

立法會
Legislative Council

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

Utilization of Members' Operating Expenses Reimbursement

Purpose

This paper provides information on the utilization of Legislative Council ("LegCo") Members' Operating Expenses Reimbursement ("OER").

Background

2. It is an established practice for the Subcommittee on Members' Remuneration and OER ("the Subcommittee") to review the remuneration package and expenses reimbursement arrangements for LegCo Members at least one year before the start of a new LegCo term. After the review, any proposals to change the level of remuneration and OER for Members of the new term will be put forward to the Administration for consideration 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.

3. To facilitate the aforesaid review, information on the utilization of Members' operating expenses reimbursement in the Fifth LegCo and the first two reimbursement years of the current term (i.e. from October 2016 to September 2018)¹ is set out in the ensuing paragraphs.

Operating Expenses Reimbursement

(a) Office Operation Expenses Reimbursement

4. The average utilization rates of Office Operation Expenses Reimbursement ("OOER") per Member in the Fifth LegCo and Sixth

¹ The statistics on Members' utilization of operating expenses reimbursement in the current term are calculated based on the claims processed by the LegCo Secretariat up to 1 February 2019.

LegCo are as follows:

	Fifth LegCo (%)	Sixth LegCo (%)
First reimbursement year	78.1	84.0
Second reimbursement year	87.4	88.2
Third reimbursement year	93.4	N/A
Fourth reimbursement year	107.5	N/A
Overall average	92.1	85.6

Further breakdowns according to the method by which Members were returned² and the major categories of expenses are in **Appendix I**.

5. In the Fifth LegCo and the first two reimbursement years of the current term, the utilization rates of OOER of 52 Members (about 73.2%) and 31 Members (about 45.6%) respectively were 90% or over. Details of the distribution of utilization rates of OOER are in **Appendix II**.

6. It should be noted that starting from the Fifth LegCo, unused entitlement of OOER in one year can be rolled over to the following year(s) until the end of a LegCo term. With such roll-over arrangement, Members have the flexibility to decide whether to reserve more funds for use in one particular year or towards the end of the term provided that the cumulative claims do not exceed the entitlement.

(b) Entertainment and Travelling Expenses Reimbursement

7. The overall average utilization rates of Entertainment and Travelling Expenses Reimbursement ("ETER") per Member in the Fifth LegCo and Sixth LegCo are as follows.

	Fifth LegCo (%)	Sixth LegCo (%)
First reimbursement year	97.6	97.9
Second reimbursement year	98.2	97.7
Third reimbursement year	98.8	N/A
Fourth reimbursement year	92.3	N/A
Overall average	96.7	97.9

Further breakdowns according to the method by which Members were returned are in **Appendix III**.

8. In the Fifth LegCo and the first two reimbursement years of the

² i.e. Functional Constituencies, District Council (second) functional constituency and Geographical Constituencies

current term, the utilization rates of ETER of 64 Members (about 90.2%) and 62 Members (about 91.2%) respectively were 90% or over. Details of the distribution of utilization rates of ETER are in **Appendix IV**.

(c) Over-ceiling expenses

9. While over-ceiling expenses are not reimbursable, in order to ascertain the total provision required by Members to carry out their LegCo duties, Members are invited to report such expenses to the Secretariat. Expenses in excess of the ceilings for OOER and ETER were submitted by 12 Members in the Fifth LegCo and 7 Members in the first two reimbursement years of the current term. The amounts reported for the Fifth LegCo and the current term range from \$5,000 to \$707,000 and \$221,000 to \$593,000 respectively, with details in **Appendix V**. It should be noted that as over-ceiling expenses are reported on a voluntary basis, the information may not fully reflect the level of resources required by Members for carrying out their duties.

(d) Setting Up and Information Technology Expenses Reimbursement

10. The overall average utilization rates of Setting Up and Information Technology Expenses Reimbursement ("SUITER") per Member in the Fifth LegCo and the first two reimbursement years of the current term are about 73.8% and 43.9%³ respectively; the utilization rates of 35 Members (about 49.3%) in the Fifth LegCo and 5 Members (about 7.3%) in the current term were 90% or over. Further breakdowns according to the method by which Members were returned and the distribution of utilization rates are in **Appendix VI**.

(e) Winding Up Expenses Reimbursement

11. The overall average utilization rate of Winding Up Expenses Reimbursement (excluding the actual severance payment) per Member in the Fifth LegCo was about 53.9% and the utilization rates of 8 Members (about 29.7%) were 90% or over. Further breakdowns according to the method by which Members were returned and the distribution of utilization rates are in **Appendix VII**.

³ The utilization rate of SUITER per Member in the first two reimbursement years of the current term (i.e. 1 October 2016 to 30 September 2018) is calculated based on the total amount of claims processed by the LegCo Secretariat up to 1 February 2019 divided by the ceiling of SUITER per term i.e. \$375,000 or \$262,500 (for Members who have claimed setting up expenses in the previous term).

Medical allowance

12. The overall average utilization rates of medical allowance per Member in the Fifth LegCo and the first two reimbursement years of the current term (i.e. from 1 October 2016 to 30 September 2018)⁴ are about 54.9% and 63.4% respectively; the utilization rates of 8 Members (about 11.2%) in the Fifth LegCo and 24 Members (about 35.3%) in the current term were 90% or over. Further breakdowns according to the method by which Members were returned and the distribution of utilization rates are in **Appendix VIII**.

13. Members may wish to note that starting from the Sixth LegCo, any unused entitlement of medical allowance in one year can be rolled over to the following year until the end of a LegCo term.

Advice sought

14. Members are invited to note the information set out in this paper.

Complaints and Resources Management Division
Legislative Council Secretariat
May 2019

⁴ The utilization rate in the current term is calculated based on claims processed by the Secretariat up to 1 February 2019.

Utilization rates of Office Operation Expenses Reimbursement

Fifth Legislative Council (2012 - 2016)

	Functional Constituencies ("FC")		District Council (second) FC		Geographical Constituencies ("GC")		Overall	
	\$	%	\$	%	\$	%	\$	%
Reimbursement ceiling (per term)	9,121,280	100	9,121,280	100	9,121,280	100	9,121,280	100
Average total reimbursement	7,649,956	83.9	8,942,812	98.0	8,948,298	98.1	8,399,316	92.1
(a) Staff expenses	6,437,117	70.6	7,937,378	87.0	6,767,338	74.2	6,710,204	73.6
(b) Office accommodation expenses	299,283	3.3	473,512	5.2	805,911	8.8	568,435	6.2
(c) Equipment and furniture	43,314	0.5	38,889	0.4	70,878	0.8	56,979	0.6
(d) Other operating expenses	870,242	9.5	493,033	5.4	1,304,171	14.3	1,063,698	11.7

Sixth Legislative Council (2016 – 2018)*(based on claims processed up to 1 February 2019)*

	FC		District Council (second) FC		GC		Overall	
	\$	%	\$	%	\$	%	\$	%
Reimbursement ceiling (per term)	5,261,590	100	5,261,590	100	5,261,590	100	5,261,590	100
Average total reimbursement	4,417,520	84.0	4,560,528	86.7	4,569,908	86.9	4,501,988	85.6
(a) Staff expenses	3,923,865	74.6	4,015,940	76.3	3,855,721	73.3	3,897,565	74.1
(b) Office accommodation expenses	126,861	2.4	268,376	5.1	380,629	7.2	260,419	4.9
(c) Equipment and furniture	9,247	0.2	8,916	0.2	7,982	0.2	8,608	0.2
(d) Other operating expenses	357,547	6.8	267,296	5.1	325,576	6.2	335,396	6.4

Distribution of utilization rates of Office Operation Expenses Reimbursement

Fifth Legislative Council (2012 - 2016)

Utilization rates	Number of Members (%)			Overall (%)
	Functional Constituencies ("FC") (%)	District Council (second) FC (%)	Geographical Constituencies ("GC") (%)	
100	2 (6.7)	-	11 (30.5)	13 (18.3)
99 to <100	4 (13.3)	3 (60)	13 (36.1)	20 (28.2)
90 to <99	7 (23.3)	2 (40)	10 (27.8)	19 (26.7)
80 to <90	5 (16.7)	-	2 (5.6)	7 (9.9)
70 to <80	7 (23.3)	-	-	7 (9.9)
60 to <70	3 (10)	-	-	3 (4.2)
50 to <60	2 (6.7)	-	-	2 (2.8)
Total¹	30 (100)	5 (100)	36 (100)	71 (100)

Sixth Legislative Council (2016 - 2018)

(based on claims processed up to 1 February 2019)

Utilization rates	Number of Members (%)			Overall (%)
	FC (%)	District Council (second) FC (%)	GC (%)	
100	-	1 (20)	7 (21.2)	8 (11.8)
99 to <100	2 (6.7)	-	2 (6.1)	4 (5.9)
90 to <99	10 (33.3)	1 (20)	8 (24.2)	19 (27.9)
80 to <90	7 (23.3)	2 (40)	8 (24.2)	17 (25)
70 to <80	7 (23.3)	1 (20)	5 (15.2)	13 (19.1)
60 to <70	3 (10)	-	-	3 (4.4)
50 to <60	1 (3.4)	-	3 (9.1)	4 (5.9)
Total²	30 (100)	5 (100)	33 (100)	68 (100)

() Figures in bracket indicate the number of Members expressed as a percentage of all the Members in the corresponding category shown at the bottom of the column.

¹ Following the resignation of Hon Ronny TONG with effect from 1 October 2015, Hon Alvin YEUNG was returned at a by-election in February 2016. As the utilization rates of both of these two Members (on a time-apportioned basis) were included in the analysis, the statistics of a total of 71 Members are shown in the table.

² As at 30 September 2018, two Legislative Council seats remained vacant.

Utilization rates of Entertainment and Travelling Expenses Reimbursement

Fifth Legislative Council (2012 – 2016)

	Functional Constituencies ("FC")		District Council (second) FC		Geographical Constituencies ("GC")		Overall	
	\$	%	\$	%	\$	%	\$	%
Reimbursement ceiling (per term)	779,490	100	779,490	100	779,490	100	779,490	100
Average total reimbursement	741,198	95.1	775,895	99.5	761,410	97.7	753,890	96.7
(a) Entertainment and travelling expenses	725,843	93.1	707,933	90.8	733,303	94.1	728,364	93.4
(b) Staff expenses ^{Note}	15,355	2.0	67,962	8.7	28,107	3.6	25,526	3.3

Sixth Legislative Council (2016 – 2018)*(based on claims processed up to 1 February 2019)*

	FC		District Council (second) FC		GC		Overall	
	\$	%	\$	%	\$	%	\$	%
Reimbursement ceiling (per term)	420,230	100	420,230	100	420,230	100	420,230	100
Average total reimbursement	409,068	97.3	408,168	97.1	413,686	98.4	411,243	97.9
(a) Entertainment and travelling expenses	405,161	96.4	408,168	97.1	402,224	95.7	403,957	96.2
(b) Staff expenses ^{Note}	3,907	0.9	-	-	11,462	2.7	7,286	1.7

Note: A Member may use up to 50% of the Entertainment and Travelling Expenses Reimbursement to meet staff expenses.

**Distribution of utilization rates of Entertainment
and Travelling Expenses Reimbursement**

Fifth Legislative Council (2012 – 2016)

Utilization rates	Number of Members (%)			Overall (%)
	Functional Constituencies ("FC") (%)	District Council (second) FC (%)	Geographical Constituencies ("GC") (%)	
100	4 (13.3)	2 (40)	16 (44.4)	22 (31)
99 to <100	8 (26.7)	2 (40)	11 (30.6)	21 (29.6)
90 to <99	13 (43.4)	1 (20)	7 (19.4)	21 (29.6)
80 to <90	4 (13.3)	-	1 (2.8)	5 (7)
70 to <80	1 (3.3)	-	-	1 (1.4)
60 to <70	-	-	1 (2.8)	1 (1.4)
Total¹	30 (100)	5 (100)	36 (100)	71 (100)

Sixth Legislative Council (2016 – 2018)

(based on claims processed up to 1 February 2019)

Utilization rates	Number of Members (%)			Overall (%)
	FC (%)	District Council (second) FC (%)	GC (%)	
100	13 (43.3)	3 (60)	19 (57.6)	35 (51.5)
99 to <100	10 (33.3)	1 (20)	8 (24.2)	19 (27.9)
90 to <99	4 (13.4)	-	4 (12.1)	8 (11.8)
80 to <90	2 (6.7)	1 (20)	2 (6.1)	5 (7.3)
70 to <80	-	-	-	-
60 to <70	-	-	-	-
50 to <60	1 (3.3)	-	-	1 (1.5)
Total²	30 (100)	5 (100)	33 (100)	68 (100)

() Figures in bracket indicate the number of Members expressed as a percentage of all the Members in the corresponding category shown at the bottom of the column.

¹ Following the resignation of Hon Ronny TONG with effect from 1 October 2015, Hon Alvin YEUNG was returned at a by-election in February 2016. As the utilization rates of both of these two Members (on a time-apportioned basis) were included in the analysis, the statistics of a total of 71 Members are shown in the table.

² As at 30 September 2018, two Legislative Council seats remained vacant.

**Office Operation Expenses in excess of the reimbursement ceiling
submitted by Members**

Fifth Legislative Council (2012 - 2016)

Expenses in excess of the ceiling for Office Operation Expenses Reimbursement ("OOER")						
Member	Staff expenses \$'000	Equipment and furniture \$'000	Office accommodation expenses \$'000	Other operating expenses \$'000	Total over-ceiling expenses	
					\$'000	%
District Council (second) functional constituency						
1	280	-	24	6	310	3.4
2	71	-	14	78	163	1.8
3	-	-	1	4	5	0.1
Functional Constituencies						
1	646	-	47	14	707	7.7
Geographical Constituencies						
1	405	-	142	8	555	6.1
2	434	2	63	14	513	5.6
3	402	-	-	-	402	4.4
4	256	-	11	5	272	3.0
5	151	-	40	10	201	2.2
6	96	-	17	19	132	1.4
7	25	-	17	46	88	1.0
8	7	-	25	4	36	0.4

Sixth Legislative Council (2016 – 2018)

(based on claims processed up to 1 February 2019)

Expenses in excess of the ceiling for OOER							Expenses in excess of the ceiling for ETER ¹	
Member	Staff expenses \$'000	Equipment and furniture \$'000	Office accommodation expenses \$'000	Other operating expenses \$'000	Total over-ceiling expenses		Total over-ceiling expenses	
					\$'000	%	2016-2017 \$'000 (%)	2017-2018 \$'000 (%)
Geographical Constituencies								
1	486	-	86	21	593	11.3	-	-
2	267	-	205	98	570	10.8	-	-
3	79	-	396	30	505	9.6	-	-
4	318	-	-	-	318	6.0	15 (7.2)	-
5	257	-	34	13	304	5.8	-	-
6	188	-	42	21	251	4.8	-	-
7	20	-	77	54	151	2.9	35 (16.7)	35 (16.4)

¹ ETER refers to Entertainment and Travelling Expenses Reimbursement.

**Distribution of utilization rates of Setting Up
and Information Technology Expenses Reimbursement**

Fifth Legislative Council (2012 – 2016)

Utilization rates	Number of Members (%)			Overall (%)
	Functional Constituencies ("FC") (%)	District Council (second) FC (%)	Geographical Constituencies ("GC") (%)	
100	-	2 (40)	5 (13.8)	7 (9.9)
99 to <100	7 (23.1)	-	6 (16.7)	13 (18.3)
90 to <99	5 (16.7)	1 (20)	9 (25)	15 (21.1)
80 to <90	2 (6.7)	1 (20)	1 (2.8)	4 (5.6)
70 to <80	2 (6.7)	-	5 (13.8)	7 (9.9)
60 to <70	-	-	2 (5.6)	2 (2.8)
50 to <60	3 (10)	-	3 (8.3)	6 (8.4)
40 to <50	2 (6.7)	1 (20)	2 (5.6)	5 (7)
30 to <40	2 (6.7)	-	1 (2.8)	3 (4.3)
20 to <30	3 (10)	-	1 (2.8)	4 (5.6)
10 to <20	2 (6.7)	-	1 (2.8)	3 (4.3)
0 to <10	2 (6.7)	-	-	2 (2.8)
Total¹	30 (100)	5 (100)	36 (100)	71 (100)
Average utilization rates	64.4	85.5	80.0	73.8

Sixth Legislative Council (2016 – 2018)

(based on claims processed up to 1 February 2019)

Utilization rates	Number of Members (%)			Overall (%)
	FC (%)	District Council (second) FC (%)	GC (%)	
100	-	-	1 (3)	1 (1.5)
99 to <100	1 (3.3)	-	1 (3)	2 (2.9)
90 to <99	1 (3.3)	-	1 (3)	2 (2.9)
80 to <90	3 (10)	-	3 (9.1)	6 (8.8)
70 to <80	2 (6.7)	-	4 (12.1)	6 (8.8)
60 to <70	2 (6.7)	-	2 (6)	4 (5.9)
50 to <60	5 (16.7)	-	-	5 (7.4)
40 to <50	4 (13.3)	-	5 (15.2)	9 (13.2)
30 to <40	3 (10)	1 (20)	5 (15.2)	9 (13.2)
20 to <30	3 (10)	2 (40)	3 (9.1)	8 (11.8)
10 to <20	-	-	3 (9.1)	3 (4.4)
0 to <10	6 (20)	2 (40)	5 (15.2)	13 (19.2)
Total²	30 (100)	5 (100)	33 (100)	68 (100)
Average utilization rates	45.8	19.5	45.8	43.9

() Figures in bracket indicate the number of Members expressed as a percentage of all the Members in the corresponding category shown at the bottom of the column.

¹ Following the resignation of Hon Ronny TONG with effect from 1 October 2015, Hon Alvin YEUNG was returned at a by-election in February 2016. As the utilization rates of both of these two Members (on a time-apportioned basis) were included in the analysis, the statistics of a total of 71 Members are shown in the table.

² As at 30 September 2018, two Legislative Council seats remained vacant.

Distribution of utilization rates of Winding Up Expenses Reimbursement

Fifth Legislative Council (2012 – 2016)

Utilization rates	Number of Members (%)			
	Functional Constituencies ("FC") (%)	District Council (second) FC (%)	Geographical Constituencies (%)	Overall (%)
100	1 (11.1)	1 (33.3)	1 (6.8)	3 (11.2)
99 to <100	-	-	-	-
90 to <99	-	2 (66.7)	3 (20)	5 (18.5)
80 to <90	-	-	2 (13.3)	2 (7.4)
70 to <80	2 (22.2)	-	-	2 (7.4)
60 to <70	-	-	-	-
50 to <60	-	-	2 (13.3)	2 (7.4)
40 to <50	-	-	-	-
30 to <40	-	-	2 (13.3)	2 (7.4)
20 to <30	1 (11.1)	-	3 (20)	4 (14.8)
10 to <20	2 (22.2)	-	-	2 (7.4)
0 to <10	3 (33.4)	-	2 (13.3)	5 (18.5)
Total	9 (100)	3 (100)	15 (100)	27 (100)
Average utilization rates	37.0	95.7	55.7	53.9

() Figures in bracket indicate the number of Members expressed as a percentage of all the Members in the corresponding category shown at the bottom of the column.

Distribution of utilization rates of Medical allowance

Fifth Legislative Council (2012 – 2016)

Utilization rates	Number of Members (%)			Overall (%)
	Functional Constituencies ("FC") (%)	District Council (second) FC (%)	Geographical Constituencies ("GC") (%)	
100	2 (6.7)	1 (20)	2 (5.6)	5 (7)
99 to <100	1 (3.3)	-	-	1 (1.4)
90 to <99	1 (3.3)	1 (20)	-	2 (2.8)
80 to <90	4 (13.3)	1 (20)	4 (11.1)	9 (12.7)
70 to <80	4 (13.3)	-	4 (11.1)	8 (11.3)
60 to <70	2 (6.7)	-	7 (19.3)	9 (12.7)
50 to <60	5 (16.7)	-	5 (13.9)	10 (14.1)
40 to <50	1 (3.3)	1 (20)	2 (5.6)	4 (5.6)
30 to <40	2 (6.7)	-	4 (11.1)	6 (8.5)
20 to <30	3 (10)	1 (20)	1 (2.8)	5 (7)
10 to <20	2 (6.7)	-	2 (5.6)	4 (5.6)
0 to <10	3 (10)	-	5 (13.9)	8 (11.3)
Total¹	30 (100)	5 (100)	36 (100)	71 (100)
Average utilization rates	55.3	68.7	52.6	54.9

Sixth Legislative Council (2016 – 2018)*(based on claims processed up to 1 February 2019)*

Utilization rates	Number of Members (%)			Overall (%)
	FC (%)	District Council (second) FC (%)	GC (%)	
100	10 (33.3)	-	4 (12.1)	14 (20.6)
99 to <100	-	-	-	-
90 to <99	5 (16.7)	1 (20)	4 (12.1)	10 (14.7)
80 to <90	3 (10)	1 (20)	1 (3)	5 (7.4)
70 to <80	1 (3.3)	-	6 (18.2)	7 (10.3)
60 to <70	2 (6.7)	-	6 (18.2)	8 (11.8)
50 to <60	-	-	2 (6.1)	2 (2.9)
40 to <50	-	1 (20)	2 (6.1)	3 (4.4)
30 to <40	1 (3.3)	-	1 (3)	2 (2.9)
20 to <30	2 (6.7)	1 (20)	-	3 (4.4)
10 to <20	3 (10)	-	2 (6.1)	5 (7.4)
0 to <10	3 (10)	1 (20)	5 (15.1)	9 (13.2)
Total²	30 (100)	5 (100)	33 (100)	68 (100)
Average utilization rates	68.6	52.0	60.3	63.4

() Figures in bracket indicate the number of Members expressed as a percentage of all the Members in the corresponding category shown at the bottom of the column.

¹ Following the resignation of Hon Ronny TONG with effect from 1 October 2015, Hon Alvin YEUNG was returned at a by-election in February 2016. As the utilization rates of both of these two Members (on a time-apportioned basis) were included in the analysis, the statistics of a total of 71 Members are shown in the table.

² As at 30 September 2018, two Legislative Council seats remained vacant.