

立法會
Legislative Council

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Paper for the House Committee Meeting on 26 October 2012

**Proposal to set up a subcommittee under the
House Committee to study issues relating to
Members' remuneration and operating expenses reimbursement**

Purpose

This paper invites members to consider setting up a subcommittee under the House Committee to continue to study issues relating to Members' remuneration and operating expenses reimbursement ("OER"), in particular the outstanding issues from the Fourth Legislative Council ("LegCo").

Background

2. A subcommittee was set up under the House Committee in every term since the Second LegCo to study issues relating to Members' remuneration and OER ("the Subcommittee"). The Subcommittee of the Fourth LegCo was formed by the House Committee on 17 October 2008. It comprised nine members and Hon Emily LAU Wai-hing was elected Chairman. One of the issues studied by the Subcommittee was the level of Members' remuneration and OER. The Subcommittee conducted a series of surveys to assess the extent of resources required for Members to perform their functions and duties. Based on the findings of the surveys and in view of the growing complexity of issues dealt with by Members and the increased size of their constituencies, the Subcommittee put forward a package of proposals to enhance the level of Members' remuneration and OER in its report (Appendix IV to LC Paper No. AS197/10-11) to the House Committee meeting on 18 March 2011. Following endorsement of the Subcommittee's proposals by the House Committee at the meeting, the proposals were put forward to 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").

3. In March 2012, the Administration informed the Subcommittee that the Chief Executive-in-Council had accepted the recommendations of the Independent Commission regarding the remuneration package for Members of the Fifth LegCo. The major changes include –

- (a) the monthly remuneration of Members should be increased by 10%, from \$73,150 to \$80,470 per month;
- (b) the annual Office Operation Expenses Reimbursement ("OOER") should be increased by 20%, from \$1,719,290 to \$2,063,150 per annum;
- (c) the surplus from a year's OOER entitlement should be allowed to roll over to the following year until the end of a LegCo term to facilitate salary increments and/or payment of gratuity at the end of the four-year term;
- (d) the existing level of the Setting Up Expenses Reimbursement (at \$150,000 per term or \$75,000 per term for Members who have claimed setting up expenses in the previous term) and the Information Technology and Communication Equipment Expenses Reimbursement (at \$100,000 per term) should be maintained. However, the two allowances should be combined into one provision to allow Members more flexibility in using the two allowances; and
- (e) the recommendations above should be implemented with effect from 1 October 2012 upon the commencement of the Fifth LegCo.

The above proposals were approved by the Finance Committee on 11 May 2012.

4. In proposing the 20% increase in the OOER, the Administration points out that the Independent Commission considers that it may be fair to conclude that in general, while Members may require a degree holder or an experienced staff to help handle LegCo business with policy content and to supervise the operations of the offices, there may be more flexibility regarding the qualifications of the other assistants, who mainly deal with frontline work such as handling complaints and providing miscellaneous services to the constituencies.

Outstanding issues of the Subcommittee

5. In its summary of deliberation (LC Paper No. AS180/11-12) presented to the Finance Committee on 11 May 2012, the Subcommittee has identified the following issues which required follow up actions –

OOER level

6. The Subcommittee considers that the proposed 20% increase is insufficient to address the high turnover of Members' staff and to retain staff with a reasonable salary package. The Subcommittee generally opines that the Independent Commission and the Administration have not taken into account the factors and proposals set out in the Subcommittee's report in March 2011. The increase in OOER by 20% has not acknowledged the nature and complexity of Members' work today and the support required by Members to perform their constitutional functions under the Basic Law. The Subcommittee holds the view that the staffing complement adopted by the Independent Commission as the basis for computing the 20% increase in OOER is inappropriate as there is a need for Members to engage more than one staff member with university background to assist them to examine public policies and proposed legislation. Given that staff in the district offices represent Members in dealing with the requests made by constituents in geographical constituencies, these staff should have sufficient education background and experience to understand the issues concerned and communicate with the Administration direct. The assumption that the work of these staff members is clerical in nature is wrong.

Review of Members' remuneration package

7. The Subcommittee considers that there is a genuine and urgent need for a more in-depth review to be conducted by the Independent Commission shortly after the start of the Fifth LegCo, with reference to the actual needs and operational requirements of Members. Further, the Subcommittee cannot accept the Administration's argument that to avoid any real or perceived conflict of interest, any substantial change to the package or fundamental changes to the existing framework will only take effect from the next LegCo term onwards, and that the remuneration package of LegCo Members should remain the same within the entire LegCo term, apart from the annual inflation adjustment in accordance with the CPI(C). The Subcommittee considers that any changes to the level of reimbursement should take effect during the term.

Objectiveness of the review conducted by the Independent Commission

8. The Subcommittee urges the Administration to devise an objective mechanism to review the remuneration package for LegCo Members. The Subcommittee is of the view that the review conducted by the Independent Commission is not objective enough to address the problem faced by Members in retaining a team of good quality staff. The Subcommittee notes that in overseas jurisdictions, the determination of the level of remuneration for Members is commonly regarded as a political and controversial issue. Over the years, it has become necessary for some kind of independent bodies, mostly established by statute, to be formed to decide or to advise on Members' salary, allowances and other benefits having regard to a whole package of considerations. For example, the last review of Members' remuneration in Canada is conducted on an ad hoc basis by a commission comprising two Members of the House of Commons, and the Chancellor of the University of Ottawa. In Australia and New Zealand, Members' remuneration is reviewed annually. For the United Kingdom, the review of Members' remuneration is required by law to be conducted either in the first year of each new Parliament or at any time the statutory Independent Parliamentary Standards Authority considers appropriate.

Advice sought

9. Members are invited to consider setting up a subcommittee under the House Committee to follow up the above outstanding issues and study any other issues relating to Members' remuneration and OER considered necessary by Members.

Administration Division
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