

立法會  
*Legislative Council*

LC Paper No. CRM 985/15-16

(The minutes on item I have been seen by the Administration)

Ref : AM 12/01/19 (12-16)

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

**Minutes of meeting held on 25 April 2016 at 5:00 pm  
in Conference Room 3 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 IP Kwok-him, GBS, JP  
Hon WONG Yuk-man  
Hon Claudia MO

**Public Officers  
attending:**

Agenda Item 1

Ms Kitty CHOI  
Director of Administration

Mrs DO PANG Wai-yee  
Deputy Director of Administration

**Clerk in attendance:** Ms Amy YU  
Principal Council Secretary 1

**Staff in attendance :** Mr Kenneth CHEN,  
SBS Secretary General

Miss Odelia LEUNG  
Deputy Secretary General

Miss Roxanna LO  
Accountant

Mrs Goppi CHENG  
Senior Deputy Accountant

Mr Simon CHEUNG  
Deputy Accountant 4

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**I. Remuneration Package for Members of the Sixth Legislative Council**  
(File Ref: CSO/ADM CR 1/1136/08; LC Paper No. CRM 809/14-15)

At the invitation of the Chairman, Director of Administration ("D of Admin") briefed members on the salient points of 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 HKSAR ("Independent Commission") on the remuneration package for Members of the Sixth Legislative Council ("LegCo"), details of which were set out in the LegCo Brief (File Ref: CSO/ADM CR 1/1136/08).

Staff turnover in Members' offices and salary level of Members' staff

2. Mr LEE Cheuk-yan said that the low salary level of Members' assistants was a major reason for the high turnover in Members' Offices. He expressed dissatisfaction that the Independent Commission's proposals had failed to respond to Members' request for formulation of a staffing complement for Members' offices and a pay scale for Members' assistants based on comparable ranks in the civil service, so as to address the problem of high turnover of Members' assistants.

3. D of Admin responded that the Independent Commission considered it inappropriate to peg the salary of Members' assistants to that of the civil service, given the different job nature of the two and the unique mechanism of the civil service pay structure. Nevertheless, in working out the appropriate level of the Office Operation Expenses Reimbursement ("OOER") for Members, the Independent Commission had taken into account the Subcommittee's proposed staffing complement of seven full-time staff (comprising one at management level, two degree-holders and four clerical support workers) and agreed that the salaries of Members' staff should be comparable with those of workers of similar qualifications and experience in the private sector. In addition to the aforementioned staffing complement, a 3% increase in annual salary (in addition to the annual adjustment based on movements in Consumer Price Index (C)) and a 15% end-of-service gratuity were also among the working assumptions adopted by the Independent Commission in working out the required level of OOER.

4. In response to Mr LEE Cheuk-yan's enquiry about the staffing complement for Members' offices referred to by D of Admin, D of Admin said that the staffing complement was proposed by the Subcommittee formed in the Fourth LegCo and the Subcommittee of the current term of LegCo had agreed that the relevant proposals should continue to be pursued with the Government. In reply to the Chairman, the Clerk said

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that while the Subcommittee's proposals on the level of salary provision in OOER carried forward from the Fourth LegCo were indeed based on the staffing complement for Members' offices referred to by D of Admin, it should also be noted that there was no majority view among Members on the optimal staffing complement, as shown in the results of the survey conducted by the Subcommittee in the current LegCo term.

5. Mr IP Kwok-him considered the Independent Commission's recommendations on the remuneration package for Members of the Sixth LegCo acceptable, having regard to the fact that the level of OOER had been increased by 20% at the beginning of the current LegCo term. In his view, the recommendations had struck a proper balance between the needs and requests of LegCo Members on the one hand and public concern on the prudent use of public resources on the other. Mr IP further enquired about the rationale for the lower amount of provision of the Setting Up and Information Technology Expenses Reimbursement ("SUITER") for re-elected Members. He pointed out that many equipment and furniture in Members' offices needed to be replaced after having been used for four years.

6. D of Admin explained that it had been the established arrangement that Members who had claimed expenses for setting up offices in the previous term would be subject to a lower ceiling of SUITER in the following term. However, if a re-elected Member had to close down an existing district office to set up a new one owing to the expiry of tenancy agreement or other valid reasons, he/she might claim up to the amount entitled by new Members.

7. Responding to Mr IP Kwok-him's enquiry about the arrangement for reimbursement of severance payment made by an outgoing Member to his/her staff, D of Admin said that the Winding Up Expenses Reimbursement ("WUER") consisted of two components, namely an amount at one-twelfth of the annual OOER, plus an amount with no pre-set ceiling for covering the actual severance payments made in accordance with the provisions of the Employment Ordinance to staff employed using OOER or up to 50% of the entertainment and travelling expenses reimbursement.

8. In reply to the Chairman's enquiry, the Accountant ("ACCT") said that payment of untaken annual leave to Members' assistants could be reimbursed from the portion of WUER with pre-set ceiling at one-twelfth of the annual OOER.

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9. The Chairman said that according to the survey conducted by the Subcommittee on staff turnover in Members' offices, the average turnover rate of full-time staff in 2012-2013 and 2013-2014 was 21% and 16% respectively. She urged the Administration to address the problem of high turnover of Members' assistants. D of Admin responded that the Independent Commission and the Government appreciated Members' concern about the turnover of their staff. It was noted that according to the statistics provided by the Hong Kong Institute of Human Resource Management, the employee turnover rate in the private sector in 2013 and 2014 was 20.1% and 19.3% respectively, which was generally on a par with the turnover rate in Members' offices.

10. Mr LEE Cheuk-yan considered it inappropriate to compare the turnover rate in Members' offices with that in the private sector. Pointing out that the turnover rate in the civil service was much lower than that in Members' offices, he criticized the Administration for downplaying the problem of staff turnover faced by Members. He further pointed out the huge gap in salary package between Political Assistants to Directors of Bureaux and Members' assistants, and stressed that to enable Members to better discharge their duties, it was essential that they be provided with adequate resources to recruit and retain a pool of competent staff.

11. D of Admin assured members that the Independent Commission was aware of the problem of staff turnover faced by Members. The Independent Commission noted from the results of the survey conducted by the Subcommittee that turnover rates varied among Members' offices and there appeared to be no absolute correlation between the turnover rate and the number of staff employed by Members. Nevertheless, recognizing that the salary level of Members' assistants might be one of the major contributing factors to the high turnover, the Independent Commission, in working out the appropriate level of OOER, had taken into account information gathered on the salaries of employees of similar qualifications and experience in the market with a view to ensuring that the salaries of Members' assistants were comparable with those of their counterparts in the private sector.

12. Noting that the membership of the Independent Commission did not include any LegCo Member, the Chairman queried whether the Independent Commission understood the operation of Members' offices and the problems faced by Members. The Chairman further opined that the Administration should provide for Members' reference information on the profession of the members of the Independent Commission.

13. Ms Claudia MO said that Members' assistants did not enjoy a high level of job security as civil servants did. She highlighted the huge

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disparity of pay between Members' assistants and civil servants of comparable ranks and considered it necessary for the Administration to provide more resources to Members to enhance the remuneration package of Members' assistants. Ms MO further said that the proposed staffing complement set out in the Subcommittee's report served only as a general indication of Members' needs. Given the different needs of Members returned by geographical constituencies and those returned by functional constituencies, Members should be given the flexibility in deciding on the most appropriate staffing complement for their offices.

14. D of Admin reiterated that the staffing complement was proposed by the Subcommittee of the Fourth LegCo and adopted by the Subcommittee of the Fifth LegCo in its report to the Independent Commission. She further said that in addition to the proposed increase of 7%, the OOER level had already been increased by 20% with effect from the Fifth LegCo.

15. Mr WONG Yuk-man criticized the Administration for failing to pay heed to the Subcommittee's long-standing request for enhancing the salary level of Members' assistants. He said that Members' assistants had to shoulder a heavy workload and their low salary was shameful. He stressed that the OOER level should be increased and a pay scale, together with appropriate qualification requirements, should be set for Members' assistants.

16. D of Admin responded that given the diversified mix of Members and their different needs, Members might have different views on the appropriate qualifications of and pay for their staff. The Independent Commission considered it more appropriate to provide flexibility for each Member to decide on the most appropriate set-up he/she might need to discharge the core duties as a LegCo Member, including the number and size of offices, the number of staff required and their appropriate qualifications and pay.

Research support to LegCo Members

17. The Chairman noted that while the Independent Commission had not accepted the Subcommittee's proposal for a new and separate accountable research allowance to Members, the Independent Commission considered it more appropriate in the longer run for the LegCo Secretariat to augment its research capabilities to provide better support to LegCo Members. The Chairman sought clarification from the Administration on the views of the Independent Commission in this regard.

18. D of Admin explained that as the LegCo Secretariat was also publicly-funded, from the perspective of prudent use of public resources,

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the Independent Commission considered it more appropriate and cost effective to maintain the existing arrangement whereby basic research support be provided to Members by the LegCo Secretariat. If the LegCo Secretariat considered it necessary to seek additional resources to expand its research capabilities to address the research needs of Members, it could do so in the context of the upcoming Resource Allocation Exercise.

19. The Chairman expressed support for the Secretariat to seek additional resources from the Administration to enhance its research capabilities to provide research service to individual Members.

20. The Secretary General ("SG") said that the LegCo Secretariat would assess the additional resources required for providing research service to individual Members and submit a proposal to The Legislative Council Commission for consideration within the next two months.

21. On Mr LEE Cheuk-yan's concern that Members' staff would not have the capacity to undertake research work under the proposed staffing complement, D of Admin said that research expenses were claimable under OOER within the existing mechanism. Apart from engaging staff members to undertake research work, Members could also engage outside parties to conduct research.

22. Ms Claudia MO opined that while Members with political party affiliation could obtain research support from their political parties, Members without political party affiliation might lack resources to undertake research work. She called on the Administration to cater to the needs of different Members in discharging their duties.

23. Mr IP Kwok-him said that the proposal of increasing the provision of resources to enhance research support to Members with a view to facilitating their deliberation and examination of policy issues was worthy of support in principle.

24. Concluding the discussion, the Chairman said that the Administration would submit a funding proposal to the Finance Committee for implementing the recommendations of the Independent Commission on the remuneration package for Members of the Sixth LegCo.

**II. Review of "A Guide for Reimbursement of Operating Expenses for Members of the Legislative Council"**  
(LC Paper No. CRM 621/15-16)

25. At the invitation of the Chairman, the Clerk briefed members on the proposed amendments to "A Guide for Reimbursement of Operating

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Expenses for Members of the Legislative Council" ("Reimbursement Guide") as set out in the paper (LC Paper No. CRM 621/15-16) prepared by the Secretariat.

Capital items

26. Mr IP Kwok-him said that he generally agreed to the proposed amendments set out in the various appendices to the paper. On the threshold for capitalizing items, he considered that it would be too drastic to increase the threshold for capitalizing items from the present level of \$1,000 to \$5,000. In his view, it would be more appropriate to raise the threshold to \$3,000. Mr IP further expressed support for the proposal of allowing outgoing or incoming Members to buy back capital items at depreciated value or 5% of their original price, whichever was the higher, as it could help to ease the problem faced by the Secretariat in the handling and storage of large quantity of obsolete capital items returned by Members.

27. In response to the Chairman's enquiry about the rationale for proposing an increase of the threshold for capitalizing item, SG explained that the existing capitalization threshold of \$1,000 was set in 1995 and the amount had not been reviewed since then. The Secretariat had consulted the compliance auditor who was appointed to conduct audits on Members' operating expenses on the amount for capitalizing items adopted by non-governmental organizations of a size similar to that of Members' offices. The compliance auditor's advice was that for such organizations, items costing \$5,000 or more might be capitalized. On the other hand, the Secretariat noted that some Members had expressed the view that it was more appropriate to revise the capitalization threshold to \$3,000. Consideration might be given to raising the threshold to \$3,000 or \$5,000 as considered appropriate by Members.

28. Mr WONG Ting-kwong shared the view that it was more appropriate to raise the threshold for capitalizing items to \$3,000. He sought clarification from the Secretariat on the arrangements for the return and purchase of capital items by outgoing Members at the end of a LegCo term. SG and ACCT advised that according to the existing disposal arrangements of capital items returned by outgoing Members, an outgoing Member would be given the first option to buy back his/her own capital items. After outgoing Members had had a chance to consider whether to purchase their capital items, the returned items would then be offered to the following parties in the following order: (a) incoming Members; (b) the Secretariat; (c) incoming/outgoing Members and Secretariat staff (through a bidding exercise); (d) charitable organizations; and (e) used goods dealers.

Shared expenses on publications

29. Referring to the proposed amendments to paragraph 80 of the Reimbursement Guide on shared expenses, Mr LEE Cheuk-yan sought clarification on the basis for determining the reimbursable amount for a Member's publication which also reported the work of the Member's political party. SG responded that after taking into account Members' views, the Secretariat proposed to revise the approach in considering whether a Member's publication related to his/her LegCo work. Under the proposed revised approach, a Member's publication would be read in context on a per page basis and the amount of a reimbursement claim for a publication would be determined according to the proportion of pages in the publication used primarily for reporting LegCo business.

Election-related expenses

30. Ms Claudia MO sought clarification on the criteria adopted by the Secretariat in assessing whether expenses incurred on a publicity item relating to voter registration were reimbursable. SG explained that according to the report issued by the Independent Commission in 1995, expenses on election-related activities should not be reimbursable. Applying this principle, the Secretariat had all along adopted the practice of not reimbursing expenses incurred on any publicity items relating to voter registration. Having regard to some Members' view that matters relating to voter registration were LegCo business, the Secretariat had reviewed the practice and proposed that a publicity item relating to voter registration that had no political inclination and did not call for political support for or opposition of any person, political party, or organization in an election should not be regarded as an election-related activity and as such the related expenses were reimbursable. SG added that the Secretariat would seek advice from the Administration on whether such proposed amendment was consistent with the Independent Commission's position on election-related expenses.

31. While agreeing that expenses on publicity items relating to voter registration which called for political support for or opposition of a political party should not be reimbursable, Ms Claudia MO considered that expenses on publicity items relating to voter registration which called for the stepping down of the Chief Executive should be reimbursable as it was the duty of Members to monitor the work of the Executive Authorities.

32. Mr IP Kwok-him indicated that he agreed to the Secretariat's proposal on publicity items relating to voter registration. Mr IP considered that a



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publicity item relating to voter registration which called for the stepping down of the Chief Executive was clearly an election-related activity and the related expenses should not be reimbursable.

33. Mr LEE Cheuk-yan was of the view that expenses on a publicity item relating to voter registration that had political inclination or political stance, such as calling for support for democracy or demanding for the stepping down of the Chief Executive, should be reimbursable as it did not have the effect of calling for political support for any person or political party in an election. Ms Claudia MO expressed similar views and sought clarification on whether the examples of publicity items cited by Mr LEE were reimbursable.

34. SG said that subject to the Subcommittee's view, a questionnaire would be issued to all Members to seek their views on the proposed amendments to the Reimbursement Guide. In parallel, the Secretariat would write to the Administration to seek confirmation on whether the proposed amendment on publicity items relating to voter registration was consistent with the Independent Commission's position on "election-related expenses". The Independent Commission's view would also be sought on the examples of publicity items quoted by Members at the meeting. Should Members wish to seek clarification on whether certain publicity items relating to voter registration were reimbursable under the proposed amendment, they might set out specific examples in their reply to the questionnaire. SG further said that after consulting all Members and upon receipt of the Administration's reply on the proposed amendment concerning publicity items relating to voter registration, the Secretariat would report to the Subcommittee.

35. The Subcommittee agreed that all Members should be consulted on the proposed amendments to the Reimbursement Guide.

Effective dates of the proposed amendments

36. In reply to the enquiries of Mr LEE Cheuk-yan and the Chairman about the effective dates of the proposed amendments, SG said that subject to the outcome of the consultation and the advice of the Independent Commission on the proposed amendment concerning publicity items relating to voter registration, the proposed amendments to paragraphs 2, 27, 80 and 88 of the Reimbursement Guide would take effect from the 2015-2016 reimbursement year (i.e. 1 October 2015), while the proposed predetermined depreciation methods would be applied to the disposal of capital items returned by Members of the current term. As regards the proposed amendment to the threshold for capitalizing items, given that capital items of Members of the current term had been included in the

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inventory list and based on general accounting principles, the Secretariat suggested that the proposed amendment should take effect from the Sixth LegCo.

*(Post-meeting note: With the concurrence of the Chairman, a questionnaire on the proposed amendments to the Reimbursement Guide was issued to all Members vide LC Paper No. CRM 641/15-16 on 28 April 2016. A letter was also sent to the Administration to seek the Independent Commission's view on the proposed amendment on publicity items relating to voter registration on the same date.)*

**III. Any other business**

37. There being no other business, the meeting ended at 6:47 pm.

Complaints and Resources Management Division  
Legislative Council Secretariat  
July 2016