

**立法會**  
**Legislative Council**

LC Paper No. AS 200/11-12

Ref : AM 12/01/19 (08-12)

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

**Minutes of meeting  
held on Tuesday, 31 January 2012 at 10:45 am  
in Conference Room 3 of the Legislative Council Complex**

**Members present** : Hon Emily LAU Wai-hing, JP (Chairman)  
Hon LEE Cheuk-yan  
Hon CHEUNG Man-kwong  
Hon Abraham SHEK Lai-him, SBS, JP  
Hon WONG Ting-kwong, BBS, JP  
Hon Ronny TONG Ka-wah, SC  
Hon IP Kwok-him, GBS, JP  
Hon Mrs Regina IP LAU Suk-yea, GBS, JP

**Member attending** : Hon Cyd HO Sau-lan

**Member absent** : Prof Hon Patrick LAU Sau-shing, SBS, JP

**Clerk in attendance** : Mr Andy LAU  
Principal Council Secretary (Administration)

**Staff in attendance** : Ms Pauline NG  
Secretary General (SG)

Mr Joseph KWONG  
Accountant (ACCT)

Mr Michael YU  
Head (Research) (H(R))

Ms Debbie YAU  
Chief Council Secretary (Administration) (CCS(A))

---

**I. Review of the remuneration package and operating expenses reimbursement for Legislative Council Members**

LC Paper No. AS 84/11-12

LC Paper No. AS 85/11-12

Review of the operating expenses reimbursement

*Introduction*

The Chairman recapitulated that pursuant to the decision at the last meeting of the Subcommittee, she had sent on behalf of the Subcommittee a letter to 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 ("the Independent Commission") (LC Paper No. AS84/11-12) expressing members' views and concerns on the long time required by the Independent Commission to consider the Subcommittee's submission on Operating Expense Reimbursement ("OER"). She drew members' attention to the letter from the Chairman of the Independent Commission dated 13 January 2012 ("the Independent Commission's Letter") (LC Paper No. AS85/11-12) and the draft reply from the Subcommittee ("Draft Reply") (LC Paper No. AS90/11-12) prepared by Secretariat. She added that the Subcommittee had also received a letter signed by more than 100 Members' assistants, which expressed disappointment with the delay of the Independent Commission in responding to the Subcommittee's submission.

2. At the Chairman's invitation, SG introduced the Draft Reply which had addressed the concern in the Independent Commission's letter that OER was part of the remuneration package of Legislative Council ("LegCo") Members which should remain the same within the entire LegCo Term. Any substantial changes should take effect from the next LegCo Term unless with strong justifications.

3. SG said that the Draft Reply had set out the precedents of mid-term increases in OER having regard to specific circumstances and considerations at the time. It was hoped that the Independent Commission would support the implementation of the revised OER ceiling to take effect retrospectively from 1 October 2011 to address

the great difficulties Members were now facing in maintaining a team of good quality staff to assist them in their work. The Chairman invited comments from Members on the Draft Reply.

Discussion by the Subcommittee

4. Mr Abraham SHEK agreed with the contents of the Draft Reply. Pointing out that Members were elected by people of Hong Kong to represent them, he queried the mandate of the Independent Commission and its rationale for not adjusting OER during a LegCo term. Echoing his view, Mr WONG Ting-kwong enquired about the legal basis, if any, that the Independent Commission could not review and adjust OER in the middle of a term. SG explained that according to the Independence Commission, it was an established practice to conduct a comprehensive review of the remuneration package for LegCo Members about a year before the start of a new LegCo Term. There were precedents, in 2001 and 2006 respectively, where mid-term increase in the OER were made, which, according to the Independent Commission, should be regarded as exceptions rather than the rule. However, the then Commission on Remuneration for Members of the Legislative Council wrote in its Report published in June 1995 that "the Commission can, in the interim, look at specific areas ...".

5. Mr WONG Ting-kwong suggested that the salaries of Members' staff might be adjusted with reference to the level of increase in OER. The Chairman reminded members that the Subcommittee's proposed increase in OER covered assistants' salary, their gratuity and expenses related to policy studies etc. As such, it might not be feasible to make changes at this stage as any further changes to the original proposal would have to be discussed and endorsed by Members.

6. While expressing agreement with the Draft Reply, Mrs Regina IP considered that the 40% increase in OER was necessary as the existing level was exceptionally low and no systematic review on OER had been undertaken for a long time. As Members had the mandate from the people to monitor the work of the Government, they should be given the recognition of their role in a Representative Government and a reasonable salary package should be provided to Members' staff to assist Members to discharge their LegCo duties. She highlighted the long working hours and wide scope of work

**Action**

undertaken by her staff who indeed deserved a better pay. She urged the Independent Commission and the Administration to consider the Subcommittee's proposals expeditiously and that any changes should take retrospective effect from 1 October 2011.

7. Ms Cyd HO said that according to the survey conducted by the Secretariat, Members returned by geographical constituencies had an average of three district offices and one central office. The existing \$140,000 OER per month was grossly insufficient to support the operation of these offices. While she agreed that adjustments of Members' monthly remuneration should take effect from the next LegCo term to avoid any real or potential conflict of interest, this consideration should not be applicable to OER which covered the staffing and operating costs on an accountable basis. She supported that Members' assistants should be entitled to a reasonable salary package, including a gratuity. In view of the wide scope of the assistants' work, it might be necessary to undertake a survey on the scope of their work to help determine their salary level. On the Administration's use of the overall average OER utilization rate to determine whether the existing OER level was sufficient, she pointed out that Members had to be prudent in the use of OER in order to avoid spending over the ceiling and they should not be expected to finance their LegCo work with their own resources. She agreed that the Draft Reply should adopt a strong stance and urge the revised OER to take effect from the current session. The Chairman remarked that the Secretariat had provided statistics on Members' over-ceiling expenses to the Administration and Independent Commission for their information.

8. Mr WONG Ting-kwong considered that it was not appropriate for the Independent Commission to only take into account the extent of over-ceiling expenses incurred by Members to determine whether the resources provided for Members were sufficient or not. He pointed out that some Members, in particular those returned from functional constituencies, might not have used up all OER as they had the support of the affiliated associations. Besides, citing himself as an example, not all his LegCo-related expenses, such as informal meetings with people in his constituency, had been included in the expenses reimbursable from OER. He had used his monthly remuneration to subsidize the LegCo-related activities. The Chairman reminded members that it was important to provide information on over-ceiling expenses to the Secretariat. Though

**Action**

these expenses were non-reimbursable, they would allow the Secretariat to provide a complete picture of Members' expenditure pattern to the Independent Commission and the Administration for future consideration.

9. Mr CHEUNG Man-kwong expressed disappointment with the Independent Commission's letter and considered that the Draft Reply should express both regret and disappointment. Citing an example of his assistant who, being a degree holder, was just earning a salary comparable to a general delivery worker, he pointed out that for people with a passion to serve the community like Members' assistant, the existing salary level was obviously not able to provide them with a reasonable living standard, not to mention career prospect of the job. The salary should be revised upward to reflect the qualification and experience required of an assistant. The Chairman remarked that according to statistics collected by the Secretariat, around 60% of Members' assistants were earning a salary below \$15,000. She considered that even the assistants had a vision to serve the community, a reasonable salary package should be provided to them to sustain their living and family.

10. Mr LEE Cheuk-yan said that the Secretariat had completed its review study on OER for LegCo Members and the findings had been submitted to the Independent Commission for consideration. It seemed that there was a duplication of efforts if the Independent Commission would conduct research and collect other relevant data on its own again. He recalled that the Independent Commission had not indicated that it would conduct its own research upon receiving the Subcommittee's submission. SG said that in the past, after the Subcommittee submitted any proposals, the Independent Commission and the Administration would conduct their own research on the Subcommittee's findings. In the report of the Independent Commission published in 2007, it was stated that in the absence of sufficient empirical data to allow an informed judgment, the Independent Commission was therefore not convinced that the OER should be increased further at that stage. In addressing this comment, the Secretariat had conducted a comprehensive study on Members' actual needs and aspirations for staffing and other resources to discharge their duties and the Subcommittee's submission was based on the findings of the study. After the submission was sent to the Independent Commission in March 2011, the Independent Commission had so far made no recommendations to the

## Action

Administration. Before the meeting with the Administration in December 2011, the Subcommittee had not been informed that the Independent Commission would conduct further research based on the information provided by the Subcommittee.

11. Referring to the last page of the Independent Commission's letter, Ms Cyd HO pointed out that the increase in rental expenses of Members' district offices in both private premises and those under the Hong Kong Housing Authority had been significant in the past years. As any rental increase exceeding the inflation rate could not be recovered by adjustments of OER according to movements of Consumer Price Index ("CPI") (C), part of Office OER allocated for other purposes might have to be used to pay rental expenses.

12. Mr CHEUNG Man-kwong suggested and members agreed that the Subcommittee should also send a letter, attaching the reply to the Independent Commission, to the Chief Executive expressing members' dissatisfaction towards the work of Independent Commission. Mr LEE Cheuk-yan suggested that the letter should state clearly that after the Subcommittee had sent the proposal to the Independent Commission in March 2011, the Independent Commission was suspected to have delayed in making its recommendations by the excuse of conducting its own researches. The Independent Commission should be urged to expedite its work. Mr CHEUNG Man-kwong and Mr LEE Cheuk-yan's proposed amendments to the Draft Reply were tabled at the meeting. SG said that she would incorporate members' views expressed at the meeting and circulate the draft letters to the Independent Committee and the Chief Executive for members' comments.

*(Post-meeting note: The draft letters to the Independent Committee and the Chief Executive were circulated to Subcommittee members on 31 January 2012 and the letters were issued on 1 February 2012.)*

## Remuneration

13. At the Chairman's invitation, SG introduced the salient points of the paper on "Review of Members' remuneration" ("Remuneration Review") (LC Paper No. AS91/11-12), including background information on the work of LegCo Members and the

**Action**

Secretariat's survey conducted on Members' workload, number of working hours per week and responsibilities in relation to LegCo duties. Based on the findings that Members spent an average of 59 hours per week on LegCo work, Members' work was comparable to a full-time job. Members had to spend a lot of time for the preparation of highly complex work such as studying bills and subsidiary legislation, and considered amendments to motions and resolutions with legislative effect. Studies had also been conducted on six overseas parliaments on their mechanisms to determine and adjust their Members' remuneration. The remuneration was either determined by an independent statutory body or pegged to a certain percentage of the salary of cabinet ministers or senior government officials. In some overseas parliaments, special allowances would be paid for special roles in the legislatures, such as Speaker and committee chairmanship. The Secretariat had also engaged Sir Malcolm JACK, former Clerk to the House of Commons of the UK, to give advice on the determination of Members' remuneration. Sir Malcolm JACK pointed out that in view of changing public expectation, the job of a parliamentarian was now universally regarded as full-time. Out of the six overseas parliaments studied, all but Singapore regarded their membership to be full time.

14. The Chairman thanked the Secretariat for the Remuneration Review. As the Independent Commission had required the Subcommittee to submit views on the review of remuneration package for Members of the Fifth term LegCo, she suggested that the draft proposals should be submitted to the House Committee for endorsement as soon as possible.

15. In response to the Chairman's enquiry, H(R) referred to Appendix VI of the Remuneration Review and supplemented that annual allowance for Members of Singaporean Parliament in 2011 was slightly reduced by 3% compared with that for 2010. The extent of the cuts for the Speaker and Deputy Speakers at 53% and 15% respectively were much more significant. The Chairman requested H(R) to supplement information on the adjustment of salary for Singapore Ministers in the forthcoming information note.

16. Referring to Annex VII of the Remuneration Review, the Chairman advised members that the responding Members strongly agreed that:

**Action**

- (a) the remuneration for Members should recognize the fact that their work was indeed a full-time job; and
- (b) the present remuneration package for LegCo Members did not reflect their level of responsibility and the time they devoted to LegCo work and could not encourage persons with good professional background to come forward to serve the community as LegCo Members.

The majority of the respondents strongly agreed that their remuneration should be pegged to 50% of the salary of a Director of Bureau (DoB), i.e. \$141,000 per month based on the current level of a DoB's salary. In order to allow the Secretariat to incorporate the Subcommittee's views on the monthly remuneration for the Fifth term LegCo, the Chairman sought members' views on the three points as set out in paragraph 35 of the Remuneration Review.

*LegCo work as a full-time job*

17. Members present at the meeting agreed that a Member's work required his full-time commitment. Mr LEE Cheuk-yan agreed that Members' work was and should be a full-time job due to the change of public expectation on the role of Members and the increasing complexity of the job nature. Overseas parliaments, apart from that of Singapore, also considered that Members' work was equivalent to a full time job. The Subcommittee should convince the Independent Commission and the Administration on this point.

18. Mr CHEUNG Man-kwong pointed out that despite some Members did not work full time as LegCo Member but they needed to devote and commit themselves fully in liaising and consulting their constituencies. The Chairman referred members to the previous remarks made by the Administration that LegCo work was regarded as a public service not a job.

19. Mr WONG Ting-kwong agreed that the Subcommittee's proposal should point out that Members needed to commit themselves fully to the job but might not necessarily work full time on LegCo-related work. For Members returned from the functional constituencies, they might have an outside job or in close connection with their constituencies concerned.

*Level of Members' remuneration*

20. Mr CHEUNG Man-kwong suggested that there should be a transitional arrangement for pegging Members' remuneration with that of a DoB, taking into account the local context. Under the separation of powers, the function of LegCo was to monitor the work of the Administration which was now operating under the political appointment system. As such, it was appropriate to peg Members' remuneration to the salary of a DoB. In view of the different responsibilities and work between DoBs and Members, and public sentiments towards the performance of some Members, the Democratic Party was of the view that a transitional arrangement would be desirable in that Members' monthly remuneration should be pegged initially at 40% of DoBs' salary and then increased to 50% gradually. Consideration might be given for those Members who were not committed full-time to LegCo work to take 30%. The Subcommittee should explain clearly to the public about the rationale of pegging Members' remuneration to that of DoBs. Comparison should be made to both overseas legislatures and the existing structure in the Government, i.e. DoBs, Under Secretaries and Political Assistants. He also remarked that even if Members' remuneration was pegged at 50% of a DoB, it was still lower than that of a Political Assistants and the proposed increase should not be seen as excessive.

21. Mr LEE Cheuk-yan said that the Labour Party agreed that Members' remuneration should be akin to that of a DoB, given the constitutional role of Members, the wide spectrum of Members' work and the important decisions they needed to make which would affect the general public at large. While considering the existing salary level of DoBs was set too high and should be reduced, he found it acceptable to peg Members' remuneration at 50% of that of a DoB.

*Same monthly remuneration for all Members and public scrutiny*

22. On whether all Members should receive the same monthly remuneration, SG said that the public would raise the question whether all Members' remuneration should be increased given that not all Members were dedicating the same amount of time to LegCo work.

**Action**

23. Mr CHEUNG Man-kwong opined that the work of a LegCo Member required his full time commitment, and was also subject to public scrutiny. He considered that all Members should receive the same monthly remuneration.

24. Mr LEE Cheuk-yan agreed in principle that the work of Members should be transparent and accountable to the public and all Members should receive the same monthly remuneration.

25. SG explained that the Secretariat had sought advice from Sir Malcolm JACK on the mechanism of the UK parliament to monitor their Members' work. While all Members received the same remuneration package, a stringent declaration mechanism to increase transparency was in place to allow the public to monitor Members' income from outside sources. Some other overseas parliaments capped the income from outside sources to a percentage of Members' remuneration to ensure higher accountability. Should the Subcommittee consider LegCo work a full-time job, she suggested that a similar declaration mechanism on Members' outside income(s) might be required. With reference to OER which only set a ceiling of the expenses, she said that consideration might be given to allowing Members to opt to receive a percentage of the remuneration, say according to the time they spent on LegCo-related work, on a voluntary basis.

26. The Chairman advised members about the declaration practice in UK was that its Members must register with the Parliament details of outside employment and remuneration, including the exact amount of each individual income received, the nature of the work done, the amount of time spent on the work bringing the income. Such declaration practice would need further deliberation by Members, if so adopted.

27. The Chairman added that the Administration and the Independent Commission had all along considered that LegCo membership was not a job but a public service. Their argument was that if it were treated as a full-time job, Members might need to declare their outside employment and earnings in detail. The present declaration system did not cater for this purpose.

**Action**

28. Mr CHEUNG Man-kwong pointed out that some Members who devoted full commitment to LegCo-related duties might have incomes not generated from work, such as rental income from properties. For the purpose of convincing the Independent Commission and the Administration that LegCo work required Members' total commitment, it should be sufficient to just present to them the finding of the number of hours Members spent on LegCo-related duties.

29. In response to Mr LEE Cheuk-yan's enquiry, the Chairman advised that at present, Members were only required to declare their registrable interests, including names of outside remunerated bodies but not the payment details.

30. Mr CHEUNG Man-kwong considered that Members with substantial outside income were individual cases and opined that the Subcommittee's recommendations on revising OER and monthly remuneration were arrived at by the Subcommittee based on the findings of questionnaires returned by the majority of Members.

31. Highlighting that LegCo work required full-time commitment, Mr LEE Cheuk-yan said that he had no objection in principle to require Members to declare income(s) from outside sources and allow them to opt to receive a percentage of the remuneration. By presenting these figures, the public could monitor the proper use of public money and accountability of the legislature.

32. Mr CHEUNG Man-kwong pointed out that according to the findings of the survey, most responding Members did not opt to receive a percentage of the remuneration. It might not be appropriate to decide on any declaration mechanism at the meeting. The Chairman agreed, in particular that the survey had not mentioned about declaration of outside income(s) and hours spent on non-LegCo related work. SG added that paragraph 35(b) of the Remuneration Review only sought Members' view on allowing Members to opt to receive a percentage of the remuneration on a voluntary basis but there was no requirement for Members to declare incomes from outside resources.

Way forward

33. The Chairman sought members' views on the way forward. Mr CHEUNG Man-kwong said that no conclusion could be reached at the meeting, and all options should be presented to the House Committee. SG suggested that the Subcommittee could consider allowing Members to opt to receive a percentage of the remuneration on a voluntary basis according to the time they spent on LegCo work.

34. SG said that the Subcommittee's views would be incorporated in the Remuneration Review and the Secretariat would consult and brief non-Subcommittee Members on the proposals. The meeting agreed that the next meeting would be scheduled for 7 February 2012 at 8:30 am. Subject to the consensus of Members, the Subcommittee would submit a proposal to the House Committee for consideration, seeking its consent to put forward the proposal to the Independent Commission. The Chairman asked the Secretariat to brief the media on the proposal of the Subcommittee as well.

**II. Any other business**

35. There being no other business, the meeting ended at 12:40 pm.

Administration Division  
Legislative Council Secretariat  
June 2012