

**立法會**  
***Legislative Council***

LC Paper No. AS 150/12-13

Ref : AM 12/01/19 (12-13)

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

**Minutes of meeting  
held on Tuesday, 4 December 2012 at 4:30 pm  
in Conference Room 2B of the Legislative Council Complex**

**Members present :** Hon Emily LAU Wai-hing, JP (Chairman)  
Hon LEE Cheuk-yan  
Hon WONG Ting-kwong, SBS, JP  
Hon WONG Yuk-man  
Hon Claudia MO

**Member absent :** Hon IP Kwok-him, GBS, JP

**Clerk in attendance :** Mr Matthew LOO  
Principal Council Secretary (Administration) (PCS(A))

**Staff in attendance :** Mr Kenneth CHEN  
Secretary General (SG)

Mrs Justina LAM  
Deputy Secretary General (DSG)

Mr Joseph KWONG  
Accountant (ACCT)

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

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

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**Action**

**I. Election of Chairman**

Ms Emily LAU was elected Chairman of the Subcommittee.

**II. The Way Forward**

LC Paper No. AS 106/12-13

2. At the invitation of the Chairman, ACCT took members through the paper (LC Paper No. AS 106/12-13) which set out the outstanding issues from the Fourth Legislative Council ("LegCo") studied by the subcommittee formed to study Members' remuneration and operating expenses reimbursement ("Subcommittee of the Fourth LegCo"). PCS(A) also tabled a paper which showed the salary distribution of full-time Members' staff based on reimbursement claims received from 41 Members in October and November 2012.

*(Post-meeting note: The summary on salary distribution of Members' staff was circulated vide LC Paper No. AS 109/12-13 issued on 6 December 2012.)*

**Office Operation Expenses Reimbursement ("OOER")**

3. Mr WONG Ting-kwong expressed concern that most Members' staff had to work long hours but the monthly salary of 41.7% of them as at October 2012 only ranged from \$10,000 to \$15,000. He said that as a Member returned from functional constituency, he had financial support from his affiliated trade associations which partially covered office and staff expenses. However, Members returning from geographical constituencies might find the present level of OOER insufficient, even though it had already been adjusted upward by 20%, as they needed to serve larger constituencies, not to mention the five Members returned from the District Council (Second) functional constituency who had to serve a territory-wide constituency.

4. Echoing the concern, Mr WONG Yuk-man stressed that the salary level of most Members' staff was on the low side, and they choose to stay because they shared the same political values and beliefs of their Members. The existing OOER level was inadequate and he had to pay out of his own pocket to meet the shortfall and to raise funds for community activities.

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5. Referring to the report on "Review of the Operating Expenses Reimbursement for Legislative Council Members" ("Review Report") prepared by the Subcommittee of the Fourth LegCo (Appendix I to LC Paper No. AS 106/12-13) in March 2011, Mr LEE Cheuk-yan expressed grave concern that 78.5% of Members' staff appointed in December 2009 earned less than \$20,000 a month whereas fresh graduates joining the Government as Executive Officer ("EO") II at that time were already remunerated at \$20,950 a month, and the monthly remuneration of an EOI stood at a high level of \$38,685. He said that Members were forced to be unscrupulous employers under the existing OOER level. He noted that although the OOER for 2012-2013 was already adjusted according to Consumer Price Index (C) ("CPI(C)") and increased by 20% from \$1,719,290 to \$2,166,310 per annum, i.e. an increase of \$447,020 per annum (at 2012-2013 price level), the amount could hardly meet the request of the Subcommittee of the Fourth LegCo for an enhanced level of OOER with additional financial provision for staff remuneration at \$634,091 per annum (at 2010-2011 price level). Mr LEE urged that the Subcommittee should continue to pursue the outstanding proposals set out in the Review Report, given that the annual turnover rate of Members' full-time staff was as high as 34%. Members agreed.

Review on Members' remuneration and OOER

6. The Chairman pointed out that Members' remuneration and OOER was decided by the Chief Executive-in-Council based on the recommendations of 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"), which was appointed by the Administration. Over the years, it had become necessary for overseas jurisdictions to form some kind of independent bodies, mostly established by statute, to decide or to advise on the remuneration and other expenses of their legislators having regard to a whole package of considerations. She sought members' view on whether the Independent Commission should be replaced by a statutory body.

7. Ms Claudia MO agreed that the review on Members' remuneration and OOER should be conducted by an independent body. In this connection, the Clerk advised members that the Subcommittee of the Fourth LegCo had questioned whether the Independent Commission was truly independent, and was of the view that the review conducted

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by the Independent Commission was not objective enough to address the problems faced by members in retaining a team of good quality staff.

8. Mr WONG Yuk-man expressed doubts about the neutrality and independence of the Independent Commission. He however reiterated the need for the Subcommittee to focus its concern on the salary level of Members' staff. He also pointed out that there was perceived conflict of interest for the Subcommittee to review Members' own remuneration. Mr LEE Cheuk-yan agreed and considered that discussion on the formation and composition of the Independent Commission and review mechanism should be set aside for the time being as it might distract focus on the OOER level.

9. Mr WONG Ting-kwong did not have any strong view on whether the review on Members' remuneration and OOER should be carried out by an independent body appointed by the Administration or by a statutory body as long as the focus was on reviewing OOER first. Furthermore, he expressed support that any adjustments to OOER should take effect as soon as practicable within the same term rather than in the following term. Mr WONG Yuk-man agreed.

10. Mr LEE Cheuk-yan pointed out that as most financial proposals approved by the Finance Committee ("FC") would take immediate effect, he questioned why adjustments to members' remuneration and OOER had to take effect in the following term. He did not accept the Administration's argument that to avoid any real or perceived conflict of interest, any substantial change to the package would only take effect from the next LegCo term onwards, and that the remuneration package of Members should remain the same within the entire LegCo term.

Next steps

11. On the way forward, the Clerk advised that the Subcommittee might invite the views of all Members on whether the outstanding proposals in the Report should be pursued and if necessary, convene another meeting to consider Members' views before discussing with the Administration. Members agreed.

12. The Chairman pointed out that staff of Members of the Fourth LegCo expressed grave concern about the Administration's proposals and urged Members to vote against them at the relevant FC

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FC meeting. Members agreed to invite Members' views first, and Members' staff could submit their views to the Subcommittee at any time.

*(Post-meeting note: The Subcommittee has invited Members' views on whether to pursue the outstanding proposals in the Report on 7 January 2013 vide LC Paper No. AS 126/12-13.)*

13. SG pointed out that it was an established practice for the Independent Commission to conduct a comprehensive review of the remuneration package for LegCo Members about one year before the start of a new LegCo term. In other words, with the Sixth Term LegCo due to begin in October 2016, the Independent Commission would start the next review in 2015. He said that if the Subcommittee requested that any adjustments to Members' remuneration package should take effect within the same term, the Administration should be advised to conduct the review earlier.

14. The Chairman referred to the summary tabled at the meeting and invited members' views on whether more information should be collected from other Members. Members considered it not necessary to supplement the table with information on the qualifications and working experience, etc. of Members' staff as similar information had been included in Annex III to the Review Report.

**III. Any other business**

15. There being no other business, the meeting ended at 5:29 pm.

Administration Division  
Legislative Council Secretariat  
February 2013