

立法會
Legislative Council

LC Paper No. AS77/07-08

Ref : AM 12/01/19

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

**Minutes of meeting
held on Thursday, 18 October 2007 at 4:30 pm
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 absent : Hon Mrs Selina Chow Liang Shuk-ye, GBS, JP
Hon Cheung Man-kwong
Hon Abraham Shek Lai-him, SBS, JP

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

Staff in attendance : Mr Ricky Fung, JP
Secretary General (SG)

Mr Joseph Kwong
Accountant (ACCT)

Action

I. Further views to the Independent Commission on Remuneration for Members of the Executive Council and the Legislature of the HKSAR in respect of Members' remuneration package

(LC Paper No. AS28/07-08)

The Chairman remarked that Mr Wong Ting-kwong, Mr Howard Young and Mrs Selina Chow had offered their written comments on the draft paper (LC Paper No. AS 28/07-08) to be submitted to the Independent Commission on Remuneration for Members of the Executive Council and the Legislature of the HKSAR (Independent Commission).

2. Mr Wong Ting-kwong said that Members of the Democratic Alliance for the Betterment and Progress of Hong Kong (DAB) had the following comments on the draft paper:

(a) Medical protection

DAB Members agreed that medical cover should be provided for LegCo Members while they were in office. They considered that, to be commercially viable, a premium of some \$73,000 per Member per year was not unreasonable - in view of the high risk for covering all Members without any restrictions on their age and health conditions. However, the public might not fully understand the rationale for such a high premium. Therefore, if a choice was given, DAB Members would prefer the medical benefits being provided for senior civil servants to the medical insurance plan proposed by the insurance consultant.

(b) Remuneration

As Members would probably be the direct beneficiaries of a remuneration review, the public might question the motive of Members in commissioning a consultancy study on such a subject. The study might also be viewed as an act for pressurizing the Independent Commission. DAB Members were therefore not in favour of appointing a consultant by the LegCo Secretariat to review Members' remuneration.

(c) Operating expenses reimbursement

DAB Members considered it reasonable and essential that sufficient financial provisions be provided for a Member to maintain a district office in each of the Districts served by the District Councils within the boundaries of his/her Geographical Constituency.

Medical protection

3. Responding to DAB Members' views on the medical insurance plan, the Chairman pointed out that the Subcommittee had proposed to the Independent Commission that the medical cover for civil servants be extended to Members. However, the Independent Commission counter-proposed that Members should consider taking out a group insurance plan from the market. Therefore, the Subcommittee invited an insurance consultant to propose a plan for members' consideration before responding to the Independent Commission.

4. Mr Howard Young said that Members of the Liberal Party did not support the proposed insurance plan too, because it seemed to be 'super deluxe'. He also relayed Mrs Selina Chow's suggestion of searching for some less expensive plans.

5. In reply to members, PCS(A) said that the Administration had not provided any specific reasons for not supporting the provision of civil service medical benefits for Members. A hearsay remark was that some civil servants feared that the already tight medical resources might have to be further stretched if Members were covered. The Chairman felt that fear that misconstruction of LegCo Members as civil servants in so doing might also be another reason.

6. Ms Emily Lau pointed out that the premium for the proposed plan agreed at the last meeting was about \$82,000, not \$73,000, because an annual medical check-up was added to the initial plan proposed. To show the Independent Commission the difficulty of arranging a small medical insurance plan for the 60 LegCo Members, she suggested that the plan should be forwarded to the Independent Commission nonetheless.

7. In response to Dr Lui Ming-wah, Ms Emily Lau suggested the Chairman to put forward a question at LegCo to enquire about the average cost of senior civil servants' medical benefits.

Chairman

*(Post-meeting note: Professor Patrick Lau put in a written question at the Council meeting held on 7 November 2007. A copy of the question and reply is in the **Appendix**.)*

8. In reply to members' enquiry on the medical benefits for Members in other legislatures, SG quoted the following from the Secretariat' research paper no. FS15/05-06:

- " • In the UK, Members are only provided with in-house medical services while working at Parliament.
- In New South Wales of Australia, Members are not entitled to any medical benefits or services provided by the Legislative Assembly or the state government.
- In the US, Members are eligible to participate in the Federal Employees Health Benefits Program on a voluntary basis... The federal government pays not more than 75% of the total premium for any plan selected by a participant...
- In Canada, Members are entitled to medical benefits, which are also available to civil servants."

9. In reply to Mr Wong Ting-kwong, SG confirmed that staff of the Secretariat enjoyed the same medical benefits as civil servants.

Members' remuneration

10. Referring to Appendix IV to LC Paper No. AS 28/07-08 of the Secretariat (research paper no. FS17/05-06), Ms Emily Lau suggested that the disparity between LegCo Members' remuneration and those of government officials be pointed out in the submission. She emphasized that in the countries selected for study, except Singapore, the difference in remuneration between a legislator and a cabinet minister was not as wide as that in Hong Kong:

HK\$ million
per year

	Member of legislature	Cabinet minister
United States	\$1.280	\$1.400
United Kingdom	\$0.850	\$1.930
Canada	\$1.035	\$1.530
New South Wales of Australia	\$0.650	\$1.020
Hong Kong	\$0.653	\$3.220

11. Ms Emily Lau further said that the 5-fold difference between a LegCo Member's remuneration and a principal officer's was exorbitant. LegCo Members' remuneration was also substantially below the proposed salaries for a Deputy Director of Bureau (viz \$193,775-\$223,585 per month) or even a Political Assistant to a Director of Bureau (viz \$104,340-\$163,950 per month). It should be stressed that the work of a LegCo Member, was a job, not a form of public service.

12. On the proposed consultancy study, Dr Lui Ming-wah believed that it would be difficult to bench-mark the appropriate level of remuneration for Members in Hong Kong.

13. Ms Emily Lau agreed not to pursue the consultancy study in view of the lack of a consensus among Members on the proposal and the time constraint on the study.

14. Further to the Subcommittee's previous request for the granting of a 15% gratuity (on the total remuneration earned) to Members, Ms Emily Lau suggested that the gratuity be paid upon completion of each LegCo term. Members agreed.

Operating Expenses Reimbursement

15. In response to Ms Tam Heung-man, members agreed that if the number of District Councils in a large Geographical Constituency was four, sufficient resources should be provided for running four district offices. The same level of resources should be made available to all Members, including those who were returned from a Functional Constituency or a small Geographical Constituency.

Conclusion

16. The Chairman summarized members' views and instructed the Secretariat to incorporate such views in a revised draft for members' review, before making a submission to the Independent Commission. Secretariat

(Post-meeting note: A revised draft paper, LC Paper No. AS42/07-08, was issued on 25 October 2007 for members' comment. With no suggested modifications, the paper was submitted to the Independent Commission via the Director of Administration on 31 October 2007.)

17. The meeting ended at 5:15 pm.

Legislative Council Secretariat
December 2007

**LegCo Question No. 10
(Written Reply)**

Asked by : Prof Hon Patrick LAU

Date of Sitting : 7 November 2007

Replied by : SCS

Question:

Will the Government inform this Council of the number of senior civil servants who were provided, in each of the past five years, with free medical and dental benefits by the Government and the relevant average cost per person?

Reply :

Madam President,

Medical and dental benefits are provided to civil service eligible persons (i.e. civil servants/pensioners and their eligible dependants, and other eligible persons) through the facilities managed by the Hospital Authority (HA) and Department of Health (DH). Civil servants, irrespective of grades and ranks, pensioners and all other eligible persons are entitled to the same level of medical and dental benefits.

The total strength of the civil service and the costs relevant to the provision of civil service medical and dental benefits for the past five years are set out below –

	2002-03	2003-04	2004-05	2005-06	2006-07
Strength of the civil service ¹	173 029	169 100	163 039	157 300	155 019
Cost of services provided by HA (\$M) ²	Not available	1,885.0	1,828.0	1,859.0	1,999.0
Cost of services provided by DH (\$M) ²	576.9	469.9 ³	437.8	455.0	484.4
Revenue forgone for services provided by HA (\$M) ⁴	168.1	248.8	270.7	295.4	301.2

- 1 There are no readily available statistics on the number of other eligible persons (namely eligible dependants of civil servants, pensioners and their eligible dependants, and other eligible persons).
- 2 The overall cost of services (estimated cash expenditure) provided by HA/DH to all civil service eligible persons.
- 3 General out-patient clinics were transferred from DH to HA with effect from July 2003.
- 4 The overall revenue forgone for services provided by HA to all civil service eligible persons.