-07, she doubted the Administration's willingness to provide more resources for Members to recruit quality staff for carrying out the work of LegCo.

19. Miss Chan Yuen-han appreciated that it might be difficult to compare the remuneration package for LegCo Members with that of civil servants. She reiterated that the Administration should come up with a comprehensive package, say, in three months' time.

20. Mr Sin Chung-kai said that attracting the best people to serve LegCo was essential in view of the importance of LegCo's decisions on Hong Kong. A review of LegCo Members' remuneration package was a cross-party demand. The livelihood of outgoing Members should also be looked into, because some former Members, particularly those returned

from geographical constituencies, did face severe financial difficulties after they stepped down.

21. D of Adm emphasized that an established mechanism was in place for reviewing LegCo Members' remuneration package comprehensively on a regular basis. The modifications to the package recommended by the Independent Commission over the years showed that the Independent Commission had moved with the times and had taken into account Hong Kong's political development in their previous reviews. The Independent Commission had also been positive and pragmatic. D of Adm said that the Independent Commission would continue to adopt the same approach in the present review.

22. The Chairman instructed the Secretariat to follow up with the Administration on the arrangements of a meeting with the Independent Commission, as well as the latter's visit to Members' offices, in September 2007.

Secretariat

(Post-meeting note: A meeting with the Independent Commission on 18 September 2007, at 5:30 pm, has been arranged (LC Paper No. AS 292/06-07 refers). All interested LegCo Members have been invited to attend the meeting.)

23. The meeting closed at 12:15 pm.