

Ref: AM 15/01/01 Pt 10

**Subcommittee on
Review of Operating Expenses for Members of the Legislative Council**

**Minutes of Meeting held on
Thursday, 17 June 1999 at 4:30 pm
in Conference Room B of the Legislative Council Building**

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| Members
Present | : Hon Emily LAU Wai-hing, JP (Chairman)
Hon YEUNG Yiu-chung (Deputy Chairman)
Hon Cyd HO Sau-lan
Hon Fred LI Wah-ming, JP
Hon NG Leung-sing
Hon WONG Yung-kan
Hon Howard YOUNG, JP
Hon Ambrose LAU Hon Chuen, JP |
| Members
Absent | : Hon Christine LOH
Hon Bernard CHAN |
| Public Officers
Attending | : Mrs Carrie YAU
Director of Administration

Ms Miranda CHIU
Deputy Director of Administration

Mr Jacky LUM
Assistant Director of Administration |
| Clerk in attendance : | Mrs Anna LO
Principal Assistant Secretary (Administration) |
| Staff in attendance : | Mr Ricky FUNG
Secretary General

Mr Joseph KWONG
Accountant |

Action**I. Confirmation of Minutes of the Last Meeting***LC Paper No. AS 315/98-99*

Minutes of the meeting held on 1 April 1999 were confirmed.

II. Meeting with the Administration*LC Paper No. AS 336/98-99***Changes to the Initial Proposal**

2. At the invitation of the Chairman, Mrs Carrie YAU reported that the Independent Commission on Remuneration for Members of the Executive Council and the Legislature of the HKSAR had reconsidered the Subcommittee's suggestions. Having deliberated on the issue and in view of the current economic conditions in Hong Kong, the Commission found it difficult to justify providing additional resources for Members to set up more district offices. However, it agreed that Members might use up to 50% of the entertainment and travelling expenses reimbursement for staff expenses and the consequential severance payments be borne by public funds.

Rental Rates of Members' District Offices at Public Housing Estates

3. Mrs Carrie YAU also revealed that, according to the Housing Authority, the rental review of shops in public estates was targeted at small merchants, therefore rental rates for car parks, betting centres and even government offices were not considered. Mr Fred Li considered the Housing Authority's differential treatment unreasonable. He recalled that when he leased his office, the rental rate was said to be market-linked. Whereas all other tenants had their rental rates reduced before their current contracts ran out, the rental rate of his office remained unchanged and as a result became the highest one. He tabled some rental figures of neighbouring shops in the public housing estate where his district office was located (**Appendix**) and requested Mrs Carrie Yau to appeal for him. Mr Ng Leung-sing declared his interest that he had just been appointed chairman of the Commercial Properties Committee under the Housing Authority. To his understanding, rental rates were set on the advice of surveyors based on their assessment of market conditions. New rates upon tenancy renewal should reflect that. He undertook to review the policy when he took up the post. Mrs Carrie Yau was sympathetic and agreed to ask the Housing Authority for more flexibility in considering the rental rates of Members' district offices, even before

their agreements were due for renewal.

Action

Savings on Rental

4. In reply to Mr Howard Young's question, Mrs Carrie Yau assured members that any rental reduction would not lead to a reduction in the monthly office operation expenses reimbursement. Members might use such savings to enhance their service to the community.

Redeployment of Entertainment and Travelling Expenses Reimbursement

5. Regarding the 50% of entertainment and travelling expenses reimbursement that could be redeployed for hiring staff, Mrs Carrie Yau confirmed that the amount so used could vary from month to month and it could be used on temporary staff too.

Items Reimbursable Under Information Technology and Communication Equipment Expenses Reimbursement

6. The Chairman expressed her concern over the scope of items that could be reimbursed under the new information technology and communication equipment expenses reimbursement. According to Mr Ricky Fung's understanding, the reimbursement could be used on one-off items for communication with the public. Therefore, telecommunication equipment and one-off consultancy fees for setting up web sites could be claimed. Mr Joseph Kwong observed that upgrading and updating of web sites would normally be needed. He was uncertain whether such expenses could be reimbursed under the subject reimbursement. Mr Howard Young shared his experience. He classified his web site expenses into three categories, namely, setting up expenses, posting (content renewal) expenses and hosting expenses. The consensus view was that hosting fees charged by Internet Service Providers should be claimed under the monthly office operation expenses reimbursement. As for content renewals, they were recurrent but done irregularly, as and when new materials were available. After some discussion, Mrs Carrie Yau concluded that as Members were accountable to the public and the reimbursement system was transparent, flexibility should be allowed so long as Members could justify that their expenses fell under this category of reimbursement. Therefore, one-off information technology consultancy contracts covering a period of time could be reimbursed out of the subject reimbursement. The same applied to staff training in respect of preparation of web pages, as well as web-site contents updating and upgrading exercises.

Action

Implementation

LegCo
Secretariat

7. Mrs Carrie Yau advised the meeting that once approved by the Finance Committee on 2 July 1999, the proposal could be implemented immediately.
8. The Chairman instructed that a report should be submitted to the House Committee on 25 June 1999 with the revised Guideline for Reimbursement of Operating Expenses for Members of the Legislative Council to be drawn up by the LegCo Secretariat.
9. The meeting ended at 5:00 pm.

Legislative Council Secretariat
August 1999

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(Translation)

Appendix

Subcommittee on Review of Operating Expenses for
Members of the Legislative Council
Meeting on 17 June 1999

For reference, if rental rates of Members' Offices are discussed:

	<u>Rental rates before the previous review</u>	<u>Current rental rates</u>
<u>Yee On House</u>		
“Yee On” Cafe	About \$10,000	\$8,500
“Nam Fung” Grocery	\$8,932	\$7,132
“Man Wo” Grocery	About \$8,000	\$6,700
“Chak On Tong” Chinese and Western Pharmacy	\$9,623	\$8,223
Office of Hon. Fred LI	About \$8,900	\$9,423
<u>Ping On House</u>		
“Ping On” Hair Salon	\$10,223	\$8,323
“Ho Yuen” Grocery	\$8,900	\$6,900
“Ho Wah” Tailor	\$8,321	\$6,321
“Man Tat” Stationery Store	About \$8,600 *	\$7,600

* The shop was then operated by the "Kwun Tong Cooperative" which moved out in July 1998.