

立法會
Legislative Council

LC Paper No. CRM 1106/16-17

Ref : AM12/01/19 (16-20)

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

**Minutes of meeting held on 20 June 2017 at 10:45 am
in Conference Room 3 of the Legislative Council Complex**

- Members Present** : Hon WONG Ting-kwong, GBS, JP
Hon CHAN Hak-kan, BBS, JP
Hon WU Chi-wai, MH
Hon IP Kin-yuen
Ir Dr Hon LO Wai-kwok, SBS, MH, JP
Hon CHU Hoi-dick
Hon HO Kai-ming
- Members Absent** : Hon Martin LIAO Cheung-kong, SBS, JP
Hon Jeremy TAM Man-ho
- Clerk in attendance:** Ms Amy YU
Principal Council Secretary 1
- Staff in attendance** : Mr Kenneth CHEN, SBS
Secretary General
- Miss Odelia LEUNG
Deputy Secretary General
- Miss Roxanna LO
Accountant
- Mrs Goppi CHENG
Senior Deputy Accountant
- Mr Simon CHEUNG
Deputy Accountant 4
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I. Members' Operating Expenses Reimbursement
(LC Paper No. CRM 744/16-17)

At the invitation of the Chairman, the Clerk briefed members on the paper prepared by the Secretariat (LC Paper No. CRM 744/16-17) setting out information on issues relating to Members' Operating Expenses Reimbursement ("OER") raised by the members at the meeting on 20 January 2017.

Level of OER and mechanism of annual adjustment to OER

2. Referring to Appendix VI to the paper, Mr IP Kin-yuen said that there was a marked difference in the salary distribution of full-time staff employed by Members returned from Functional Constituencies ("FC") on the one hand, and those employed by Members returned from Geographical Constituencies ("GC") and the District Council (second) functional constituency ("DC (second) FC") on the other. Of the full-time staff employed by Members returned from FC in the Sixth Legislative Council ("LegCo"), about 38% received a salary between \$15,000 to \$25,000, while about 24% a salary of more than \$35,000. However, for full-time staff employed by Members returned from GC and the DC (second) FC, the majority (about 67.4% and 74.7% respectively) received a salary between \$10,000 to \$20,000 and only about 5% received a salary of more than \$35,000. Mr IP pointed out that for Members returned from GC and DC (second FC) who had to serve much larger constituencies and required more manpower resources in carrying out constituent liaison work, the current level of OER was grossly inadequate for meeting staff expenses. He considered it necessary to tackle this issue to ensure that staff employed by these Members could receive more reasonable remuneration.

3. Mr IP Kin-yuen further opined that it was inappropriate to use Consumer Price Index (C) ("CPI(C)"), which reflected the price level of consumer commodities and services, as the basis for annual adjustment of Members' expense reimbursements, given that staff expenses accounted for over 70% of Members' Office Operating Expenses Reimbursement ("OOER") but the components of CPI(C) did not include wages and salaries. In his view, the staff portion of OOER should be adjusted with reference to civil service pay adjustment. He stressed that it was important that Members should be provided with adequate resources to recruit and retain a team of competent staff to enable them to discharge their LegCo duties effectively.

4. Noting from Appendix VI to the paper that the total number of full-time staff employed by GC Members of the Sixth LegCo had decreased by about 30 as compared to the Fifth LegCo, Mr HO Kai-ming wondered whether the decrease was attributable to more staff employed on a part-time basis. In

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response to Mr HO's enquiry on whether there was any information on the number of part-time staff employed by Members, the Clerk said that the information collated for this meeting covered only full-time staff employed by Members. Citing his own experience that the rent charged by Link REIT for his district office had increased twofold, Mr HO further said that the rate of increase in Members' rental expenses far exceeded that of CPI(C). To cope with the increase in office rental expenses, Members might have no choice but to offer lower salaries to their staff. He considered that separate financial provision should be provided for reimbursement of expenses on staff salaries and more appropriate annual adjustment mechanisms should be adopted for expenses on staff salaries and office rental, so as to ensure that Members had sufficient resources to cover these expenses. At the suggestion of Mr HO, the Chairman requested the Secretariat to provide statistics on office rental expenses incurred by Members.

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5. Mr WU Chi-wai shared the view that different adjustment mechanisms should be adopted for the different components of OOER, i.e. staff expenses, office rental expenses and other operating expenses, having regard to the different nature of these expenses.

6. Ir Dr LO Wai-kwok suggested using a weighted index of the three main components of OOER (i.e. staff expenses, office rental expenses and other operating expenses) as the basis of annual adjustment of OOER. Relevant reference indicators such as civil service pay adjustment, indexes compiled by the Rating and Valuation Department and CPI (C) could be used as the basis of calculating the weighted index, with relative weightings to be accorded to the three main components based on Members' expenditure patterns. He requested the Secretariat to work out the proposed weighted adjustment index for members' consideration.

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7. Referring to Appendix VI to the paper, Mr IP Kin-yuen said that the total number of staff employed by Members in the Sixth LegCo had decreased while there was a mild increase in their salary to compensate for inflation. This reflected that given their insufficient resources, Members had to employ fewer staff so as to maintain the pay level of their staff. Mr IP further suggested that a public hearing be held to listen to the views of Members' assistants.

8. Mr CHU Hoi-dick said that the decrease in the total number of full-time staff employed by GC Members in the Sixth LegCo might be attributable to there being two vacant GC seats.

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9. Mr IP Kin-yuen pointed out that not only was there a decrease in the total number of full-time staff employed by Members of the current term, but also a decrease in the average number of full-time staff employed by each Member. For GC Members, the average number of full-time staff employed in the Sixth LegCo was 7.6 as compared to 8.0 in the Fifth LegCo, representing a decrease of 5.3%. The extent of decrease (11%) was even more significant in respect of the average number of full-time staff employed by Members returned from GCs and the DC (second) FC of the Sixth LegCo as compared to that of the Fifth LegCo.

10. Noting that about 24% of full-time staff employed by FC Members received a salary of more than \$35,000, Mr CHU Hoi-dick enquired about the highest salary received by full-time staff employed by Members of the Sixth LegCo. The Chairman said that Members' reimbursement claims, which contained information on staff salaries, were available for public inspection at the LegCo Library. Secretary General said that the Secretariat would provide the information sought by Mr CHU after the meeting.

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(Post-meeting note: Based on the reimbursement claims submitted by Members of the Sixth LegCo as at 30 September 2017, the highest monthly salary received by full-time staff of Members is \$72,500.)

Level of OER for Members returned by different methods

11. Making reference to the arrangement for LegCo election under which the maximum amount of election expenses for candidates of different constituencies was set having regard to the size of the constituencies, Mr WU Chi-wai suggested that a common baseline on the amount of OER be set for all Members, with adjustments to be made above the baseline according to the size of the constituency served by a Member so as to cater to the needs of Members serving more constituents.

12. The Chairman said that the proposal of providing Members with different amount of resources according to the size of their constituencies had been discussed in previous LegCo terms, but no consensus could be reached among Members on the proposal. Some Members were of the view that since all Members, irrespective of the method by which they were returned, had the same powers and functions, there should not be differential treatment in the amount of resources for Members returned by different methods. Some Members also considered it difficult to work out a feasible mechanism for providing different levels of resources to Members returned by different methods.

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13. While appreciating that Members with more district offices had to operate under tight resources, Ir Dr LO Wai-kwok considered that there would be practical difficulties in working out a mechanism for determining the levels of OER required by Members returned by different methods which could obtain consensus among Members. In his view, it would be more practicable to pursue the proposal of using a weighted index to adjust the level of Members' OER.

14. The Chairman said that under the existing arrangements on OER, Members enjoyed autonomy in determining the number of staff to be employed and their salary package. There was also no restriction on the number or location of district offices to be set up by Members. In response to Mr CHU Hoi-dick, the Chairman further said that the Subcommittees formed in the previous terms could generally reach consensus on proposals for enhancing the overall level of OER for Members of the following term.

15. Mr WU Chi-wai opined that the proposals submitted by the Subcommittees set up in the previous terms to the Independent Commission on Remuneration for Members of the Executive Council and the Legislature, and Officials under the Political Appointment System of the HKSAR could serve as the basis of discussion for the Subcommittee in formulating its proposals. He considered that it would be useful if the Secretariat could provide such information for members' reference. The Chairman requested the Secretariat to collate the information sought by Mr WU for discussion at the next meeting.

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Scope of Members' reimbursable activities

16. Mr CHU Hoi-dick opined that consideration should be given to reviewing the types of activities claimable by Members set out in Section C of Appendix I to "A Guide for Reimbursement of Operating Expenses for Members of the Legislative Council" ("Reimbursement Guide").

17. The Chairman said that Appendix I to the Reimbursement Guide, which listed out activities normally claimable, was not meant to be exhaustive. Expenses of activities relating to LegCo business were generally reimbursable. He added that Members could enquire with the Secretariat if they had doubt about whether an expense item was reimbursable under the Reimbursement Guide.

18. Mr HO Kai-ming emphasized the importance of adhering to the principle that only expenses on activities relating to LegCo business should be reimbursable.

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19. In reply to the Chairman's enquiry on the types of expenses covered under the item "other operating expenses" in Appendix I to the paper, the Clerk said that the item covered operating expenses other than staff expenses, office accommodation expenses and expenses on equipment and furniture, such as expenses on publicity items and consultancy services.

II. Any other business

20. There being no other business, the meeting ended at 11:55 am.

Complaints and Resources Management Division
Legislative Council Secretariat
October 2017