

28 March 2000

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Chairman
Legislative Council House Committee
Legislative Council Building
8 Jackson Road
Hong Kong

**Remuneration of Members
of the First Legislative Council of the HKSAR
Upon Expiry of their Term of Office on 30 June 2000**

Members' views on remuneration arrangement for Members of the First Legislative Council after the expiry of this term of office on 30 June 2000 have been forwarded to the Independent Commission on Remuneration for Members of the Executive Council and the Legislature of the HKSAR (the Independent Commission). Since the interval between the end of the first and the start of the second SAR LegCo terms is exceptional and, having regard to relevant considerations including those outlined in the Note attached to my letter of 22 February to the Subcommittee on Review of Operating Expenses for Members of Legislative Council, the Chief Executive in Council has accepted the proposals recommended by the Independent Commission that outgoing Members of the First LegCo term should be given an additional option with regard to arrangements for their Council-related operations. More specifically, LegCo Members will be given the option –

- (a) to wind up their LegCo-related operations after 30 June 2000 and draw on the winding up expenses reimbursements provided under the existing remuneration package; or
- (b) to continue with such operations and draw a monthly allowance as from 1 July 2000 and up to the day before the commencement of the second LegCo term, or the day when they choose to wind up their offices, whichever is the earlier.

The monthly package (to be provided on a pro-rata basis where necessary), will comprise the monthly remuneration (\$62,590 for each Member, \$125,180 in the case of the LegCo President and \$93,890 in the case of the President's Deputy) and reimbursements of up to \$101,290 for accountable expenses relating to office operation.

The non-accountable allowance for "entertainment and travelling expenses" of \$14,460 has not been included. This is because all official businesses of the first HKSAR LegCo will cease after 30 June 2000, the occasions for LegCo Members to entertain and to travel on LegCo-related business would invariably be substantially reduced after that date and might be absorbed by the other provisions in the monthly package. Members would appreciate that prudent use of public funds is particularly important in times of financial straits and a balance has to be struck in meeting the practical needs of Members and the demands on the public coffer.

To take the decision forward, we need to seek the approval of the Finance Committee for the creation of a new commitment for providing Members with a special monthly remuneration and reimbursements after the end of the first HKSAR LegCo term.

I trust those Members who are seeking re-election will also take all necessary steps to ensure that clear account will be kept to comply with the condition that this monthly allowance will not, in any event, be used in connection with the general election to elect Members for the second term of office of the Legislative Council.

(Mrs Carrie Yau)
Director of Administration