

立法會  
*Legislative Council*

LC Paper No. AS304/07-08

(The minutes on Item II have been seen by the  
Administration)

Ref : AM 12/01/19

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

**Minutes of meeting  
held on Thursday, 19 June 2008 at 4:45 pm  
in Conference Room B of the Legislative Council Building**

**Members present** : Prof Hon Patrick Lau Sau-shing, SBS, JP (Chairman)  
Hon Mrs Selina Chow Liang Shuk-ye, GBS, JP  
Hon Howard Young, SBS, JP  
Hon Emily Lau Wai-hing, JP  
Hon Wong Ting-kwong, BBS

**Members absent** : Dr Hon Lui Ming-wah, SBS, JP  
Hon Cheung Man-kwong  
Hon Abraham Shek Lai-him, SBS, JP  
Hon Tam Heung-man

**Public Officers  
Attending** : Miss Jennifer Mak, JP  
Director of Administration

Miss Agnes Wong  
Deputy Director of Administration

Mr K C Yau  
Assistant Director of Administration

**Clerk in attendance** : Mr Joseph Kwong  
Principal Council Secretary (Administration)  
(PCS(A))(Acting)

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

Mr Anthony Chu  
Senior Council Secretary (Administration)2 (SCS(A)2)

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**I. Confirmation of minutes of meeting held on 2 June 2008**  
(LC Paper No. AS240/07-08)

The minutes of the last meeting held on 2 June 2008 were confirmed.

**II. Enhanced level of Members' operating expenses reimbursement for the Fourth Legislative Council**

(LC Paper No. AS219/07-08

- letter dated 30.5.08 from the Director of Administration)

(LC Paper No. AS153/07-08

- Statistics on the utilization of Members' recurrent operating expenses reimbursement)

2. The Chairman welcomed D of Adm and her colleagues to the meeting to elaborate on the reasons for rejecting Members' request for an enhanced level of Members' operating expenses reimbursement for the Fourth LegCo. The reasons were previously set out in her letter dated 30 May 2008 (LC Paper No. AS219/07-08).

3. D of Adm recapitulated that in response to Members' request for a 20%-increase in the reimbursable amount for Office Operation Expenses Reimbursement (OOER), the Independent Commission on Remuneration for Members of the Executive Council and the Legislature, and Officials under the Political Appointment System of the Hong Kong Special Administrative Region (Independent Commission) recommended a 10%-increase, which was implemented in October 2006. In subsequent reviews of the overall utilization rate of OOER, including the full-year figures for 2006-2007, the Independent Commission noted that the percentage of Members claiming more than 90% of the reimbursable amount had dropped after the adjustment of the reimbursement ceiling. Seemingly, the 10%-increase was generally sufficient. D of Adm also pointed out that the Independent Commission had taken a holistic approach to the package for Members. It had recommended (a) a 15%-increase in Members' remuneration, (b) introduction of an end-of-service gratuity at 15% of Members' remuneration, and (c) an accountable medical allowance of \$25,000 per annum for each Member. On implementation of these recommendations in the new LegCo term, Members' total package would be enhanced by more than 30%. She further remarked that the Independent Commission was prepared to revisit the issue on OOER in the light of any new information and if circumstances so warranted.

4. Referring to the statistics reported in LC Paper No. AS153/07-08, Ms Emily Lau noted that 28 and 25 GC Members (i.e. Members returned through Geographical Constituencies) utilized 90% or more of the OOER, and 10 and seven Members also reported unreimbursed over-ceiling expenses in 2005-2006 and 2006-2007 respectively. Furthermore, she drew the attention of the meeting to paragraph 10 (d) of the Paper, which stated that “some Members might not have the financial resources to subsidize their Council work”. Ms Emily Lau then questioned the rationale of the Administration for treating all Members en bloc. She found it unreasonable to keep the reimbursement ceiling down simply because some Members, who might be lazy or else for some other reasons, had not fully utilized their claimable amounts.

5. D of Adm responded that the Independent Commission had considered the overall picture. As public money was involved, an adjustment of the reimbursement ceiling could not be based just on a few Members’ over-ceiling expenditure. She further pointed out that the overall utilization average for OOER had slipped from 93.3% to 89.7%, when the figures of the aforesaid two years were compared.

6. The Chairman, however, opined that an overall utilization average of 89.7% could not be regarded as low, taking into account that some Members might have tried to work within the claimable budget. In dollar terms, the average reimbursement claimed had actually increased.

7. Ms Emily Lau found it unreasonable if the Administration would only raise the reimbursement ceiling after a great majority of the Members had to finance their LegCo work with their own resources.

8. Mr Wong Ting-kwong said that the figures in the front part of the LegCo term might be lower because Members were at the start-up stage. He hoped the Administration would consider the figures of 2007-2008 when they were available.

9. D of Adm confirmed that, while Members’ remuneration package was normally reconsidered and fixed before a new LegCo term, the reimbursement ceilings for operating expenses had been adjusted in the past, where justified, during the course of a LegCo term.

10. Ms Emily Lau was not satisfied with the remuneration package. She said that while the remuneration for ministers of other countries was only about twice that of the Members of their parliament, the ratio was five to six folds in Hong Kong. Even the remuneration for the Administration’s Political Assistants was at least twofold that of a LegCo Member. She demanded that redressing of such a disparity should not be deferred for another four years.

11. D of Adm responded that a direct comparison could not be drawn between the remuneration of the Administration's political appointees and that of LegCo Members, because they were under two different systems. Likewise, when comparing with other countries, consideration had to be given to the fact that their operating modes and mechanisms might be different from those of Hong Kong. Nonetheless, the Independent Commission understood that LegCo Members' duties were heavy and onerous, therefore it had recommended the enhancements mentioned in paragraph 3 above.

12. Ms Emily Lau found it ridiculous that the amount of a Member's OOER was even lower than the remuneration of a Political Assistant in the Administration. She considered the Independent Commission unfair, because after meeting with Members and knowing that, with less than \$130,000 a month, a Member had to operate three or four ward offices and hire about 10 assistants to assist with his/her LegCo work, it still maintained that the financial resources provided by the Administration were sufficient.

13. D of Adm stated that when considering the financial package for Members, the Independent Commission had not taken the remuneration package of the political appointees into account.

14. The Chairman suggested that the Administration should review the reimbursement ceilings and Members' remuneration package as soon as possible. In doing so, the remuneration package for political appointees should be a point of reference.

15. Mr Wong Ting-kwong said that he had not sought for full reimbursement of his operating expenses. For showing the total financial resources required by Members in carrying out their LegCo duties, the meeting recommended that Members should submit all their operating expenses for the verification and record of the Secretariat, even if such expenses had exceeded the reimbursement ceiling and would not be reimbursed.

LegCo  
Members

16. Mr Howard Young commented that the OOER utilization rate was not a measurement of whether the Member concerned was lazy or not. A Member might fulfil his/her function fully even though he/she had fewer offices than others and thus had a lower level of expenditure. He agreed that as OOER was claimed on an accountable basis, chances of abuse were slim. Stating that he would not seek re-election, Mr Young considered that LegCo Members' remuneration was unreasonably low when compared with those of the Administration's political appointees. He reiterated his previous suggestion that the Independent Commission should appoint a consultancy firm to review the remuneration of LegCo Members.

17. Mrs Selina Chow believed that there should be a certain degree of parity between the pay for the political appointees and that for LegCo Members, who were representatives of the people. LegCo Members should also be provided with sufficient resources to carry out their duties. For nurturing political talent, the pay for LegCo Members and their assistants should not be too far off the market, because expecting LegCo Members to provide a free public service was already an out-of-date notion. Mrs Chow suggested the Administration to review the whole structure and package. If the Administration considered that treating LegCo Members' work as a job would entail certain conditions, such conditions should be floated for Members' consideration. Shying away from this issue would lead to nowhere. Further piecemeal bargaining and adjustments would not be meaningful.

18. Citing that a Deputy Director of Bureau's remuneration was around 65% to 75% of the remuneration of a Director of Bureau and that a Political Assistant's remuneration was about 35% to 55% of that of a Director of Bureau, Ms Emily Lau urged the Administration to propose at what level a LegCo Member's remuneration should be pitched.

19. D of Adm confirmed that she would continue to maintain liaison with the Secretariat and convey additional information on utilisation of OOER to be provided by the Secretariat to the Independent Commission for its consideration. D of Adm

*(D of Adm and her colleagues left the meeting after this juncture.)*

### **III. Any other business**

#### Survey on objective bases for Members' claims for shared operating expenses

(LC Paper No. AS 241/07-08

- Opinion survey results on sharing of offices and staff between LegCo and non-LegCo business)

20. The Chairman drew members' attention to LC Paper No. AS 241/07-08, which reported the survey results on whether sharing of a Member's office and staff with other parties or for other purposes should be allowed; and if allowed, whether certain records should be maintained. As at 16 June 2008, a total of 53 replies were received.

21. Mrs Selina Chow said that accountability and transparency in the use of public funds should be supported. However, if shared use of a Member's office and staff with other parties or for some non-LegCo business was not allowed, it would cause significant inconvenience to FC Members (i.e. Members returned through Functional Constituencies) — as an FC Member had to maintain substantial connection with his/her constituency, leasing separate offices and hiring different staffs to conduct his/her LegCo as well as non-LegCo business would neither be efficient nor cost-effective.

22. In response to Mrs Selina Chow, ACCT said that the compliance auditor would accept a sample month's time sheets as basis for apportioning shared expenses between LegCo and non-LegCo business. In this way, it would not be necessary for a Member's staff to fill in time sheets throughout the year.

23. Mr Howard Young further suggested that, where LegCo work and non-LegCo work were in different proportions, it would be more efficient if a staff member was asked to log his/her time just for the smaller portion.

24. As it was unlikely that discussions with the compliance auditor about the alternative ways of time-keeping and consultation with all Members on the final proposals could be completed before 19 July, end of the current LegCo term, the meeting agreed that Members of the Fourth LegCo should be consulted about the time records to be maintained by their staff. Secretariat

25. Subject to members' views, a report of the Subcommittee would be submitted to the House Committee for its information.

*(Post meeting note: The Subcommittee's fourth report, LC Paper No. AS254/07-08, was submitted to the House Committee on 4 July 2008).*

26. The meeting closed at 5:52pm.