

**Increase in the Operating Expenses Reimbursement
for Members of the Legislative Council (LegCo)
FCR(2006-07)23**

Supplementary Note

Purpose

This note provides further information on –

- (a) arrangements for giving effect to the intended relaxation on the shared employment of staff by LegCo Members, as mentioned in paragraph 10 of FCR(2006-07)23; and
- (b) the Independent Commission's views on Members' remuneration, medical and retirement benefits, referred to in paragraph 11 of FCR(2006-07)23.

Shared Employment of Staff

2. In response to the request from the LegCo Subcommittee¹, the Independent Commission² recommends, and the Administration accepts, that the present restriction against shared employment of staff should be relaxed and can be given effect as soon as possible. In consultation with the LegCo Secretariat, we are prepared to give effect to the new, relaxed arrangement as from 4 November 2006. Specifically, this implies that expenses incurred as from 4 November 2006 on staff employed jointly by more than one LegCo Member would be reimbursable. The LegCo Secretariat has confirmed readiness to accept claims for reimbursement for such expenses.

Members' Monthly Remuneration, and Medical and Retirement Benefits

3. Paragraph 11 of FCR(2006-07)23 mentions LegCo's requests for linking Members' monthly remuneration to a certain percentage of the salary range of the directorate officers in the civil

¹ Subcommittee on Members' Remuneration and Operating Expenses Reimbursement

² Independent Commission on Remuneration for Members of the Executive Council and the Legislature of the Hong Kong Special Administrative Region

service, and introducing medical and retirement benefits. Although these components are not the subject of the Finance Committee agenda item FCR(2006-07)23, we consider it appropriate for the sake of completeness to briefly mention the views of the Independent Commission on these requests. As stated in the agenda item, the Independent Commission has decided to consider these requests in the context of the forthcoming comprehensive review of the remuneration package for the next-term LegCo; the main consideration is to preserve the credibility of the remuneration regime for LegCo Members and to avoid LegCo Members of a particular term acting both as proposer and approving authority for changes to be made to their own remuneration package, especially changes relating to personal benefits.

4. The above requests are partly related to the question of how the nature of LegCo Membership should be conceived. On this question, the Independent Commission has repeated its long held position that LegCo Membership should be considered a public service rather than a job. However, the Independent Commission noted that the consultation exercise on the Further Development of the Political Appointment System was under way and might shed some light on the community's views on the question and the broader subject of nurturing political talent. The LegCo Subcommittee has actually referred to the same subject in its letter dated 20 June 2006 and at the meeting with the Independent Commission held on 2 August 2006. It was in response to the Subcommittee's suggestion that the Independent Commission accepted in its Report that it would be prudent not to rush into a decision; rather, the Independent Commission agreed to keep an open mind and would take into account the community's reaction to the consultation exercise in its comprehensive review. This position is set out in paragraph 10 of the relevant LegCo Brief and paragraph 18 of the Independent Commission's report.

Administration Wing
Chief Secretary for Administration's Office
2 November 2006