# 立法會 Legislative Council

LC Paper No. CRM 190/16-17

Ref: AM 12/01/19 (16-20)

# Paper for the House Committee meeting on 16 December 2016

## 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").

### Background

2. A subcommittee was set up under the House Committee in every term since the Second Legislative Council ("LegCo") to study issues relating to Members' remuneration and OER. The Subcommittee of the Fifth LegCo comprised six members, including the Chairman.

3. A major task of the Subcommittee formed in the previous terms was to review the level of remuneration and OER for LegCo Members for consideration by 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").<sup>1</sup> The Subcommittee formed in the Fifth LegCo had conducted surveys to assess the resources required for Members to perform their functions and duties. Based on the findings of the review, the Subcommittee had put forward proposals to enhance the level of Members' OER in its report (LC Paper No. CRM 809/14-15) to the House Committee on 15 May 2015. Following endorsement of the Subcommittee's proposals by the House Committee at the meeting, the proposals were forwarded to the Administration for consideration by the Independent

1

The Independent Commission is appointed by the Chief Executive to, among others, carry out periodic review and advise the Government of the remuneration package for LegCo Members.

Commission.

4. Having considered the Subcommittee's proposals, the Administration announced in March 2016 its acceptance of the Independent Commission's recommendations that with effect from the Sixth LegCo, the ceilings for the annual Office Operation Expenses Reimbursement ("OOER") and the Setting Up and Information Technology Expenses Reimbursement be increased<sup>2</sup>, and that any surplus from Members' annual medical allowance be allowed to roll over to the following year until the end of a LegCo term. These proposals were approved by the Finance Committee in June 2016.

# Issues requiring follow-up in the Sixth LegCo

5. Some proposals put forward by the Subcommittee of the Fifth LegCo had not been taken on board by the Independent Commission. These included:

- (a) the financial provision for the salaries of Members' staff be calculated with reference to the salary points of comparable ranks in the civil service and the salary portion of OOER be adjusted annually in accordance with civil service pay adjustment instead of the movement of the Consumer Price Index (C);
- (b) a new and separate annual accountable allowance be created to enable Members to engage outside parties (including the political parties to which they are affiliated) to conduct research; and
- (c) flexibility be given to Members in using the Winding Up Expenses Reimbursement for long service payment or severance payment made in the middle of a LegCo term, or alternatively a separate provision be provided for Members to fulfill obligations of this kind as required under the Employment Ordinance (Cap. 57).

6. After the Administration's announcement of the remuneration package for Members of the Sixth LegCo in March 2016, the Subcommittee held a meeting in April 2016 to discuss the related matters with the Administration. At the meeting, members generally expressed concern that the Administration's proposed increase of OOER by 7% was inadequate to address

<sup>&</sup>lt;sup>2</sup> The Independent Commission has recommended that (a) Members' annual Office Operation Expenses Reimbursement be increased by 7% to \$2,611,210; and (b) the Setting Up and Information Technology Expenses Reimbursement be increased by 50%, from \$250,000 to \$375,000 per term; and from \$175,000 to \$262,500 per term for Members who have claimed setting up expenses in the previous term.

the problem of high turnover of Members' assistants, which was mainly attributable to the lack of a competitive remuneration package and good career prospects. The Administration was urged to provide Members with adequate resources to recruit and retain a pool of experienced and quality staff for effective discharge of their duties as LegCo Members. Some members requested the Administration to formulate a staffing complement for Members' offices and pay scales for Members' assistants based on comparable ranks in the civil service. Regarding the Subcommittee's proposal for a new and separate accountable research allowance to Members, members noted the Independent Committee's view that a more appropriate way forward in addressing the research need of Members is for the LegCo Secretariat to augment its research capabilities to provide better support to LegCo Members .

7. It is an established practice for the remuneration package and expenses reimbursement arrangements for LegCo Members to be reviewed at least one year before the start of a new LegCo term. After the review, any proposals to change the level of remuneration and OER for Members of the new term will be put forward to the Administration for consideration by the Independent Commission.

## Advice sought

8. Members are invited to consider setting up a subcommittee under the House Committee to continue to study issues relating to Members' remuneration and OER, including the outstanding proposals of the Subcommittee of the Fifth LegCo outlined above.

Complaints and Resources Management Division Legislative Council Secretariat December 2016