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Subcommittee on Members' Remuneration and Operating Expenses Reimbursement

Review of Members' Remuneration

Purpose

This paper reports on the findings of a review conducted recently by the Legislative Council ("LegCo") Secretariat on LegCo Members' monthly remuneration. It also provides pointers for further discussion by the Subcommittee on Members' Remuneration and Operating Expenses Reimbursement ("the Subcommittee") having regard to the outcome of a recent survey conducted among Members on the scope and level of responsibilities, time spent on LegCo work and the mechanisms adopted by overseas parliaments in determining Members' remuneration.

Background

2. In the first Report published by the then Commission on Remuneration for Members of the Legislative Council ("the then Commission") in October 1994, the position of a LegCo Member did not meet the requisite parameters of a "job". In the then Commission's opinion, the work of a LegCo Member did not entail clearly defined authority and accountability in the context of an organization structure, nor could there be a common set of technical/managerial competencies which were essential to discharging its functions. The then Commission considered that the position of a LegCo Member did not necessarily require a full-time commitment of time and effort from the incumbent. However, it recognized that in order to fulfill their role, LegCo Members ought to ensure that they were well informed about proposals from the Government and capable of soliciting and representing the views of their constituencies. It would require individual Members to spend a considerable amount of time on the work of the Council, which might otherwise be used to pursue income earning activities. The then Commission considered that as a principle, it was certainly against the

interest of the public to restrict membership in the LegCo only to those who were financially well-to-do, and hence did not need to engage in full-time income generating work to pay their living expenses.

3. The then Commission considered that on balance, it would seem appropriate to view the work of LegCo Members as a service to the public for which some level of remuneration is necessary. However, the main purpose of the payment was to make it possible for a broad spectrum of individuals from society to participate in the political process in the capacity of LegCo Members. It concluded that the monthly payment to LegCo Members should best be described as remuneration for service to the public. The then current level of remuneration, at \$43,250 per month¹ adjusted in accordance with the movement of Consumer Price Index (C) since 1991, which put LegCo Members in the top 1.5% of salary earners in Hong Kong, was considered to be reasonable.

4. In response, the LegCo Working Group on Review of Allowances for LegCo Members, which was appointed by the House Committee, stated in its report issued to the then Commission that LegCo Members did not agree with the reasons put forward by the then Commission for not defining LegCo work as a job. Members considered that LegCo work was unique and requested the then Commission to draw reference from overseas legislatures.

Developments since 1994

5. It was during the Second Term LegCo (2000-2004) that a Subcommittee was formed under the House Committee to deal with matters relating to Members' remuneration package. The Subcommittee made a request to the Independent Commission on Remuneration for Members of the Executive Council and the Legislature of the Hong Kong Special Administrative Region ("the Independent Commission") appointed by the Chief Executive for conducting a review of the remuneration package for Members. No specific proposal was put forward at that time.

6. In response, the Independent Commission reaffirmed that "LegCo membership is not a job, but a form of service to the public." The Independent Commission reiterated that "LegCo work is so unique that it would not be appropriate to compare it with any other occupation. Since LegCo work is not a job, in determining a LegCo Member's remuneration,

¹ \$43,250 at 4th quarter of 1993 was roughly equivalent to Pt 40 on the Master Pay Scale.

the actual time he/she spends on LegCo work is not a relevant consideration". As to whether the then level of remuneration was reasonable, the Independent Commission pointed out that the then remuneration, at \$55,220 per month, had put LegCo Members at the top 2.7% of salary earners in Hong Kong (as at the second quarter of 2003) and concluded that this level of remuneration was reasonable.

7. The LegCo Subcommittee of the Third Term LegCo, after a detailed study of Members' remuneration package, submitted that the monthly remuneration for LegCo Members should be pegged to a certain percentage of the salary range of the directorate officers in the civil service. Alternatively, an independent remuneration scale may be set for LegCo Members. It also proposed the granting of retirement benefits and medical benefits to LegCo Members and an enhancement of the accountable allowance.

8. In response to the Subcommittee's submissions, the Independent Commission agreed to support an increase in the accountable allowance for OER by 10%, as against the Subcommittee's proposed increase of 20%, with effect from 1 October 2006. As regards Members' remuneration, the Independent Commission noted that the overall rate of increase in the remuneration for LegCo Members since 1991 had lagged behind the rate of growth in nominal Gross Domestic Product (GDP) per employed person and per capita nominal GDP by 12.0% and 16.4% respectively. In this light, the Independent Commission recommended that, with effect from the Fourth Term LegCo, the monthly remuneration be increased by 15%, on top of the price adjustment due in October 2008. That would bring the monthly remuneration to the level of \$65,260 and place LegCo Members among the top 2.1% – 2.2% of salary earners as at 2006 (as opposed to 2.8% – 2.9% at that time). The Independent Commission also supported the provision of an end-of-service gratuity at 15% of the total remuneration that Members receive during a LegCo term and an annual accountable medical allowance of \$25,000 with effect from the Fourth Term LegCo.

9. The above recommendations of the Independent Commission were approved by the Finance Committee on 11 January 2008. The relevant paper and minutes of meeting of the Finance Committee are in **Appendix I** and **Appendix II**. The new remuneration and reimbursement rates effective from 1 October 2008, as well as the updated rates, are in **Appendix III**.

Review of Members' remuneration

10. At the first meeting of the Subcommittee of the current Term on 18 November 2008, members were of the view that the factors set out by the Administration for determining Members' remuneration were irrelevant and out of date. It was noted that in justifying the proposed 15% increase in Members' monthly remuneration, the Administration argued that the proposal would bring the monthly remuneration to the level of \$65,260 and place LegCo Members among the top 2.1% – 2.2% of salary earners as at 2006 (as opposed to 2.8% – 2.9% at that time). There was no reference to the fact that LegCo Members today had to devote much of their time to study and deliberate on the numerous important issues considered by the Council and its committees. As these issues had great impact on the well-being of Hong Kong, they imposed an onerous responsibility on Members. Members considered that their present remuneration (then \$68,200 a month) could not even be compared to that of a Senior Administrative Officer (viz \$80,485 to \$92,720 a month) and was way below that of a Political Assistant to a Policy Secretary (viz \$104,340 to \$163,950 a month). With such a low remuneration, LegCo was in no position to compete with the Administration for political talents or attract young high-fliers from the private sector. For the heterogeneous development of the legislature and the filling of LegCo seats with younger candidates, the conventional belief of just grooming elite bureaucrats in the Government was outdated and ought to be changed. The Subcommittee decided that a review should be conducted on Members' remuneration.

The Review

11. In conducting the review, the LegCo Secretariat focused on the following areas:

- (a) the time spent by Members in order to perform their work effectively;
- (b) the scope and level of responsibilities of LegCo Members in performing their duties;
- (c) their present monthly remuneration and how it was determined and adjusted over the years;

- (d) how the remuneration for Members of Parliaments in overseas jurisdictions are determined and adjusted, and the rationale behind it; and
- (e) how far the time and efforts of Members devoted to their LegCo work can be fairly compensated so that individuals with the ability and commitment to serve the community would not be deterred from becoming a Member of LegCo.

Time spent on LegCo work

12. To ascertain Members' workload as well as their views on the complexity of LegCo work and the appropriate remuneration level for LegCo Members, the Secretariat conducted a survey among all Members in January 2012. As at 20 January 2012, out of 60 Members, 38 responded to the survey while 16 indicated that they had no particular views.

13. In studying the time spent by Members on LegCo-related business, the survey aimed to collate information on the time spent by each Member on LegCo work during a typical 4-week period and also the average time spent on specific activities over the 4-week period.

14. Of the 38 Members responded to the survey, 37 provided the time spent on LegCo work which ranged from 81 hours to 405 hours over the 4-week period, making an average of 59 hours per week. A rough analysis of the data seems to suggest that there is some correlation between the number of committees a Member takes part in and the time he/she needs to spend on LegCo work. This is particularly indicative when looking at the number of chairmanship the Member is undertaking. The more committees a Member is serving on, especially if he/she is serving as chairman of committees, the more hours of work are likely to be incurred. Of the 37 Members, 49 % were chairmen of committees in 2010-2011 and their average hours of work per week were 64 hours, while the average hours of work for those serving on less than 15 committees and were not serving as chairman were 48. Details are provided in **Appendix IV (a)**.

15. As regards the time spent on specific activities, the overall average of hours worked by these 38 Members were 235 hours in a typical 4-week period (or about 59 hours a week), of which about 23% was for preparation and actual attendance at Council meeting, 27% for committee meetings and visits, and 2% for handling complaints received under the

LegCo Redress System. About 24% of their time was spent on producing work reports, conducting research, and meeting with the media, other Members, government officials, statutory bodies (and other organizations) and Secretariat staff. The respondents also used about 24% of their working hours on engaging the public and their constituents, in the form of meeting with them, handling their enquiries and grievances, and participating in activities such as demonstrations, petitions, rallies and flyer distribution. Detailed working hours by types of work are set out in **Appendix IV (b)**.

Scope and level of responsibilities of a LegCo Member

16. In determining the level of remuneration, one must look at the level of responsibilities, including the nature and complexity of work involved, the extent of understanding of the subject matters required, the need for decision-making, judgement, etc. In the survey form, the Secretariat set out a whole range of LegCo-related activities normally undertaken by Members and invited them to indicate the level of complexity for each type of activity. The great majority of respondents consider studying bills and subsidiary legislation, moving motions and amendments with legislative effect or even speaking on them are highly complex work. Chairing meetings, in particular Council meetings and meetings of an inquiry nature, is also highly demanding as it requires a lot of preparatory work, research work and good communication skills.

17. Members strongly agree that public expectation, especially in respect of LegCo's watchdog role, has a great impact on their work. They also agree very much that decisions made by LegCo Members are critical to Hong Kong, and thus the decision-making process is very stressful.

18. Almost all Members have placed much emphasis on the need to communicate effectively with people at all levels and they have to do a lot of preparatory work to be well-versed in the subjects before they can take a stance and explain the rationale behind. This is particularly necessary in view of the lack of public consultation by the Administration on new policies/legislative proposals, and the fact that Members lack the resources to employ quality supporting staff to assist them in their research.

19. Detailed breakdowns of the ratings given by Members on the complexity of a wide range of their daily work, together with their views on LegCo duties, are set out in **Appendix V**.

How the remuneration package was determined

20. The Secretariat noted that when the monthly remuneration was first drawn up in 1994, there was no reference to the scope of responsibilities undertaken by a LegCo Member and the level of complexity involved, hence the knowledge and skills required. The work of a LegCo Member has never been regarded as a job. The only reference point was at which percentile of salary earners in Hong Kong LegCo Members would be put. Even so, while the then Commission considered it reasonable to put LegCo Members at the top 1.5 % of salary earners in Hong Kong, the remuneration had been allowed to drop to 2.9% over a period of 13 years and then the Independent Commission decided to raise it to 2.1% in 2008.

21. According to the Administration's financial proposal submitted to the Finance Committee on 11 January 2008, the Independent Commission was conscious of the need to review and devise a remuneration package which was commensurate with the high level of responsibilities and the powers and functions vested in LegCo membership, attractive enough for able candidates to come forward and serve the community in the capacity of LegCo Members, and which would enable those who regard LegCo work as their main occupation to maintain a reasonable standard of living.

22. The Independent Commission also noted the LegCo Subcommittee's proposal to peg Members' remuneration to a certain percentage of the salary range of the directorate officers in the civil service, or alternatively, establishing an independent remuneration scale for LegCo Members. However, the Independent Commission took a "practical" approach and drew its attention to the fact that there had been no change to the level of the monthly remuneration since 1991, except the annual adjustments in accordance with the movements of the Consumer Price Index (C) and that the real value of the monthly remuneration for LegCo Members had been curbed without moving in line with the growth of real income in the rest of Hong Kong's society. Instead of devising a remuneration package which was commensurate with Members' responsibilities and attractive enough to bring able candidates to LegCo, it recommended, on the basis that the remuneration for LegCo Members had lagged behind the rate of growth in nominal GDP per employed person and per capita nominal GDP by 12.0% and 16.4% respectively, an increase of 15%. The request to consider pegging Members' remuneration to the directorate pay scale or establish an independent scale for LegCo members was completely ignored.

Mechanisms adopted by overseas Legislatures in determining Members' remuneration

23. To enable reference be made to the practices of overseas parliaments in determining and adjusting their Members' remuneration, the Research Division of the LegCo Secretariat has conducted a study on the remuneration and benefits of Members in the lower house of the parliament in Australia, Canada, the United Kingdom, and the United States, as well as the unicameral parliament in New Zealand and Singapore. It is found that none of the parliaments included in this research require their Members to serve on a full-time basis, but with the exception of Singapore, all parliaments regard their membership to be full time in view of the workload of members, and so the salaries paid to their Members are essentially commensurate with those for full-time comparable jobs.

24. It is also noticed that most jurisdictions recognise Members' responsibilities not only in participating in debates in the Chamber and committees, but also their roles in initiating motions and bills, proposing amendments, proposing recommendations to the Government on policy issues, and acting as ombudsmen in serving their constituents. It is therefore important for their Members to develop specialized knowledge in policy areas dealt with by the Parliaments and be able to represent their Parliaments at home and abroad in international conferences and official visits.

25. While each of these legislatures may have its own historical background leading to the remuneration package available to its Members today, the determination of the level of salary for Members is commonly regarded as a political and controversial issue. Over the years, it has become necessary for some kind of independent bodies, mostly established by statute, to be formed to decide or to advise on Members' salary, allowances and other benefits having regard to a whole package of considerations. It is not uncommon for these bodies to refer to some objective yardsticks so as to determine a reference point for Members' salary which should be good enough to attract suitable candidates to join the Parliament as full-time employment and at the same time acceptable to taxpayers. These objective yardsticks are often the complexity, the responsibility and accountability of a Member's work in relation to those of an office in a senior position in the public sector. In Canada, the salary of a Member is set at 50% of the salary of the Chief Justice. In the United States, the pay of Members has been in parity for years with that

of district judges and Executive Schedule ² II payees (i.e. deputy secretaries of departments, secretaries of military departments, and heads of major agencies). In Australia, from December 1999 till today, Members' salary has been linked to the reference salary at Band A in the Principal Executive Office structure, which is about 57% of the salary of a Cabinet Minister. In Singapore, although Members are only receiving an allowance instead of a salary, the allowance is pegged at 17.5% of the MR4 grade, the salary grade for entry-level minister. MR4 grade is itself benchmarked to 60% of the median income of the top 1 000 Singaporean Citizen earners. Details are provided at **Appendix VI**.

26. To enable the Secretariat to understand the rationale behind the various mechanisms in determining the remuneration of Members of Parliaments, the Secretary General invited Sir Malcolm Jack, former Clerk of the House of Commons of the United Kingdom, to advise on this matter. Sir Malcolm's advice was sought in particular on how the work of a Member of Parliament is regarded in modern world and what consideration ought to be taken into account when determining the remuneration of a Member of Parliament.

27. According to Sir Malcolm Jack's advice, the work of parliamentarians in most countries was historically considered to be part-time. The modern situation is very different. Generally speaking, the job of a parliamentarian is now universally regarded as full-time. One area that has added considerably to the work of Members in many jurisdictions is the service that they are now expected to provide to citizens in their constituencies. It is now a global view that this "new" aspect of Members' duties, added to legislative functions, has made the work a full-time job.

28. As regards remuneration, Sir Malcolm Jack has pointed out that a salary sufficient to enable a Member to live without other employment or outside support is desirable. That requirement is held in recognition of the importance of the role of Members as professional persons and it also mitigates the risk of possible conflicts of interest if a Member is supported by an outside group or organization. In addition, it provides an opportunity for persons from less privileged financial background to enter political life.

² Executive Schedule (5 U.S.C. §§ 5311–5318) refers to the highest-ranked appointed positions in the executive branch of the US government, under which five pay rates are denoted with a Roman numeral with I being the highest level and V the lowest.

29. While Hong Kong's political structure may be different from that of other jurisdictions, the one factor that is common to all jurisdictions is that the remuneration given to Members should be sufficient to enable those who regard legislative work as their main occupation to maintain a reasonable standard of living and enable them to uphold the integrity of a Member involving, as it does, the need for a responsible level of service to the general public.

Fair mechanism to determine Members' remuneration

30. In the survey conducted among Members, we also sought members' feedback on their present monthly remuneration. Most respondents (33 out of 37) strongly agree that the remuneration for Members should recognize the fact that performing the duties of a LegCo Member can be a full-time job.

31. Members also strongly agree that the present remuneration package for a LegCo Member does not reflect their level of responsibility and the time they devote to LegCo work. In addition, the present remuneration package cannot encourage persons with good professional background to come forward to serve the community as LegCo Members.

32. The respondents generally disagree that a LegCo Member should claim his/her remuneration, up to 100% of the full remuneration package, according to the time he/she spends on LegCo work.

33. As far as the complexity of LegCo work is concerned, the majority of Members strongly agree that the duties of LegCo Members are no less onerous than those performed by public officers at the directorate level. As regards the level of remuneration, the majority of Members strongly agree that their remuneration should be pegged to 50% of the salary of a Policy Secretary at \$141,000 per month, which is roughly the same as a D3 officer or a Judge of the District Court. This finding is consistent with the research on overseas legislatures.

34. Detailed breakdowns of Members' responses, including other views and remarks, are set out in **Appendix VII**.

Pointers for further discussion

35. To facilitate further discussion on this subject, members are invited to consider:

- (a) whether the remuneration of a LegCo Member should reflect that LegCo work is a full-time job; and if so, whether the time spent by a Member on LegCo work should be subject to public scrutiny given the need for transparency in the spending of increased amounts of public money;
- (b) whether all Members should receive the same monthly remuneration, and if not, whether a Member may opt to receive a percentage of the remuneration; and
- (c) whether the monthly remuneration should be pegged to 50% of the salary of a Policy Secretary having regard to the complexity and level of responsibility of LegCo work.

Legislative Council Secretariat
January 2012

**For discussion
on 11 January 2008**

FCR(2007-08)49

ITEM FOR FINANCE COMMITTEE

HEAD 112 – LEGISLATIVE COUNCIL COMMISSION

Subhead 366 Remuneration and reimbursements for Members of the Legislative Council

Members are invited to approve enhancements to the remuneration package for Members of the Legislative Council with effect from the fourth term of the Legislative Council due to begin in October 2008.

PROBLEM

The remuneration package for Members of the Legislative Council (LegCo) requires appropriate enhancements.

PROPOSAL

2. As recommended by the Independent Commission on Remuneration for Members of the Executive Council and the Legislature of the Hong Kong Special Administrative Region (the Independent Commission) and approved by the Chief Executive in Council, we propose, for implementation with effect from the fourth-term LegCo due to begin in October 2008, to –

- (a) increase the monthly remuneration for LegCo Members by 15%, on top of the price adjustment to be made in October 2008;

/ (b)

- (b) provide a gratuity pitched at 15% of the total remuneration that Members receive during a LegCo term, which is payable upon the end of their service with LegCo for that whole term, subject to such exceptions as set out in paragraph 13 below;
- (c) make available an annual accountable medical allowance of \$25,000 to serving LegCo Members, which can be used either to pay for the premium of their personal medical and/or dental insurance covers, or actual medical and dental expenses, or both; and
- (d) apply to the proposed medical allowance the current price adjustment mechanism applicable to the relevant components of the remuneration package.

JUSTIFICATION

Comprehensive review

3. It is a practice for the Independent Commission to conduct a comprehensive review of the remuneration package a year or so before the start of a new LegCo term. With the fourth-term LegCo due to begin in October 2008, the Independent Commission started the review in April 2007 which is now completed.

4. In this review, the Independent Commission conducted a thorough examination of the remuneration package for LegCo Members and the underlying principles adopted previously. It also considered submissions from the Subcommittee on Members' Remuneration and Operating Expenses Reimbursement (the LegCo Subcommittee)¹.

LegCo Subcommittee's requests

5. For the review, the LegCo Subcommittee submitted the following requests in relation to the components of the remuneration package for LegCo Members –

- (a) the monthly remuneration for LegCo Members should be pegged to a certain percentage of the salary range of the directorate officers in the civil service. Alternatively, an independent remuneration scale may be set for LegCo Members;

/(b)

¹ This is a subcommittee established under the House Committee to examine issues relating to the level of remuneration and expenses reimbursement for LegCo Members.

- (b) retirement benefits in the form of a gratuity at 15% of the total remuneration received should be given;
- (c) civil service medical benefits should be made available to serving LegCo Members; and
- (d) the annual accountable allowance for Operating Expenses Reimbursement (OER) be increased such that it will be sufficient for a LegCo Member to operate four district offices and one central office.

6. The Independent Commission took a practical approach to the review, viz. to review and devise a remuneration package which is commensurate with the high level of responsibilities and the powers and functions vested in LegCo membership, attractive enough for able candidates to come forward and serve the community in the capacity of LegCo Members, and which enables those who regard LegCo work as their main occupation to maintain a reasonable standard of living. The Independent Commission's considerations and recommendations are set out in the ensuing paragraphs.

Monthly remuneration

7. The LegCo Subcommittee has stated that the demands now placed on LegCo Members, and public expectations, have been rising continuously. Even for those who retain their main occupations in the relevant professions or continue to run their businesses in the relevant sectors, the time and attention they devote to LegCo work are now much more substantial than that spent on their own professions or sectors. The LegCo Subcommittee has requested that the monthly remuneration for LegCo Members should be increased by way of pegging it to a certain percentage of the salary range of the directorate officers in the civil service, or alternatively, establishing an independent remuneration scale for LegCo Members.

8. The Independent Commission recognises the increasing volume and complexity of LegCo work, the heavier responsibilities and time commitments, and the higher public expectations now placed upon LegCo Members. It further notes that there has been no change to the level of the monthly remuneration since 1991, except the annual adjustments in accordance with the movements of the Consumer Price Index (C) (CPI(C)) under the price adjustment mechanism approved by the Finance Committee. The real value of the monthly remuneration for LegCo Members has been curbed without moving in line with the growth of real income in the rest of Hong Kong's society. The Independent Commission considers that an increase is warranted.

9. The Independent Commission has examined the rate of economic growth and productivity gains vis-à-vis the change in the remuneration for LegCo Members. Since 1991, the overall rate of increase in the remuneration for LegCo Members has lagged behind the rate of growth in nominal Gross Domestic Product (GDP) per employed person and per capita nominal GDP by 12.0% and 16.4% respectively. In this light, the Independent Commission recommends that, with effect from the fourth-term LegCo, the monthly remuneration be increased by 15%, on top of the price adjustment due in October 2008. Based on the existing rate of \$56,750 at the 2007 price level, the proposed 15% increase will bring the monthly remuneration to the level of \$65,260 (rounded to the nearest ten). This will place LegCo Members among the top 2.1% – 2.2% of salary earners as at 2006 (as opposed to 2.8% – 2.9% currently). The Independent Commission further recommends that the monthly remuneration for the LegCo President and the President's Deputy should continue to be fixed at 200% and 150% respectively of that for their fellow LegCo Members after the proposed 15% increase.

End-of-service gratuity

10. The LegCo Subcommittee has requested that a gratuity equivalent to 15% of the remuneration that LegCo Members receive during their tenure of office be provided. The Independent Commission is sympathetic to the need to provide some form of protection to help LegCo Members tide over a period should they decide not to seek re-election or fail to be re-elected. Accordingly, and also in recognition of LegCo Members' service, the Independent Commission recommends that an end-of-service gratuity be made available to LegCo Members as requested. As to the size of the proposed gratuity, the Independent Commission considers that it is appropriate to pitch the gratuity at 15% of the total remuneration that LegCo Members receive, as this percentage is adopted in many entities in both the private and public sectors where an end-of-contract gratuity is payable.

11. In line with the established principle that any substantial changes to the remuneration package should be implemented only in the following LegCo term, the Independent Commission recommends that the proposed gratuity should be applicable for the fourth-term LegCo due to begin in October 2008. That is to say, starting from the fourth-term LegCo, upon the end of a LegCo term, the total amount of monthly remuneration that a LegCo Member receives in that term will be counted towards the calculation of the amount of gratuity which is payable upon the end of that term.

12. Article 69 of the Basic Law stipulates that the term of office of LegCo shall be four years, except the first term. Each LegCo Member is expected to serve for four years when he or she is elected (unless he or she is returned in a by-election). The Independent Commission recommends that the proposed gratuity should be provided when a LegCo Member has completed his or her term of office, i.e. at the end of the four-year period.

13. That said, the Independent Commission considers that there are exceptional circumstances under which a LegCo Member may be provided with the proposed gratuity even if he or she does not serve out a whole LegCo term. The Independent Commission recommends that –

- (a) upon a Member's death, the gratuity should also be payable (to the administrator of the Member's estate);
- (b) a LegCo Member should not be entitled to receive the gratuity if he or she is declared by the LegCo President to be no longer qualified for the office under Article 79 of the Basic Law², except under Article 79(1) (when he or she loses the ability to discharge his or her duties as a result of serious illness or other reasons), or under Article 79(4) (when he or she accepts a government appointment and becomes a public servant);
- (c) LegCo Members should be provided with the gratuity if their membership ceases due to the dissolution of LegCo under Article 50 of the Basic Law³;

/(d)

² Article 79 of the Basic Law stipulates the following circumstances under which the LegCo President shall declare that a Member is no longer qualified for LegCo office –

- “(1) When he or she loses the ability to discharge his or her duties as a result of serious illness or other reasons;
- (2) When he or she, with no valid reason, is absent from meetings for three consecutive months without the consent of the President of the Legislative Council;
- (3) When he or she loses or renounces his or her status as a permanent resident of the Region;
- (4) When he or she accepts a government appointment and becomes a public servant;
- (5) When he or she is bankrupt or fails to comply with a court order to repay debts;
- (6) When he or she is convicted and sentenced to imprisonment for one month or more for a criminal offence committed within or outside the Region and is relieved of his or her duties by a motion passed by two-thirds of the members of the Legislative Council present; and
- (7) When he or she is censured for misbehaviour or breach of oath by a vote of two-thirds of the members of the Legislative Council present.”

³ Under Article 50 of the Basic Law, the Chief Executive may dissolve LegCo if he refuses to sign a bill passed the second time by LegCo, or LegCo refuses to pass a budget or any other important bill introduced by the Government, and if consensus still cannot be reached after consultations.

- (d) if the LegCo President is satisfied, if necessary after consulting a body comprising LegCo Members, that a LegCo Member resigns as a result of serious illness or any other valid reasons, the LegCo President should have the discretion to have the gratuity paid to the Member; and
- (e) the amount of gratuity payable under the circumstances in (a) to (d) above should be determined on a pro-rata basis for the time the Member has served.

Medical benefits

14. The LegCo Subcommittee has requested that civil service medical benefits be made available to serving LegCo Members. The Independent Commission accepts the LegCo Subcommittee's submission that the physical well-being of serving LegCo Members is important given the heavy demands placed on them, and recommends that certain forms of medical benefits should be made available to them so as to help them maintain better health and better serve the community during their tenure of office. It does not, however, support the LegCo Subcommittee's proposal of making available civil service medical benefits, being a type of staff benefits, for LegCo Members who have no employment relationship with the Government.

15. At present, LegCo Members may reimburse from the OER their expenses on the premium of their personal medical and dental insurance policies. The LegCo Subcommittee has previously stated that many LegCo Members have not done so as they have devoted the OER to other more pressing items. To address this point, the Independent Commission recommends that the present arrangement be strengthened, by the provision of a separate, additional annual accountable medical allowance. From this proposed accountable medical allowance, LegCo Members should be allowed to pay for the premium of their personal medical and/or dental insurance policies, either procured individually or jointly with other LegCo Members (in which case the premium should be apportioned evenly amongst all the involved LegCo Members and charged to their respective accounts), or to use the allowance to pay for actual medical and dental expenses. Having considered the premium of insurance plans generally available in the market which provide a comprehensive hospitalisation and out-patient coverage, the Independent Commission recommends that the allowance be pitched at \$25,000 per annum. The level of this medical allowance should be subject to the same price adjustment mechanism as applied to the monthly remuneration, the OER and the entertainment and travelling expenses allowance. The current arrangement where LegCo Members may reimburse from the OER their expenses on the premium of their personal medical and dental insurance policies should cease with effect from the fourth-term LegCo.

/OER

OER

16. Following a review of the level of the OER conducted by the Independent Commission in mid-2006, the Finance Committee approved on 3 November 2006, vide FCR(2006-07)23, an increase of 10% in the OER with retrospective effect from 1 October 2006. With this increase, and the two price adjustments made in October 2006 and October 2007, the current level of the OER stands at \$1,534,020 per annum (i.e. \$127,835 per month). In its latest written submission to the Independent Commission, the LegCo Subcommittee requested that the OER should be increased to cater for the establishment of a LegCo Member's office in each District Council constituency, and that as in most cases, there are four District Council constituencies in a LegCo geographical constituency, the OER level should be set at a level with adequate provisions for the establishment of four district offices, on top of the central office.

17. In the review of the level of the OER conducted in mid-2006, the Independent Commission took the view that the need amongst LegCo Members and the cost of running a Member's office varied greatly, and that it was difficult, if not impossible, to devise an objective yardstick to determine the optimum number of assistants and district offices for LegCo Members, having regard to their different background and different modes of operation. The Independent Commission stands by this view in the present comprehensive review. It finds it difficult to accept the LegCo Subcommittee's submission that operating four district offices (plus one central office made available by the Administration to each LegCo Member free of charge) should be taken as the benchmark for determining the level of the OER.

18. In considering whether the current level of the OER is adequate for the majority of LegCo Members, the Independent Commission considers it prudent to examine the utilisation rate of the OER for the period after the 10% increase effective from 1 October 2006. For the period from October 2006 to May 2007 (the latest month with available information), the average utilisation rate of the OER was 86.6% which was slightly on the decline when compared with the rate of 92.6% for the same eight-month period in the 2005-06 legislative session. The Independent Commission therefore considers that there are not enough empirical data to allow an informed judgment at this stage and recommends no change to the current level of the OER.

/FINANCIAL

FINANCIAL IMPLICATIONS

19. We estimate that the annual additional expenditure due to the 15% increase in the monthly remuneration and the provision of an annual accountable medical allowance will be around \$6.28 million and \$1.5 million respectively. The proposed payment of 15% gratuity will entail additional expenditure of \$28.9 million per term. The total financial implications of implementing the proposals for the fourth-term LegCo, save for any annual price adjustments to be made, will be about \$60 million. Subject to Members' approval, we will include the necessary provisions in the draft Estimates of the respective financial years.

PUBLIC CONSULTATION

20. In the review conducted in mid-2006, the Independent Commission met the LegCo Subcommittee on 6 June 2006 and 2 August 2006. For the present comprehensive review, the Independent Commission visited two district offices operated by LegCo Members on 11 September 2007, and met the LegCo Subcommittee again on 18 September 2007. We also attended a meeting of the LegCo Subcommittee on 30 July 2007 to receive their views.

BACKGROUND

21. The Independent Commission is appointed by the Chief Executive to determine the remuneration package for the Executive Council and LegCo Members in the Hong Kong Special Administrative Region. The Independent Commission has completed a review and recommended enhancements to several components of the remuneration package for LegCo Members with effect from the fourth-term LegCo.

Encl. 22. The proposed remuneration package for LegCo Members, effective as from the fourth-term LegCo, together with the existing one, are at the Enclosure.

Administration Wing
Chief Secretary for Administration's Office
January 2008

Existing and proposed remuneration package for LegCo Members

Existing Package	Proposed Package with effect from the fourth-term LegCo (before any effect of price adjustments)
<p>1. Monthly Remuneration</p> <p>\$113,500 for the LegCo President \$85,150 for the President's Deputy \$56,750 for other Members</p> <p>2. Annual Expenses Reimbursement</p> <p>(a) Operating expenses \$1,534,020 reimbursement</p> <p>(b) President's entertainment \$157,460 expenses</p> <p>(c) President's and other \$157,310 Members' entertainment and travelling expenses</p> <p>3. One-off Provisions (per term)</p> <p>(a) Setting-up \$150,000</p> <p>(b) Information technology \$100,000 and communications</p> <p>(c) Winding up \$127,835 and actual for severance payments</p>	<p>1. Monthly Remuneration</p> <p>\$130,520 for the LegCo President \$97,890 for the President's Deputy \$65,260 for other Members</p> <p>2. Annual Expenses Reimbursement</p> <p>(a) Operating expenses \$1,534,020 reimbursement</p> <p>(b) President's entertainment \$157,460 expenses</p> <p>(c) President's and other \$157,310 Members' entertainment and travelling expenses</p> <p>(d) Medical allowance \$25,000</p> <p>3. One-off Provisions (per term)</p> <p>(a) Setting-up \$150,000</p> <p>(b) Information technology \$100,000 and communications</p> <p>(c) Winding up \$127,835 and actual for severance payments</p> <p>4. Gratuity (payable at the end of a term)</p> <p>pitched at 15% of the total remuneration received during the term</p>

立法會
Legislative Council

LC Paper No. FC124/07-08
(These minutes have been seen
by the Administration)

Ref : CB1/F/1/2

Finance Committee of the Legislative Council

**Minutes of the 8th meeting
held at the Legislative Council Chamber
on Friday, 11 January 2008, at 5:05 pm**

Members present:

Hon TAM Yiu-chung, GBS, JP (Chairman)
Hon Emily LAU Wai-hing, JP (Deputy Chairman)
Hon James TIEN Pei-chun, GBS, JP
Ir Dr Hon Raymond HO Chung-tai, SBS, S.B.St.J., JP
Hon LEE Cheuk-yan
Hon Mrs Selina CHOW LIANG Shuk-yee, GBS, JP
Hon CHEUNG Man-kwong
Hon CHAN Yuen-han, SBS, JP
Hon CHAN Kam-lam, SBS, JP
Hon Mrs Sophie LEUNG LAU Yau-fun, GBS, JP
Hon LEUNG Yiu-chung
Hon WONG Yung-kan, SBS, JP
Hon Jasper TSANG Yok-sing, GBS, JP
Hon Howard YOUNG, SBS, JP
Hon LAU Kong-wah, JP
Hon LAU Wong-fat, GBM, GBS, JP
Hon Miriam LAU Kin-yee, GBS, JP
Hon CHOY So-yuk, JP
Hon Abraham SHEK Lai-him, SBS, JP
Hon LI Fung-ying, BBS, JP
Hon Tommy CHEUNG Yu-yan, SBS, JP
Hon Albert CHAN Wai-yip
Hon WONG Kwok-hing, MH
Hon LI Kwok-ying, MH, JP
Hon Daniel LAM Wai-keung, SBS, JP
Hon Jeffrey LAM Kin-fung, SBS, JP
Dr Hon KWOK Ka-ki

Hon WONG Ting-kwong, BBS
Prof Hon Patrick LAU Sau-shing, SBS, JP
Hon KWONG Chi-kin
Hon Mrs Anson CHAN, GBM, JP

Members absent:

Hon Albert HO Chun-yan
Hon Martin LEE Chu-ming, SC, JP
Dr Hon David LI Kwok-po, GBM, GBS, JP
Hon Fred LI Wah-ming, JP
Dr Hon LUI Ming-wah, SBS, JP
Hon Margaret NG
Hon James TO Kun-sun
Hon Bernard CHAN, GBS, JP
Hon SIN Chung-kai, SBS, JP
Dr Hon Philip WONG Yu-hong, GBS
Dr Hon YEUNG Sum, JP
Hon LAU Chin-shek, JP
Hon Andrew CHENG Kar-foo
Hon Timothy FOK Tsun-ting, GBS, JP
Hon Frederick FUNG Kin-kee, SBS, JP
Hon Audrey EU Yuet-mee, SC, JP
Hon Vincent FANG Kang, JP
Hon LEE Wing-tat
Dr Hon Joseph LEE Kok-long, JP
Hon Andrew LEUNG Kwan-yuen, SBS, JP
Hon Alan LEONG Kah-kit, SC
Hon LEUNG Kwok-hung
Dr Hon Fernando CHEUNG Chiu-hung
Hon CHEUNG Hok-ming, SBS, JP
Hon Ronny TONG Ka-wah, SC
Hon CHIM Pui-chung
Hon Albert Jinghan CHENG, JP
Hon TAM Heung-man

Public officers attending:

Professor Hon K C CHAN, SBS, JP	Secretary for Financial Services and the Treasury
Mr Stanley YING, JP	Permanent Secretary for Financial Services and the Treasury (Treasury)
Miss Amy TSE, JP	Deputy Secretary for Financial Services and the Treasury (Treasury) 1

Mr Alfred FOK	Principal Executive Officer (General), Financial Services and the Treasury Bureau (The Treasury Branch)
Mr Edward YAU, JP	Secretary for the Environment
Ms Anissa WONG, JP	Permanent Secretary for the Environment / Director of Environmental Protection
Dr Mike CHIU, JP	Deputy Director of Environmental Protection (1)
Ms Betty CHEUNG	Principal Environmental Protection Officer (Community Relations)
Miss Jennifer MAK, JP	Environmental Protection Department Director of Administration
Miss Shirley YUEN	Adm. Wing, Chief Secretary for Administration's Office
Mr YAU Kin-chung	Deputy Director of Administration (2) Adm. Wing, Chief Secretary for Administration's Office
	Assistant Director of Administration (3) Adm. Wing, Chief Secretary for Administration's Office

Clerk in attendance:

Ms Pauline NG	Assistant Secretary General 1
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Staff in attendance:

Miss Becky YU	Chief Council Secretary (1)1
Mrs Mary TANG	Senior Council Secretary (1)2
Ms Alice CHEUNG	Senior Legislative Assistant (1)1
Mr Frankie WOO	Legislative Assistant (1)2

Action

Item No. 8 - FCR(2007-08)48

HEAD 44 – ENVIRONMENTAL PROTECTION DEPARTMENT

♦ Subhead 700 General non-recurrent

New Item “Capital Injection into the Environment and Conservation Fund”

Members continued discussion on the above subject which was carried over from the meeting held on the same day at 3:00 pm.

2. Given that projects funded by the Environment and Conservation Fund (ECF) had assisted in promoting public awareness on environmental protection, Miss CHOY So-yuk said that Members of the Democratic Alliance for Betterment and Progress of Hong Kong supported the proposed funding. She however could not agree to the nomination of ECF Committee members by political parties as proposed by some members. Since ECF Committee members were required to vet funding applications, they would need to be knowledgeable in the field of environmental protection. In fact, most ECF members were environmental experts in the field. As regards ECF projects, Miss CHOY said that some were from management companies, some were research projects undertaken by schools and universities while others were undertaken by pro-democratic camps.
3. Ms Emily LAU however pointed out that political parties also had environmental experts and their appointment to ECF Committee would allow a broad representation of views from different political parties.
4. The Secretary for the Environment said that it was not intended that nomination of ECF Committee members would be made by political parties. Notwithstanding, care would be taken to ensure the representativeness of new ECF Committee when the current term of office of the ECF Committee members expired by the end of the year. He added that the ECF Committee would conduct a review of the funding mechanism following the provision of additional funding by the Government.
5. The Chairman put the item to vote. The Committee approved the proposal.

Item No. 9 - FCR(2007-08)49

HEAD 112 – LEGISLATIVE COUNCIL COMMISSION

♦ Subhead 366 Remuneration and reimbursements for Members of the Legislative Council

6. The Chairman informed members that the Subcommittee on Members' Remuneration and Operating Expenses Reimbursement (the Subcommittee) was consulted on the proposal at its meeting on 10 January 2008.
7. Prof Patrick LAU, Chairman of the Subcommittee, said that the Subcommittee was supportive of the proposed enhancements to the remuneration package for Members of the Legislative Council (LegCo) with effect from the fourth term of LegCo. However, the Subcommittee was dissatisfied that no increase had been made to the annual accountable allowance for Operating Expenses Reimbursement (OER). In this connection, the Director of Administration (D of Admin) was requested to relay the Subcommittee's concern on the need to adjust OER upwards to the Independent Commission on Remuneration for Members of the Executive Council and the Legislature of the Hong Kong Special

Administrative Region (the Independent Commission) for re-consideration. The Subcommittee hoped that a decision on the increase in OER should be made within the current legislative session in order to attract more candidates of high calibre to take part in the forthcoming election. D of Admin had taken note of the Subcommittee's concern and would gather information on the utilization rate of OER from the LegCo Secretariat for further action.

8. Ms Emily LAU said that the proposed adjustments to the remuneration package could not meet Members' request. It was also unfair to invite those who had never participated in direct election to review the remuneration package for LegCo Members. Besides, the proposed increase in monthly remuneration had only brought the salary back to the level in 1998, which was far less than that for key Government officials. The low remuneration package would not be able to attract more candidates of high calibre to take part in the election of the fourth term of LegCo. She was also dissatisfied that no increase had been made to OER, the present level of which had been insufficient to meet the operating expenses of Members' offices.

9. Mr Albert CHAN echoed that the review of the remuneration package of LegCo Members conducted by the Independent Commission was a political decision. He pointed out that as long as LegCo duties were considered a form of service to the public, it was unlikely that there would be much enhancement to the remuneration package. In order to serve the public well, he opined that all LegCo Members should be full-time legislators and should be adequately remunerated for their service. Mr CHAN also requested to state for the record that despite being a member of both LegCo and District Council, his take-home pay was less than \$30,000 per month since a large proportion of the salary had been used to cover the operating expenses of his offices.

10. Mr LEE Cheuk-yan said that back in the 1980s, LegCo was a "rich men's club" and LegCo membership was a form of public service. However, the roles and responsibilities of LegCo Members had changed over the years. The low remuneration package would not be able to attract candidates of high calibre to participate in LegCo work, particularly those to be returned by geographical constituencies since unlike their counterparts from the functional constituencies, the former did not have their own well-paying jobs. He further enquired about the salary level of LegCo Members compared with that of civil service pay scale.

11. D of Admin advised that the current salary of LegCo Members was equivalent to between Points 37 and 38 on the Civil Service Master Pay Scale while the revised salary would be between Points 41 and 42. She however stressed that it was inappropriate to make a direct comparison between the salaries of Government officials and LegCo Members, given their different work nature and the fact that LegCo duties were part of public service. Notwithstanding, in view of the increasing volume and complexity of LegCo work, the Independent Commission had recommended an increase in the monthly remuneration for LegCo Members by

Action

15%, and the provision of a gratuity pitched at 15% of the total remuneration that Members received during a LegCo term as well as an annual accountable medical allowance of \$25,000 to serving LegCo Members. The increase in the monthly remuneration and the provision of a gratuity would amount to an increase of over 30% in the remuneration package. In the review of the remuneration package for Members of the fourth term of LegCo, the Independent Commission had thoroughly examined the components of the remuneration package, including OER. The Independent Commission had recommended a 10% increase in OER in the review conducted in 2006 and the increase had already taken effect in October 2006. In the current review, the Independent Commission had noted that the average utilization rate of OER was slightly on the decline following the 10% increase in October 2006. The Independent Commission had adopted a holistic approach in examining the remuneration package. The proposed enhancements to the remuneration package were appropriate and the Independent Commission had recommended no change to OER at this stage. However, it was prepared to revisit the issue during the fourth-term LegCo if circumstances warranted. Ms LAU asked whether the Independent Commission would further discuss the level of OER when information on the utilization rate was gathered. D of Adm undertook to relay members' request to the Independent Commission.

12. While agreeing that it was not appropriate to draw a comparison between the salaries of LegCo Members and Government officials, Mr Abraham SHEK pointed out that LegCo Members had made substantial contribution to the public through their service at LegCo. Therefore, they should be fairly and adequately remunerated for their work so that they had sufficient means to provide for their families. Furthermore, a reasonable remuneration package was needed to attract the right calibre of people to stand for election as LegCo Members.

13. Mrs Sophie LEUNG said that people of calibre, irrespective of their wealth, should be encouraged to participate in LegCo elections and become LegCo Members. She agreed to the need to develop political talents and to attract them to stand for election for LegCo membership.

14. On the proposed provision of an end-of-service gratuity pitched at 15% of the total remuneration that Members received during a LegCo term, Mrs Anson CHAN noted that this was meant to help LegCo Members tide over a period should they decide not to seek re-election, or fail to be elected. While supporting the proposal, she sought elaboration on the arrangement to provide the gratuity even if a Member did not serve out a whole LegCo term, as in the case of a Member's death whereby the gratuity would be payable to the administrator of the Member's estate. D of Admin said that the gratuity was meant as recognition of Members' contribution to the work of LegCo. Hence, it would be still be payable to a Member if he or she did not serve out a whole LegCo term because of death, by which case the gratuity would be paid to the administrator of the Member's estate. Mrs CHAN said that if this was the case, it should be set out more clearly in the Administration's paper.

15. The Chairman put FCR(2007-08)49 to the vote. 20 members voted for the proposal and two members voted against. The individual results were as follows:

For :

Mr James TIEN Pei-chun
Mr CHEUNG Man-kwong
Mr CHAN Kam-lam
Mr WONG Yung-kan
Mr Howard YOUNG
Mr LAU Wong-fat
Miss CHOY So-yuk
Ms LI Fung-ying
Mr LI Kwok-ying
Mr KWONG Chi-kin
(20 members)

Mrs Selina CHOW LIANG Shuk-yee
Miss CHAN Yuen-han
Mrs Sophie LEUNG LAU Yau-fun
Mr Jasper TSANG Yok-sing
Mr LAU Kong-wah
Ms Miriam LAU Kin-yee
Mr Abraham SHEK Lai-him
Mr Tommy CHEUNG Yu-yan
Prof Patrick LAU Sau-shing
Mrs Anson CHAN, GBM, JP

Against :

Mr LEE Cheuk-yan
(2 members)

Ms Emily LAU Wai-hing

16. The Committee approved the proposal.

17. The meeting was adjourned at 5:52 pm.

Legislative Council Secretariat

31 July 2008

**Remuneration and operating expenses reimbursements
for Legislative Council Members**

Remuneration and Benefits		
	(w.e.f. 1 October 2008)	(w.e.f. 1 October 2011)
	<u>Per Month</u>	<u>Per Month</u>
• President	\$136,400	\$146,300
• House Committee Chairman cum President's Deputy	\$102,300	\$109,730
• Other Members	\$68,200	\$73,150
• Members who serve on the Executive Council	\$45,470, i.e. 2/3 of \$68,200	\$48,770, i.e. 2/3 of \$73,150
	<u>Per Year</u>	<u>Per Year</u>
• Medical allowance	\$26,130	\$28,020
	<u>Per Term</u>	<u>Per Term</u>
• End-of-service gratuity	15% of the total remuneration for the term	15% of the total remuneration for the term
Operating Expenses Reimbursement		
	(w.e.f. 1 October 2008)	(w.e.f. 1 October 2011)
	<u>Per Year</u>	<u>Per Year</u>
• Office operation	\$1,603,050	\$1,719,290
• Entertainment & travelling	\$164,390	\$176,310
• President's entertainment (for discharge of President's duties)	\$164,550	\$176,480
	<u>Per Term</u>	<u>Per Term</u>
• Setting up	\$75,000 (Members who have claimed setting up expenses in the previous term) or \$150,000	\$75,000 (Members who have claimed setting up expenses in the previous term) or \$150,000
• Information technology and communication equipment	\$100,000	\$100,000
• Winding up (when a Member leaves office)	\$133,590 (i.e. 1/12 of the annual office operation expenses reimbursement) plus actual severance payments	\$143,274 (i.e. 1/12 of the annual office operation expenses reimbursement) plus actual severance payments

**Summary of findings from a Survey conducted on
Members' remuneration in January 2012**

Chairmanship and time spent on LegCo work

No. of chairmanships	No. of other committees joined (including the Council, House Committee, Finance Committee, panels and other subcommittees)	No. of hours spent in a typical 4-week period in 2010-2011 session	No. of hours spent per week
7	16	283	71
3	24	340	85
2	20	405	101
2	20	247	62
2	12	243	61
2	14	243	61
2	16	188	47
2	24	182	46
1	17	316	79
1	17	290	73
1	16	284	71
1	14	274	69
1	12	261	65
1	36	255	64
1	23	232	58
1	10	220	55
1	19	178	45
1	29	173	43
		Average	64

No. of chairmanships	No. of other committees joined (including the Council, House Committee, Finance Committee, panels and other subcommittees)	No. of hours spent in a typical 4-week period in 2010-2011 session	No. of hours spent per week
0	27	303	76
0	23	284	71
0	22	347	87
0	20	246	62
0	18	281	70
0	18	221	55
0	18	217	54
0	17	171	43
0	17	171	43
0	16	226	57
0	16	153	38
0	15	132	33
		Average	57
0	14	208	52
0	12	228	57
0	12	216	54
0	11	214	54
0	11	200	50
0	8	188	47
0	6	81	20
		Average	48

Appendix IV (b)

Summary of findings from a Survey conducted on Members' remuneration in January 2012

Time spent on LegCo work for a typical 4-week period in the 2010-2011 session

	No. of hours in a typical 4-week period				
LegCo meetings	Count	Mean	Max	Median	Min
(a) Council meetings (including preparation and actual meeting time)	37	54.08	124	56	10
(b) Committee meetings/visits (including preparation and actual meeting time)	37	63.78	180	50	15
(c) Handling of complaints received under the LegCo Redress System	36	5.02	15	4	1
Publications					
(d) Production of newsletters/work reports	35	9.4	40	8	1
(e) Research reports	25	10.44	80	4	1
Others					
(f) Meetings with the public/constituents	37	22.78	80	20	6
(g) Meetings with other Members/Members of the same or different political affiliations	37	9.23	23	10	2

	No. of hours in a typical 4-week period				
	Count	Mean	Max	Median	Min
Others					
(h) Meetings with government officials/statutory bodies/other organizations	37	12.61	34	11	4
(i) Meetings with the media/press interviews	37	10.42	30	8	1
(j) Meetings with Secretariat staff and LegCo Members' staff	33	7.29	20	5	1
(k) Handling enquiries and complaints in ward office(s)/other venues	37	10.23	50	8	1
(l) Participating in activities, such as demonstrations/petitions/rallies/flyer distribution, to advocate particular stance on LegCo-related business	30	14.8	36	10	1
(m) Liaison activities	32	12.75	40	10	2
(n) Others : <u>giving talks; reading commentaries and research reports; attending seminars etc</u>	5	12.3	25	8	2

Thirty-seven Members provided figures about the time they spent on LegCo work in a typical 4-week period: the average was about 235 hours, while the maximum was 405 hours, the minimum was 81 hours and the median was 228 hours.

Note: Up to 20 January 2012, out of 60 Members, 38 completed and returned the questionnaire issued by the Secretariat; and 16 replied that they had no particular comments. As respondents may choose not to answer all questions, the statistics above are based on the valid answers received (i.e. the number shown under the "count" column) in respect of the question concerned.

**Summary of findings from a Survey conducted on
Members' remuneration in January 2012**

1. Views on the level of complexity of LegCo work

	Degree of complexity (on the basis of research and preparatory work done and communication and decision-making skills involved) for performing the relevant work. ("1" being lowest in complexity and "6" being highest)				
	Count	Mean	Max	Mode	Min
(a) Asking of oral questions at Council meetings	38	3.92	6	4	1
(b) Asking of written questions at Council meetings	38	3.34	5	3	2
(c) Speaking on motions/ amendments with legislative effect	38	4.79	6	5	1
(d) Speaking on motions/ amendments with no legislative effect	38	4.11	5	4	1
(e) Moving of motions/amendments to bills or motions with legislative effect	38	5.42	6	6	1
(f) Moving of motions/amendments to motions with no legislative effect	38	4.18	6	4	1

	Degree of complexity (on the basis of research and preparatory work done and communication and decision-making skills involved) for performing the relevant work. ("1" being lowest in complexity and "6" being highest)				
	Count	Mean	Max	Mode	Min
(g) Chairing a meeting of the Council	15	5.33	6	6	4
(h) Chairing a meeting of a committee (other than a select committee/committee of an inquiry nature)	35	4.8	6	5	3
(i) Chairing a meeting of a select committee/committee of an inquiry nature	28	5.64	6	6	4
(j) Attending a meeting of a committee (other than a select committee/committee of an inquiry nature)	38	3.89	5	4	2
(k) Attending a meeting of a select committee/committee of an inquiry nature	37	4.81	6	5	2
(l) Sponsoring bills	35	5.57	6	6	4
(m) Scrutinizing bills	37	5.46	6	6	4
(n) Scrutinizing subsidiary legislation	37	5	6	5	3
(o) Meeting/discussion with government officials outside official meetings on LegCo matters	38	4	5	4	3

	Degree of complexity (on the basis of research and preparatory work done and communication and decision-making skills involved) for performing the relevant work. ("1" being lowest in complexity and "6" being highest)				
	Count	Mean	Max	Mode	Min
(p) Meeting/discussion with other Members to reach consensus/ compromises/mutual understanding	38	4.95	6	6	3
(q) Meeting/discussion with constituents on LegCo matters	38	4.34	6	5	3
(r) Meeting/attending interviews with the media	38	3.92	5	4	2
(s) Serving as Duty Roster Member	38	3.53	4	4	1
(t) Meeting with visitors from outside Hong Kong	37	3.89	5	5	1
(u) Participating in local duty visits	38	3.71	5	3	1
(v) Participating in duty visits outside Hong Kong	37	4.24	6	5	2
(w) Handling complaints at ward office/other venues	38	3.87	6	4	2
(x) Others (please specify) <u>Writing articles</u>	1	4	4	n/a	4
(y) Others(please specify) <u>Organizing seminars/workshops</u>	1	5	5	n/a	5

	Degree of complexity (on the basis of research and preparatory work done and communication and decision-making skills involved) for performing the relevant work. ("1" being lowest in complexity and "6" being highest)				
	Count	Mean	Max	Mode	Min
(z) Others(please specify) <u>Conducting in-depth research with scholars/ organizations/ staff</u>	1	6	6	n/a	6
(aa) Others(please specify) <u>Working with non-government bodies to press for policy changes</u>	1	5	5	n/a	5

2. General views on LegCo duties

	Responses to question ("1" being strongly disagree and "6" being strongly agree)				
	Count	Mean	Max	Mode	Min
(a) Public expectation has great impact on LegCo Members' work, especially in respect of LegCo's watchdog role.	38	5.45	6	6	3
(b) Lack of public consultation by the Administration on new policies/legislative proposals has made it necessary for LegCo Members, either as a group or as an individual, to consult the public/constituents before making a decision on the subjects.	38	5.32	6	6	2

	Responses to question ("1" being strongly disagree and "6" being strongly agree)				
	Count	Mean	Max	Mode	Min
(c) There is a need to be well versed in the subjects before a LegCo Member is able to speak on the subjects, and a lot of preparatory work is required.	38	5.42	6	6	3
(d) The lack of high quality supporting staff has made it necessary for a LegCo Member to do his/her own research.	38	5.11	6	6	2
(e) The speeches made by a LegCo Member are very important, hence very stressful.	38	4.74	6	5	2
(f) The decisions made by a LegCo Member are critical, hence very stressful.	38	5.21	6	6	2
(g) LegCo Members are required to communicate effectively with people at all levels, both in the Government and in other public/private organizations.	38	5.24	6	5	3
(h) LegCo Members must have good writing skills or must be able to provide guidance in writing effectively.	38	4.89	6	5	3

		Responses to question ("1" being strongly disagree and "6" being strongly agree)				
		Count	Mean	Max	Mode	Min
(i)	The duties carried out by a LegCo Member are no less onerous than those performed by a public officer at the following level:					
(i)	Senior Executive Officer (\$65,300 per month, MPS39) [#]	33	5.82	6	6	3
(ii)	Chief Executive Officer (\$89,075 per month, MPS47) [#]	33	5.82	6	6	4
(iii)	Principal Executive Officer (\$113,100 per month, D1) [#]	33	5.79	6	6	4
(iv)	Assistant Director/ Administrative Officer Staff Grade C (\$134,300 per month, D2) [#]	33	5.73	6	6	4
(v)	Deputy Director/ Administrative Officer Staff Grade B (\$155,850 per month, D3) [#]	33	5.61	6	6	3
(vi)	Deputy Director/ Administrative Officer Staff Grade B1 (\$172,050 per month, D4) [#]	32	5.19	6	6	3

Responses to question ("1" being strongly disagree and "6" being strongly agree)					
	Count	Mean	Max	Mode	Min
(vii) Director/Commissioner (\$182,650 per month, D5)#	32	5.06	6	6	2
(viii) Director/Administrative Officer Staff Grade A (\$192,650 per month, D6)#	32	4.69	6	6	2
(ix) Director (\$208,050 per month, D7)#	33	4.64	6	6	2
(x) Administrative Officer Staff Grade A1 (\$214,500 per month, D8)#	34	4.32	6	6	2
(xi) Policy Secretary (\$282,080 per month)	34	4.18	6	4	1

#The amount quoted is the mid-point salary of the rank stated. "MPS" stands for Master Pay Scale; and "D" stands for Directorate pay scale. For D5 to D8, as there is only one increment on the respective scales, the remuneration after increment is taken as the mid-point salary.

Note: Up to 20 January 2012, out of 60 Members, 38 completed and returned the questionnaire issued by the Secretariat; and 16 replied that they had no particular comments. As respondents may choose not to answer all questions, the statistics above are based on the valid answers received (i.e. the number shown under the "count" column) in respect of the question concerned.

Members' remuneration and benefits in the legislatures of the United Kingdom, Australia, Canada, New Zealand, Singapore and the United States

1. Introduction

1.1 This Appendix provides a summary of selected features relating to the remuneration and benefits of Members in the lower house of the parliament in the United Kingdom ("UK"), Australia, Canada and the United States ("US"), as well as the unicameral parliament in New Zealand and Singapore. The following **Table** compares the components of Members' remuneration, statutory basis and established principles adopted for the determination of remuneration, authorities responsible for determining Members' remuneration, basis for the current remuneration and adjustment mechanisms, additional pays for responsibilities, and current pay and benefits for Members in these selected legislatures.

Table – Members' remuneration and benefits in the selected legislatures

	House of Commons of the United Kingdom	House of Representatives of Australia	House of Commons of Canada	Parliament of New Zealand	Parliament of Singapore	House of Representatives of the United States
Parliamentary membership						
Provisions on Members' outside employment	The Code of Conduct of the House of Commons allows Members to hold remunerated outside interest in any capacity.	There are minimal restrictions on outside employment undertaken by Members.	Members are not required to serve on a full-time basis. Except for Ministers and Parliamentary Secretaries, Members may take up outside employment.	The Parliament of New Zealand does not require Members to serve on a full-time basis. Members may undertake outside employment.	Members are not statutorily required to serve on a full-time basis. Members may take up outside employment as long as they keep their private and public responsibilities separate.	Members are prohibited from, among others, receiving outside annual earned income exceeding 15% of the basic pay for Level II of the Executive Schedule, and receiving any honorarium for an appearance, speech, or article.

Table – Members' remuneration and benefits in the selected legislatures (cont'd)

	House of Commons of the United Kingdom	House of Representatives of Australia	House of Commons of Canada	Parliament of New Zealand	Parliament of Singapore	House of Representatives of the United States
Parliamentary membership (cont'd)						
Whether parliamentary membership is considered as full-time or part-time	The UK Parliament considers its membership to be full time. Members should be provided with adequate remuneration for a full-time Member who has no other source of income.	The Australian Parliament has considered its membership to be full time since the 1950s, while acknowledging the fact that the increasing workload of Members makes it difficult for them to carry on an external occupation.	In the light of the heavy workload, the Parliament of Canada considers its membership as full-time. Salaries paid to Members are commensurate with those for full-time comparable jobs.	Membership is regarded by the Parliament as full-time. According to the <i>Parliamentary Practice in New Zealand</i> , the job of a Member is a full-time occupation, and salaries of Members have been fixed on this basis for many years.	According to the Parliament Secretariat of Singapore, Members' parliamentary duties are considered to be part-time in nature and thus their payment is called "allowance" instead of "salary".	The House membership is considered as a full-time job in view of the workload of Members.

Table – Members' remuneration and benefits in the selected legislatures (cont'd)

	House of Commons of the United Kingdom	House of Representatives of Australia	House of Commons of Canada	Parliament of New Zealand	Parliament of Singapore	House of Representatives of the United States
Members' remuneration and benefits						
Components	(a) Salary; (b) pensions; (c) allowances; and (d) in-house medical services.	(a) Salary; (b) superannuation; (c) electorate allowance; and (d) other entitlements.	(a) Salary (also known as sessional allowance/ indemnity); (b) additional allowance/ salary; (c) pensions; (d) insurance plans; (e) medical benefits; and (f) other entitlements.	(a) Salary; (b) superannuation subsidy; and (c) other entitlements.	(a) Allowance package with fixed and variable components ⁽¹⁾ ; (b) retirement benefits; (c) medical benefits; and (d) other entitlements.	(a) Salary; (b) retirement benefits; (c) medical benefits; and (d) other entitlements.

Note: (1) In Singapore, the payment to Members of Parliament ("MP") is called "allowance" instead of "salary", as MPs' parliamentary duties are considered by the Parliament Secretariat to be part-time in nature. However, various terms such as "salary", "allowance" and "salary and allowance" are used in the *Constitution* and parliamentary records to denote the payments received by the Speaker and Deputy Speakers. For the sake of consistency, their payments are called "allowance" in this Appendix.

Table – Members' remuneration and benefits in the selected legislatures (cont'd)

	House of Commons of the United Kingdom	House of Representatives of Australia	House of Commons of Canada	Parliament of New Zealand	Parliament of Singapore	House of Representatives of the United States
Statutory basis for determination of Members' remuneration						
Relevant legislation on Members' remuneration	Nil.	(a) <i>Remuneration Tribunal Act 1973</i> ; (b) <i>Remuneration and Allowances Act 1990</i> ; (c) <i>Remuneration and Other Legislation Amendment Act 2011</i> ; (d) <i>Parliamentary Entitlements Act 1990</i> ; (e) <i>Parliamentary Retiring Allowances Act 1948</i> ; and (f) <i>Parliamentary Superannuation Act 2004</i> . ⁽²⁾	(a) <i>Parliament of Canada Act</i> ; and (b) <i>Members of Parliament Retiring Allowances Act</i> .	(a) <i>Remuneration Authority Act 1977</i> ; and (b) <i>Civil List Act 1979</i> .	The Constitution of Singapore.	(a) The US Constitution; and (b) <i>Ethics Reform Act of 1989</i> .

Note: (2) In Australia, there are a number of legislation related to Members' remuneration and benefits, with only the major ones listed above.

Table – Members' remuneration and benefits in the selected legislatures (cont'd)

	House of Commons of the United Kingdom	House of Representatives of Australia	House of Commons of Canada	Parliament of New Zealand	Parliament of Singapore	House of Representatives of the United States
Guiding principles regarding Members' remuneration						
Guiding principles in considering Members' salary	<p>(a) Pay should not be so low as to deter suitable candidates, or so high as to make pay the primary attraction of the job;</p> <p>(b) pay should reflect levels of responsibility rather than workload;</p> <p>(c) those who choose to make Parliament a full-time career should be adequately rewarded to reflect their responsibilities; and</p> <p>(d) the basic salary should be the same for all Members.</p>	Should ensure that the parliamentary membership is open to all classes, and not only to the rich.	Originally regarded as part-time in nature to compensate Members for losses incurred while they were in Ottawa, away from their homes and ordinary ways of earning a living. Gradually, the job of a Member began to be considered a full-time occupation and Members received an annual salary.	<p>(a) The occupation of a Member should be regarded as virtually full-time and professional in nature;</p> <p>(b) it should be assumed that a Member has no other income;</p> <p>(c) it should be accepted that Members are married with family commitments; and</p> <p>(d) regard should be given to the sacrifices a Member and his or her spouse have to make in their enjoyment of leisure and family life.</p>	Members are paid for the time and expenses incurred in serving their roles.	<p>(a) Members should receive compensation for their services;</p> <p>(b) House membership is considered as a full-time job in view of the workload of Members; and</p> <p>(c) Members are disallowed to hold simultaneously any office in other government authorities, and are governed by stringent rules when undertaking outside employment.</p>

Table – Members' remuneration and benefits in the selected legislatures (cont'd)

	House of Commons of the United Kingdom	House of Representatives of Australia	House of Commons of Canada	Parliament of New Zealand	Parliament of Singapore	House of Representatives of the United States
Relevant authorities						
Review/ Responsible authorities	Independent Parliamentary Standards Authority ("IPSA") (effective April 2012). ⁽³⁾	Remuneration Tribunal (effective August 2011). ⁽⁴⁾	Nil, as Members' pay is adjusted in accordance with the legislation each year.	The Remuneration Authority established by statute.	Public Service Division of the Prime Minister's Office.	Nil, as Members' pay is adjusted in accordance with the automatic adjustment mechanism set out in the <i>Ethics Reform Act of 1989</i> .

Notes: (3) Members in the UK are experiencing a two-year pay freeze beginning from April 2010. There is currently no mechanism for setting or changing Members' salaries until the relevant legislation which empowers IPSA to determine Members' pay is brought into force.

(4) In Australia, the *Remuneration and Other Legislation Amendment Act 2011*, which came into effect in August 2011, has expanded the jurisdiction of the Remuneration Tribunal to determine the basic salary of parliamentarians. Prior to that, the rate of Members' basic salary was decided by the government on the basis of the Remuneration Tribunal's advice.

Table – Members' remuneration and benefits in the selected legislatures (cont'd)

	House of Commons of the United Kingdom	House of Representatives of Australia	House of Commons of Canada	Parliament of New Zealand	Parliament of Singapore	House of Representatives of the United States
Relevant authorities (cont'd)						
Key considerations	Information not available.	(a) Complexity of the work of Members, their responsibilities and accountabilities, and their contribution to a better governed and more prosperous nation; (b) range of duties undertaken by Members, and changes in the quantity and quality of the various key outputs they deliver; (c) all payments and benefits received by Members; and (d) community wage and salary movements and remuneration trends in specific market segments, especially the public sector.	Not applicable.	(a) The requirements of the position concerned; and (b) the conditions of service enjoyed by the persons whose remuneration is being determined and those whose remuneration and conditions of employment are comparable with the former group.	Allowance must be competitive to attract people of the right calibre while reflecting the ethos of political service that entails making sacrifices.	Not applicable.

Table – Members' remuneration and benefits in the selected legislatures (cont'd)

	House of Commons of the United Kingdom	House of Representatives of Australia	House of Commons of Canada	Parliament of New Zealand	Parliament of Singapore	House of Representatives of the United States
Relevant authorities (cont'd)						
Basis for determining the level of remuneration of Members	<p>(a) Originally set at £400 a year for part-time service, but since 1911, Members' pay was adjusted at irregular intervals, and "there was no machinery for its review". It was not until 1971 that an independent body named the Review Body on Top Salaries (which was renamed the Review Body on Senior Salaries in 1993) was introduced to review Members' salaries and allowances from time to time; and</p> <p>(b) After the outbreak of the expenses scandal relating to some members in 2009, IPSA has been set up to determine Members' pay and pension arrangement starting from 2012,.</p>	From 7 December 1999 till today, it has been linked to the reference salary at Band A in the Principal Executive Office structure.	Under the 2001 legislation, the salary of the Prime Minister was set equal to that of the Chief Justice of the Supreme Court of Canada, and the salary of a Member was set at 50% of the salary of the Chief Justice.	On the basis of the Hay system in evaluating executive jobs in the public sector against three components (know how, problem solving and accountability), the Remuneration Authority determined the pay points for Members (994 Hay points), and the total remuneration of Members has been maintained roughly equivalent to that point.	In January 2012, Parliament passed a motion to adopt a new salary system under which Members' annual allowance is pegged at 17.5% of the MR4 grade, the salary grade for entry-level minister. MR4 grade is benchmarked to 60% of the median income of the top 1 000 Singaporean Citizen earners.	The salaries of Members have generally been in parity for years with those of district judges and Executive Schedule II payees (i.e. deputy secretaries of departments, secretaries of military department, and heads of major agencies).

Table – Members' remuneration and benefits in the selected legislatures (cont'd)

	House of Commons of the United Kingdom	House of Representatives of Australia	House of Commons of Canada	Parliament of New Zealand	Parliament of Singapore	House of Representatives of the United States
Adjustment mechanisms						
Basis of adjustment in Members' remuneration	Annual increases in Members' salary were linked to the median pay increase received by a basket of 15 public sector workforce groups in the preceding year. ⁽⁵⁾	Members' basic salary will be determined by the Remuneration Tribunal from 2012. It has proposed to base the salary adjustment on Members' accountabilities and the remuneration of comparable jobs. ⁽⁶⁾	Both Members' salaries and allowances are adjusted in accordance with the index of the average percentage increase in base-rate wages for each calendar year.	Each year the Remuneration Authority establishes a confidential payline based on the Hay system of job evaluations and taking primarily public sector remuneration into consideration.	Members' annual allowance is adjusted according to the movement of the MR4 benchmark each year.	Members' annual salaries are adjusted according to the Employment Cost Index minus 0.5%, which shall not exceed the percentage adjustment in base pay for federal white-collar civilian employees under the General Schedule nor 5%.

Notes: (5) This mechanism was adopted prior to the two-year pay freeze imposed on Members of the UK Parliament from April 2010.

(6) Between 1999 and 2011, Members' basic salary was linked to a reference point in the Principal Executive Office structure determined by the Remuneration Tribunal, known as "Reference Salary A". Members' basic salary changed automatically when Reference Salary A was adjusted.

Table – Members' remuneration and benefits in the selected legislatures (cont'd)

	House of Commons of the United Kingdom	House of Representatives of Australia	House of Commons of Canada	Parliament of New Zealand	Parliament of Singapore	House of Representatives of the United States
Adjustment mechanisms (cont'd)						
Rationale for adjustment mechanism	To ensure that Members received awards in line with the pay of appropriate comparable public sector groups, and Members were subject to the same pay restraint as other public sector workers.	According to the Remuneration Tribunal, there is a need to remunerate Members sufficiently so as to attract and retain men and women of appropriate capacity.	Linking parliamentary compensation increases to the index means that parliamentarians fare neither better nor worse than the people whom they represent.	The Remuneration Authority uses this system to ensure that "there is a valid reason for setting a pay rate" and "politicians are treated no more or less favourably than other public sector clients" of the Authority.	The MR4 benchmark is established to: (a) allow top office holders ⁽⁷⁾ to be paid competitive salaries comparable with private sector earnings; (b) reflect the ethos of political service which entails making sacrifices; and (c) maintain a "clean wage" policy with no hidden perks.	Members' pay is expected to be adjusted on a regular basis with reference to the comparable pay movement in the private sector.

Notes: (7) The top office holders comprise the President, Prime Minister, Speaker and Deputy Speaker of Parliament, political appointment holders and Members.

Table – Members' remuneration and benefits in the selected legislatures (cont'd)

	House of Commons of the United Kingdom	House of Representatives of Australia	House of Commons of Canada	Parliament of New Zealand	Parliament of Singapore ⁽⁸⁾	House of Representatives of the United States
Current pay⁽⁹⁾						
Ordinary Members	£65,738 (HK\$820,410)	AUS\$140,910 (HK\$1.13 million) ⁽¹⁰⁾	CAN\$157,731 (HK\$1.24 million)	NZ\$141,800 (HK\$883,414)	SG\$192,500 (HK\$1.19 million) ⁽¹¹⁾	US\$174,000 (HK\$1.35 million)
Prime Minister	£198,661 (HK\$2.48 million)	AUS\$366,366 (HK\$2.95 million)	CAN\$315,462 (HK\$2.48 million)	NZ\$411,510 (HK\$2.56 million)	SG\$2.2 million (HK\$13.64 million) ⁽¹²⁾	Not applicable. ⁽¹³⁾
Cabinet ministers/ Secretaries at cabinet level	£145,492 (HK\$1.82 million)	AUS\$243,070 (HK\$1.96 million)	CAN\$233,247 (HK\$1.84 million)	NZ\$257,800 (HK\$1.61 million)	(a) SG\$1.76 million (HK\$10.91 million) ⁽¹⁴⁾ ; and (b) Cabinet minister is also entitled to receive Members' allowance.	US\$199,700 (HK\$1.55 million)

Notes: (8) The pay rates are based on a new salary system approved by Parliament on 18 January 2012, which was backdated to 21 May 2011 (the date when the new government took office).

(9) The annual figures are presented unless they are specifically stated otherwise.

(10) In December 2011, the Remuneration Tribunal of Australia announced its intention to increase Members' annual basic salary from the current AUS\$140,910 (HK\$1.13 million) to AUS\$185,000 (HK\$1.49 million). Such decision was based on the results of an assessment of the work of Members carried out by an external consultant. The Remuneration Tribunal has not issued the determination to implement the salary adjustment.

(11) The annual pay rate for Members is based on an assumption that one-month Annual Variable Component ("AVC") is paid.

(12) The annual pay rate is based on an assumption that one-month AVC and six-month National Bonus are paid. The annual allowance payable to the Prime Minister is reduced by 28% under the new salary system.

(13) The United States does not have the post of Prime Minister.

(14) This annual pay rate is for MR1 ministerial rank, which is the highest grade for Ministers. This rate is based on an assumption that one-month AVC, three-month Performance Bonus and three-month National Bonus are paid.

Table – Members' remuneration and benefits in the selected legislatures (cont'd)

	House of Commons of the United Kingdom	House of Representatives of Australia	House of Commons of Canada	Parliament of New Zealand	Parliament of Singapore	House of Representatives of the United States
Current pay (cont'd)						
Speaker	£145,492 (HK\$1.82 million)	AUS\$246,593 (HK\$1.98 million)	CAN\$233,247 (HK\$1.84 million)	NZ\$257,800 (HK\$1.61 million)	(a) SG\$550,000 (HK\$3.41 million); and (b) Speaker is entitled to receive Members' allowance if he or she serves both roles. ⁽¹⁵⁾	US\$223,500 (HK\$1.74 million)
Deputy Speaker	£107,108 ⁽¹⁶⁾ (HK\$1.34 million)	AUS\$169,092 (HK\$1.36 million)	CAN\$196,910 (HK\$1.55 million)	NZ\$181,200 (HK\$1.13 million)	(a) SG\$82,500 (HK\$511,500); and (b) Deputy Speaker is entitled to receive Members' allowance if he or she serves both roles. ⁽¹⁷⁾	Not applicable. ⁽¹⁸⁾
Committee chairs	(a) Chairs of the 36 select committees: £80,320 (HK\$1.0 million); and (b) Some 30 members of the Panel of Chairs: £68,648 (HK\$856,727) to £80,320 (HK\$1.0 million), depending on length of service.	103% (AUS\$145,137 or HK\$1.17 million) to 116% (AUS\$163,456 or HK\$1.31 million) of the basic salary of an ordinary Member.	CAN\$168,896 (HK\$1.33 million)	NZ\$155,700 (HK\$970,011)	Same as ordinary Members.	Same as ordinary Members.

Notes: (15) The annual pay rate for the Speaker is based on an assumption that one-month AVC is paid.

(16) In the UK, the Deputy Speaker is the Chairman of Ways and Means.

(17) The annual pay rate for Deputy Speakers is based on an assumption that one-month AVC is paid.

(18) The United States House of Representatives does not have the post of Deputy Speaker.

Table – Members' remuneration and benefits in the selected legislatures (cont'd)

	House of Commons of the United Kingdom	House of Representatives of Australia	House of Commons of Canada	Parliament of New Zealand	Parliament of Singapore	House of Representatives of the United States
Benefits						
Pensions/ Retirement benefits	The parliamentary pension scheme, which is a contributory final salary scheme with a choice of accrual rates.	(a) The Parliamentary Contributory Superannuation Scheme for Members elected before 9 October 2004, which is an unfunded defined benefit scheme with the amount of pension calculated by a pre-determined formula; and (b) the parliamentary superannuation scheme for Members elected on or after 9 October 2004, which is an accumulation scheme with the final benefit made up of contributions plus investment earnings, less administration costs paid.	A retiring allowance (pension) is payable to former Members who have contributed to the pension plan for a minimum of six years and who have attained age 55.	Members who joined the Parliament before 1 July 1992 may continue as contributors to the Parliamentary Superannuation Scheme under the Government Superannuation Fund. For other Members, a public subsidy will be paid to any superannuation scheme registered under the <i>Superannuation Schemes Act 1989</i> which a Member chooses to join.	(a) The pension scheme previously offered for Members elected before 1995 has been frozen after the approval of the new salary system in January 2012; and (b) Members elected after 1995 are required to participate in the Central Provident Fund.	(a) Members elected before 1984 may be covered by the Civil Service Retirement System ("CSRS"), the CSRS Offset plan or the Federal Employees Retirement System ("FERS"); (b) Members elected in 1984 or afterwards may be covered by FERS; and (c) all Members are required to join the Social Security System.

Table – Members' remuneration and benefits in the selected legislatures (cont'd)

	House of Commons of the United Kingdom	House of Representatives of Australia	House of Commons of Canada	Parliament of New Zealand	Parliament of Singapore	House of Representatives of the United States
Benefits (cont'd)						
Medical benefits	(a) Parliament's medical screening services; and (b) free access to almost all medical facilities under the National Health Service.	Members are not covered under a medical plan. However, Australian citizens have access to free or low-cost medical, optical and hospital services under Australia's publicly-funded health care system, known as Medicare.	Members are eligible for the Public Service Health Care Plan and the Public Service Dental Care Plan. The House pays the full cost of these plans.	Medical benefits are not part of a Member's remuneration package.	(a) Members elected before 1995 may participate in the Co-payment on Ward Scheme; and (b) Members elected after 1995 may participate in the Medisave cum Subsidized Outpatient Scheme.	Members may participate in the Federal Employees Health Benefits Program, and Basic Life Insurance under the Federal Employees Group Life Insurance Program.

Table – Members' remuneration and benefits in the selected legislatures (cont'd)

	House of Commons of the United Kingdom	House of Representatives of Australia	House of Commons of Canada	Parliament of New Zealand	Parliament of Singapore	House of Representatives of the United States
Benefits (cont'd)						
Other entitlements	A number of allowances enabling Members to work in the parliament and in their constituencies, such as accommodation expenses, staffing, and office expenditure.	(a) Electorate allowance for expenses associated with the electorate; and (b) benefits listed in Schedule 1 Part 1 of the <i>Parliamentary Entitlements Act 1990</i> , such as private-plated vehicle, office accommodation, printing and communications, and travel allowance.	(a) Member's Office Budget; (b) Travel Status Expenses Account; (c) furnished office within the Parliamentary Precinct; and (d) Constituency Office Furniture and Equipment Improvement Fund.	(a) Basic expense allowance; (b) travel, accommodation, attendance and communication services; and (c) other funding and services to support Members' parliamentary operations.	Reimbursement for staff allowance.	(a) Members' Representational Allowances; (b) deduction of certain living expenses for income tax; and (c) travelling allowance for participating in organizational caucuses or conferences.

**Summary of findings from a Survey conducted on
Members' remuneration in January 2012**

Remuneration

	Responses to question ("1" being strongly disagree and "6" being strongly agree)				
	Count	Mean	Max	Mode	Min
(a) The remuneration for Members should recognize the fact that it can be a full-time job.	37	5.76	6	6	3
(b) The present remuneration package does not reflect LegCo Members' level of responsibility and the time they devote to their work.	38	5.79	6	6	4
(c) The remuneration of a "full-time" LegCo Member could be pegged to a certain percentage of the salary of a Policy Secretary (\$282,080 per month (pm)) :					
(i) 100% (i.e. 282,080 pm)	35	1.74	6	1	1
(ii) 90% (i.e. \$253,872 pm)	35	1.83	5	1	1
(iii) 80% (i.e. \$225,664 pm)	35	2.14	6	1	1
(iv) 70% (i.e. \$197,456 pm)	34	2.06	5	1	1
(v) 60% (i.e. \$169,248 pm)	34	2.32	6	1	1
(vi) 50% (i.e. \$141,040 pm)	36	5.47	6	6	2
(vii) 40% (i.e. \$112,832 pm)	34	4.65	6	6	1
(viii) 30% (i.e. \$84,624 pm)	34	1.50	6	1	1

	Responses to question ("1" being strongly disagree and "6" being strongly agree)				
	Count	Mean	Max	Mode	Min
(d) It should be for individual LegCo Members to claim up to 100% of the full remuneration package according to the time they spent on LegCo work.	38	1.89	6	1	1
(e) The present remuneration package does not encourage persons with good professional background to become Members of LegCo.	38	5.71	6	6	3
(f) A LegCo Member ought to be extremely cautious of any possible conflict of interests arising from other commitments, hence he/she cannot rely on income from other sources.	38	5.13	6	6	2

Note: Up to 20 January 2012, out of 60 Members, 38 completed and returned the questionnaire issued by the Secretariat; and 16 replied that they had no particular comments. As respondents may choose not to answer all questions, the statistics above are based on the valid answers received (i.e. the number shown under the "count" column) in respect of the question concerned.

Other views

- (i) Members' remuneration should not be too high lest they may, in performing their duties, make securing their LegCo membership their prime concern in order to maintain their high income. This is because Members who pay regard to their own interests will consider merely short-term benefits instead of long-term ones and avoid making difficult decisions which may be beneficial to the community and the public in the long run but detrimental to their re-election. From another perspective, many Members dare to criticize but fail to propose effective solution; and they need not bear any responsibility for the decisions made either. Hence, comparison cannot be made between Members and Policy Secretaries or Directors of Departments. (1 Member)

- (ii) As to (c) in the above, in view of the greater responsibilities but smaller power of a LegCo Member when compared with those of a Policy Secretary, we suggest that LegCo Members' remuneration should be somewhere between 40% and 50% of the latter's. We think that Policy Secretaries are overpaid and their remuneration should be reduced. In the long-run, the remuneration of LegCo Members should be pegged to that of Policy Secretaries at a reasonable level of 70% of the latter's salary. (3 Members)
- (iii) In my opinion, the level of responsibilities of a LegCo Member is generally higher than or at least the same as that of a Policy Secretary. However, the powers and functions of a LegCo Member are different from those of a Policy Secretary. A LegCo Member has fewer powers and functions as compared to a Policy Secretary. I propose that the remuneration of a LegCo Member should be pegged to the salary of a Policy Secretary. Given the differences in their level of responsibilities and powers and functions, I propose that the remuneration of a LegCo Member should be in the region of \$110,000 to \$140,000, i.e. equivalent to 40% to 50% of the salary of a Policy Secretary. (1 Member)
- (iv) Regarding (d) in the above, it is proposed that there should be a difference between the remuneration of a full-time Member and a part-time Member. The remuneration of a full-time Member and a part-time Member should be 50% and 30% of the salary of a Policy Secretary respectively. A Member should be regarded as a part-time Member if his/her income from other paid work exceeds the remuneration of a full-time Member by 5% to 10%. (9 Members)
- (v) It is inappropriate to compare the nature of work of legislators with that of Executive Officers, as the nature of work is radically different. A legislator's work is different from that of civil servants' generally, but comparison of work at directorate level is more appropriate in view of the degree of complexity involved. (1 Member)
- (vi) The review should be completed as soon as possible and a proposal should be made for adjusting Members' remuneration upwards for implementation in the coming LegCo term. (3 Members)
- (vii) It is reasonable to peg the remuneration of a Member to a percentage between 40% and 50% of the salary of a Policy Secretary. The existing salary of a Policy Secretary seems to be on the high side and should be adjusted downwards gradually so that the remuneration of a Member is 70% of the salary of a Policy Secretary. (1 Member)