

立法會
Legislative Council

LC Paper No. CRM 603/19-20

(The minutes have been seen by the Administration)

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

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

**Minutes of meeting held on 13 July 2020 at 11:00 am
in Conference Room 2B of the Legislative Council Complex**

Members present : Hon WONG Ting-kwong, GBS, JP
Hon WU Chi-wai, MH
Hon IP Kin-yuen
Hon Martin LIAO Cheung-kong, SBS, JP
Ir Dr Hon LO Wai-kwok, SBS, MH, JP
Hon Jeremy TAM Man-ho

Members absent : Hon CHAN Hak-kan, BBS, JP
Hon CHU Hoi-dick

**Public Officers
attending** : Agenda Item I
Ms Esther LEUNG, JP
Director of Administration

Ms Jennifer CHAN, JP
Deputy Director of Administration 2

Clerk in attendance : Ms Amy YU
Principal Council Secretary 1

Staff in attendance : Mr Kenneth CHEN, SBS
Secretary General

Miss Roxanna LO
Accountant

Mr Simon CHEUNG
Deputy Accountant 4

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I. Remuneration Package for Members of the Seventh Legislative Council

(LC Paper No. CRM 535/19-20(01)) Administration's paper on "Remuneration Package for Members of the Seventh Legislative Council"

(LC Paper No. CRM 548/18-19) Report of the Subcommittee on Members' Remuneration and Operating Expenses Reimbursement on the Review of Members' Remuneration and Operating Expenses Reimbursement

At the invitation of the Chairman, Director of Administration ("D of Admin") briefed members on the decision of the Chief Executive in Council ("CE-in-Council") regarding the remuneration package for Members of the Seventh Legislative Council ("LegCo"), details of which were set out in the Administration's paper (LC Paper No. CRM 535/19-20(01)). In gist, CE-in-Council had decided that the existing remuneration package for Members of the Sixth LegCo (including the annual adjustment mechanism) should continue to be adopted for Members of the Seventh LegCo. While regarding the proposals recommended by the Independent Commission on Remuneration for Members of the Executive Council and the Legislature, and Officials under the Political Appointment System of the HKSAR ("the Independent Commission") to enhance the remuneration package for Members not unreasonable, CE-in-Council considered it inappropriate to take forward the proposals, having regard to such factors as the prevailing local economic downturn, changes in labour earnings and employment situation, as well as the recent government decision to freeze civil service pay, the pay of politically appointed officials and the honorarium of Non-official Members of the Executive Council ("ExCo").

2. Mr IP Kin-yuen thanked the Independent Commission for meeting with the Subcommittee to exchange views with members on the Subcommittee's proposals and conducting site visits to offices of LegCo Members to better understand the work and concerns of Members and their assistants. He also expressed appreciation of the Independent Commission's recommendation to the Administration for adopting the Subcommittee's proposal of using a weighted index, instead of Consumer Price Index (C) ("CPI(C)"), as the annual adjustment factor for Members' Office Operation Expenses Reimbursement ("OOER"). He stressed that the weighted index would provide a more reasonable mechanism for adjusting the overall level of Members' OOER and go some way towards reducing the shortfall in funding required by Members for providing

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more competitive salaries to recruit and retain a team of quality staff. He considered it regrettable that the Administration had decided not to take forward the Independent Commission's recommendation for long term improvement of the annual adjustment mechanism merely on the grounds of the prevailing local economic situation.

3. Ir Dr LO Wai-kwok expressed disappointment that the Subcommittee's proposal of using the weighted index in lieu of CPI(C), which was supported by the Independent Commission, was not taken on board by the Administration. The proposal would improve the existing adjustment mechanism based on CPI(C) which could not accurately reflect the price changes in Members' office operating expenses. Pointing out that the proposed weighted index allowed both upward and downward adjustments to OOER, he did not consider it justified for the Administration to use the prevailing local economic downturn as the reason for not adopting the weighted index. He urged the Administration to take forward the proposal at an appropriate time in future.

4. In response to the enquiry of Mr Jeremy TAM on whether the Independent Commission's recommendation to abolish the one-third reduction in the monthly remuneration for LegCo Members who also served on ExCo would be implemented in the next LegCo term, D of Admin said that as CE-in-Council had decided that the existing remuneration package for Members of the Sixth LegCo would continue to be adopted for Members of the Seventh LegCo, the present arrangement of reducing the monthly remuneration by one-third for LegCo Members who also served on ExCo would remain unchanged.

5. Mr WU Chi-wai stressed that the proposed weighted index, which was applicable to Members' operating expenses and not their personal remuneration, could help address the problem of inadequate resources faced by Members and would enable Members to better serve their constituents as well as the general public. He queried whether the prevailing local economic downturn was a valid reason for the Administration's decision not to take forward the proposal of adopting the weighted index which sought to improve the annual adjustment mechanism for Members' operating expenses in the coming LegCo term. On the contrary, he considered that the Administration should provide more resources to Members so that they could expand their services to better serve the community during the economic downturn. He questioned whether the Administration was trying to restrict Members from exercising their powers and functions by limiting the level of their resources.

6. The Chairman said that in view of the current economic situation, he had no objection to the Administration's decision that the existing remuneration

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package for Members should continue to be adopted for Members of the next term. Nevertheless, given that the Subcommittee's proposal of adopting a weighted index as the basis for annual adjustment to OOER was supported by the Independent Commission and also regarded by the Administration as reasonable, he hoped that the Administration would consider taking forward the proposal at an appropriate juncture in future.

7. D of Admin gave a consolidated response to the views expressed by the Chairman and members as follows:

- (a) CE-in-Council acknowledged the efforts of the Independent Commission in conducting the review on the remuneration package for Members, and the recommendations set out in the Independent Commission's report would provide useful references in future reviews of the remuneration package for Members;
- (b) there was no question of the Administration trying to restrict Members from exercising their powers and functions. Under the existing arrangements, Members had full discretion to decide how to apportion the amount of OOER among different expenditure items. Furthermore, the level of OOER would not be frozen but would continue to be adjusted annually according to movements in CPI(C); and
- (c) the Independent Commission had recommended the adoption of a weighted index taking into account that price changes in expenditure on staff salaries and office rental had consistently been higher than movements in CPI(C) over the past years. However, given the prevailing economic downturn and rapid changes in the labour market, it was uncertain as to whether such trend would continue in the coming years.

8. The Chairman stressed that the Subcommittee's proposal to adopt the weighted index was based on the consideration that it would provide a more reasonable mechanism for adjusting Members' OOER, and not on whether it would generate a more favourable rate of adjustment than that of CPI(C). The rate of adjustment based on the weighted index might not necessarily be higher than that based on CPI(C).

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II. Any other business

9. There being no other business, the meeting ended at 11:30 am.

Complaints and Resources Management Division
Legislative Council Secretariat
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