

立法會
Legislative Council

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Paper for the House Committee Meeting on 4 July 2008

**Fourth Report
of the Subcommittee on Members' Remuneration
and Operating Expenses Reimbursement**

Purpose

This paper seeks members' advice on the formation of a Subcommittee on Members' Remuneration and Operating Expenses Reimbursement again in the Fourth Legislative Council (LegCo) to continue consideration of the following outstanding issues:

- (a) an enhanced level of operating expenses reimbursement (OER) for Members of the Fourth LegCo; and
- (b) sharing of Members' offices and staff between LegCo and non-LegCo business.

The Subcommittee

2. The Subcommittee was formed at the House Committee meeting on 15 October 2004. It comprises nine members. A membership list of the Subcommittee is in **Appendix I**.
3. Under the chairmanship of Professor Hon Patrick LAU Sau-shing, the Subcommittee has held 21 meetings.

Outstanding issues

4. There are two outstanding issues to be followed up in the Fourth LegCo.

An enhanced level of OER for Members of the Fourth LegCo

5. In 2006, in response to the Subcommittee's proposal of a 20% increase of OER for Members of the Third LegCo, the Administration approved a 10% increase with effect from 1 October 2006. Regarding this increase as an interim measure, the Subcommittee has been pressing for the remaining 10% increase. Members consider the current level of Members' OER at \$127,835 per month inadequate to support two to three district offices and a number of personal assistants. Without sufficient financial provisions, Members can hardly recruit and retain high calibre assistants; hence fostering political talent. They feel particularly strong about this against the backdrop of the Administration's spending millions of public fund in appointing Under Secretaries and Political Assistants, whose remuneration ranges from \$134,150 to \$223,585 per month.

6. On 30 May 2008, the Administration responded that in the overall review of the remuneration package for the Fourth LegCo conducted in 2007, the Independent Commission on Remuneration for Members of the Executive Council and the Legislative of the HKSAR (now known as the Independent Commission on Remuneration for Members of the Executive Council and the Legislature, and Officials under the Political Appointment System of the HKSAR) (the Independent Commission) has thoroughly examined all the components of the remuneration package from a holistic perspective. The recommendations of this review, viz. increasing the monthly remuneration and providing an end-of-service gratuity and an additional medical allowance, but keeping others (including the level of OER) unchanged, represent reasonable enhancements to the remuneration package as a whole. Moreover, the latest statistics on the utilization of Members' recurrent OER show that the utilization rate has slightly dropped after the 10%-increase effective from 1 October 2006. In the light of the above considerations, the Independent Commission re-affirms its view that OER should be maintained at its current level at this stage (subject to the annual inflation adjustments). However, the Independent Commission will keep in view the position and revisit the level of OER some time during the course of the Fourth LegCo if deemed appropriate.

7. The Subcommittee recommends that this issue be further pursued in the Fourth LegCo.

Sharing of Members' offices and staff between LegCo and non-LegCo business

8. In its first report to The Legislative Council Commission, the independent compliance auditor points out that, where a Member shares his/her operating expenses between his/her LegCo business and non-LegCo business, the sharing ratio is sometimes based on the Member's estimation. The auditor recommends that objective sharing bases, verifiable to some extent, should be used. For example, for sharing of staff, it should be based on the staff's time sheets or time logs; and for sharing of office, it should be based on the floor plan.

9. In response to the auditor's recommendation, the Subcommittee has conducted an opinion survey to ascertain Members' views on whether Members' offices and staff should be completely segregated from non-LegCo business and whether verifiable records should be maintained to justify the reimbursed portion of such shared expenses.

10. A total of 53 Members respond to the survey. The views expressed are summarized below:

- (a) On the use of a Member's offices and staff,
 - (i) over 66% of the respondents opine that sharing with private or commercial business should not be allowed; and
 - (ii) about 90% of the respondents opine that sharing with organizations related to a Member's functional constituency or offices for District Council business should be allowed.
- (b) On the premise that shared use of a Member's office and staff between LegCo and non-LegCo business is allowed,
 - (i) only 40% of the respondents agree that time sheets or time logs should be maintained, while over 45% disagree; and
 - (ii) about 66% of the respondents, including some who agree that time sheets or time logs should be kept, consider the present apportionment basis of relying on the Member's estimation adequate.

A detailed breakdown of Members' responses is in **Appendix II**.

11. The Subcommittee discussed the result of the opinion survey at its meeting on 19 June 2008 with no conclusive views. Some members reiterate the inconvenience and practical difficulties faced by some Members if sharing of their offices and staff between their LegCo and private/commercial business is not allowed. Moreover, it might be at the expense of public funds because, to avoid unnecessary misconception, currently very often less than the actual portion of the shared expenses is claimed. With regard to the maintaining of verifiable records, while members generally agree with the need for such records, it is impracticable to keep detailed daily logs. The Subcommittee requests the Secretariat to consult the auditor if simple records kept over a short period can be taken as an acceptable objective basis for Members' claims for shared operating expenses.

12. The Subcommittee recommends that this issue be followed up in the Fourth LegCo.

Recommendation

13. In conclusion, the Subcommittee recommends that a similar subcommittee should be formed again in the Fourth LegCo to further pursue the two outstanding issues set out in paragraphs 5 to 12.

Advice sought

14. Members' advice is sought on the Subcommittee's recommendation in the preceding paragraph.

Administration Division
Legislative Council Secretariat
30 June 2008

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

Membership List

Chairman Prof Hon Patrick Lau Sau-shing, SBS, JP

Members Dr Hon Lui Ming-wah, SBS, JP

Hon Mrs Selina Chow Liang Shuk-yee, GBS, JP

Hon Cheung Man-kwong

Hon Howard Young, SBS, JP

Hon Emily Lau Wai-hing, JP

Hon Abraham Shek Lai-him, SBS, JP

Hon Wong Ting-kwong, BBS

Hon Tam Heung-man

(Total: 9 members)

Clerk Mrs Anna Lo

Subcommittee on Members' Remuneration and Operating Expenses Reimbursement

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

Questions	Yes	No	No Comment
1. Should sharing of a Member's office and/or staff with the following parties (or for the following purposes) be allowed?			
(a) any private/commercial business	16 + 1 (i.r.o. staff)	35 + 1 (i.r.o. office)	1
(b) organizations related to the functional constituency that the Member represents	46	7	0
(c) the District Council office of the Member and/or other District Council Member(s)	50	2	1
2. If shared use of a Member's office and staff is allowed, should the following records be maintained?			
(a) time sheets or time logs for staff serving both LegCo and non-LegCo business (Please see Attachment to LC Paper No. AS230/07-08 for a sample time sheet.)	21	25	7
(b) time logs for shared rooms occasionally used by a Member's office (e.g. meeting rooms in a shared office) (Note: At present, the Reimbursement Guide requires that a floor plan demarcating areas dedicated to LegCo and non-LegCo business be submitted to justify the office rent shared.)	21	24	8
(c) no additional records are required, the present practice of relying on the Member's estimation is adequate	35	11	7