

**Report on the Activities of  
The Legislative Council Commission  
2007 - 2008**

**Prepared for tabling in the Legislative Council  
in accordance with section 13(5) of  
The Legislative Council Commission Ordinance (Cap. 443)**

# The Legislative Council Commission

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## The Chairman's Review

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This is my eleventh and last Chairman's review before my departure at the end of the Third Legislative Council. I am pleased to report that the year under review has been another steady and successful one.

It has been my honour and privilege to be the chairman of the Commission since 1997. I would like to take this opportunity to review some of the major achievements of the Commission during my tenure of office.

One of the major tasks when I first took up the chair was to re-activate the pursuit for a new purpose-built complex to house all Council facilities and offices under one roof, so as to achieve more efficient use of resources and to relieve the acute accommodation problems. Since then, we have relentlessly pursued this aim. Unfortunately the project was shelved due to Hong Kong's economic downturn. I am therefore happy that, with the signing of the contract on the Tamar Development Project, which includes the new Legislative Council Complex, on 28 January 2008, the project finally got off the ground. A dedicated Project Team, headed by an Assistant Secretary General, has been set up in the Secretariat to assist the Commission to closely oversee the project. The project is progressing smoothly now. We look forward to its completion in 2011.

Through prudent management of funds, the Commission's operating reserve has grown from \$5.2 million in 1997-1998 to \$142.4 million in 2007-2008 which includes an accumulated investment income of \$67.4 million. The reserve has been built up despite funding reduction by the Administration with

the implementation of the Enhanced Productivity Programme in 2000-2001 and Operating Expenditure Envelope in 2003-2004. This has been made possible through various financial austerity programmes, without sacrificing the quality of the services provided by the Secretariat.

In order to achieve the savings targets on the one hand and to cope with the growth in the volume and complexity of work on the other, the Secretariat has made sustained concerted efforts to enhance productivity and cost-effectiveness. In this connection, a Working Group to Review the Organization and Structure of the Legislative Council Secretariat, chaired by me, was set up from April 2001 to December 2003.

Considerable emphasis has been placed on green efforts. In April 1999, the Legislative Council Building was designated as a smoke-free building. In 2007 and 2008, it was awarded the Indoor Air Quality Certificate (Good Class) under the Indoor Air Quality Certification Scheme for Offices and Public Places launched by the Environmental Protection Department. Moreover, through various rigorous and effective energy saving measures, the electricity consumption in the building has dropped significantly. Paper consumption has also reduced, mainly through the use of softcopies instead of hardcopies.

I mentioned in my last review that, to enhance the accountability and transparency in Members' claims for reimbursement of operating expenses, an independent auditor was appointed in October 2006 to conduct

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field audits at Members' offices. The first audit report for the period from October 2006 to September 2007 was presented to the Commission in April 2008. We are very pleased to note that the auditor has found that Members have complied with, in all material respects, the provisions on conflict of interest and declaration of interest as stipulated in the Guide for Reimbursement of Operating Expenses for Members of the Legislative Council, except in only three cases. A copy of the audit report is made available in the Legislative Council Library for public inspection. The auditor also made some recommendations in a management letter to the Commission. We have implemented most of these recommendations.

In closing, I would like to reiterate my utmost appreciation of the unfailing support of my LegCo colleagues. I would also like to thank the staff of the Secretariat for their ever untiring efforts, dedication and professional service, especially to Mr Ricky Fung, the Secretary General, who will be retiring in September 2008. Always giving their very best, they have all contributed to the success of the Commission.

I am confident that the Commission will continue to flourish. I wish the Commission every success in all its future endeavours.

A handwritten signature in black ink, appearing to read 'R. FAN', with a long horizontal flourish extending to the right.

**Rita FAN**  
Chairman  
The Legislative Council Commission

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## **The Legislative Council**

The third Legislative Council of the Hong Kong Special Administrative Region (HKSAR) consists of 60 Members, of whom 30 are returned by direct elections in geographical constituencies and 30 from functional constituencies. The term of office of Members is four years.

The President of the Legislative Council is elected by and from amongst Members of the Council.

The main functions of the Legislative Council are to enact laws, control public expenditure and monitor government policies. The Council normally meets every Wednesday in the Chamber of the Legislative Council Building. In addition, Council meetings are held at which the Chief Executive answers questions from Members. The Council's proceedings are recorded verbatim in the Official Record of Proceedings of the Legislative Council.

Apart from attending Council meetings, Members also perform their duties through a system of committees. There are three standing committees under the Council -

- Finance Committee, which scrutinizes proposals for public expenditure;
- Public Accounts Committee, which examines reports of the Director of Audit on the accounts of the Government and the results of value for money audits; and

- Committee on Members' Interests, which considers matters relating to Members' declaration of interests and matters of ethics in relation to their conduct.

The House Committee deals with matters relating to the business of the Council. The Committee on Rules of Procedure examines matters of practice and procedure relating to the Council and its committees.

Bills Committees and subcommittees are formed by the House Committee, as the need arises, to study bills, subsidiary legislation and draft subsidiary legislation. During the period under review, 24 Bills Committees and 22 subcommittees were formed.

There are 18 Panels under the Council which receive regular briefings from government officials on issues within their respective policy areas, and monitor government policies and performance. The Panels also examine major legislative and financial proposals before they are introduced into the Council and the Finance Committee respectively.

Subcommittees may also be formed by the House Committee or Panels to study specific policy issues if deemed necessary. Three new subcommittees on policy issues were formed during the period under review.

The Council operates a redress system to receive representations from members of the public on issues relating to government policies, decisions, practices and procedures. The system also covers complaints relating to

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non-government bodies providing services for the general public.

### **The Legislative Council Commission**

Administrative support and services to the Legislature are provided by a secretariat which operates under the Commission. The Commission is established under The Legislative Council Commission Ordinance (Cap. 443). The Ordinance, which was enacted in April 1994, provides the legal framework for the Commission and the independent Legislative Council Secretariat to operate with managerial and financial autonomy.

#### **Members of the Commission**

As provided in the Ordinance, The Legislative Council Commission can have not more than 13 members, including the Chairman.

For 2007-2008, the Commission comprises 12 members, namely -

- the President of the Council, who is also the Chairman of the Commission;
- the Chairman of the House Committee of the Council, who is also the Deputy Chairman of the Commission;
- the Deputy Chairman of the House Committee; and
- nine other members elected by and from amongst Members of the Legislative Council.

#### **Term of Office of Commission Members**

Unless otherwise determined by the Council by resolution, the term of office of members elected under section 4(1)(e) of the Ordinance shall be one year from the date of election or until the next House Committee meeting held for the election of Commission members, or until the next dissolution of the Legislative Council, whichever is the earlier.

#### **Functions of the Commission**

The main functions of the Commission, as set out in section 9 of the Ordinance, are -

- providing through the Secretariat administrative support and services to the Council;
- providing office accommodation to Members of the Council and staff of the Secretariat;
- supervising the operation of the Secretariat;
- producing an official report of all proceedings in the Council and in any committee of the whole Council; and
- performing such other duties as the Council may by resolution determine.

#### **Powers of the Commission**

As provided under section 10(1) of the Ordinance, the main powers of the Commission include -

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- determining the structure and functions of the Legislative Council Secretariat;
  - employing staff in the Secretariat, dismissing and disciplining such staff and determining their numbers, grading, duties, remuneration and other terms and conditions of service;
  - formulating and executing managerial and financial policies expedient to the performance of the Commission's functions;
  - preparing the annual estimates of income and expenditure and programme of activities of the Commission; and
  - receiving, expending and investing funds.

### **Committees of the Commission**

Three committees have been appointed by the Commission to carry out certain delegated functions. These are -

- **Committee on Personnel Matters**, which deals with appointment and other personnel matters;
- **Committee on Members' Operating Expenses**, which advises on the processing of Members' operating expenses reimbursement claims; and
- **Committee on Facilities and Services**, which oversees the provision of services, accommodation and facilities to the Council and the Secretariat.

The terms of reference and membership of the three committees are set out in **Appendix 1**.

### **The Legislative Council Secretariat**

The mission of the Legislative Council Secretariat is to provide efficient administrative, secretariat and research support for the Council, enhance community understanding of the activities of the Council and ensure an effective avenue for redress.

The Secretary General is the Clerk to the Legislative Council and the chief executive of the Legislative Council Secretariat. He is responsible to the Chairman of the Commission for the administration of the Secretariat.

As at 31 March 2008, there were 319 posts on the establishment of the Secretariat. The staff establishment by number and rank is set out in **Appendix 2**. Administrative support and services are provided for the Council and its committees through the following nine divisions -

- Council Business Division 1
- Council Business Division 2
- Council Business Division 3
- Legal Service Division
- Research and Library Services Division
- Complaints Division
- Public Information Division
- Translation and Interpretation Division
- Administration Division

In addition, a temporary Project Team, headed by an Assistant Secretary General, was set up

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in March 2008 to oversee and co-ordinate the planning and implementation of the new Legislative Council Complex.

The organization of the Secretariat is shown in **Appendix 3**.

## **Functions and Services of the Legislative Council Secretariat**

### **Council Business Divisions**

Servicing of meetings of the Council and its committees is undertaken separately by three divisions: Council Business Divisions 1, 2 and 3. The three divisions are each headed by an Assistant Secretary General. Their respective responsibilities are described below -

#### ***Division 1***

Council Business Division 1 provides secretariat and administrative services for the Finance Committee and its two subcommittees, nine Panels as well as the Bills Committees and subcommittees dealing with proposed legislation and policy issues relating to the terms of reference of these Panels.

During the period from 1 April 2007 to 31 March 2008, the division serviced a total of 326 meetings, and conducted six duty visits, including two in overseas countries. A total of 69 background briefs and 41 discussion papers were prepared to facilitate Members' discussion with the Government on various issues.

In August 2007, a delegation of the Panel on Commerce and Industry and the Panel on Economic Development (formerly known as the Panel on Economic Services) conducted a visit to Dubai, Europe and the United States to obtain first-hand information on the development of convention and exhibition facilities and cruise terminal facilities in these places. The delegation considered the overseas experience useful in discussing with the Government on the development of new exhibition venues in Hong Kong and in monitoring the development of the new cruise terminal at Kai Tak.

In March 2008, the Panel on Development conducted a visit to Amsterdam and Prague to obtain first-hand information on town planning and urban renewal in these cities. The information provided useful reference to the Panel for considering relevant policies and issues in Hong Kong.

The Database on Particular Policy Issues was put on the Legislative Council website with a total of 183 topics available for public access. The hit rate during the period under review reached 322 548, as compared to 263 339 in the previous year.

The division, as well as other divisions with staff in the Council Secretary grade, provided services to meetings-cum-luncheons held between Members and District Council members. Matters which required follow-up actions after the meetings were referred to the Panels concerned or dealt with in case conferences serviced by the Complaints Division.

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## ***Division 2***

Council Business Division 2 provides secretariat and administrative services for the House Committee, nine Panels as well as Bills Committees and subcommittees dealing with proposed legislation and policy issues relating to the terms of reference of these Panels.

During the period from 1 April 2007 to 31 March 2008, the division serviced a total of 340 meetings as well as 11 duty visits, including three conducted outside Hong Kong. A total of 97 background briefs and 45 discussion papers were prepared to facilitate Members' consideration of specific items and issues.

In July 2007, a delegation of the Panel on Home Affairs conducted a visit to Macao to study the city's experience in built heritage conservation. The information obtained provides useful reference to Members in considering the improvement measures on built heritage conservation put forward by the Government.

In September 2007, a delegation of the Subcommittee to Study the Subject of Combating Poverty visited Madrid, London and Liverpool to study how these cities formulate and implement strategies and measures to foster the development of social enterprise to provide opportunities for the unemployed and disadvantaged to integrate into the job market. Their respective experience in fostering the promotion of social enterprise serves as very useful reference for Members in studying the further development of social enterprise in Hong Kong.

In March 2008, a delegation of the Panel on Food Safety and Environmental Hygiene visited Paris and London to obtain first-hand information on the policies and regulatory frameworks of food safety, food labelling requirements and relevant measures for enhancing consumer protection. The information will facilitate Members' monitoring of the Government's work in building up a comprehensive and integrated approach in food chain management and implementing relevant policy measures to enhance food safety.

The Chief Council Secretaries of the division, with the support of Council Secretaries on a rotation basis, provided services for meetings-cum-luncheons held between Members and District Council members. The division also provided service for Members' meeting with Councillors of Heung Yee Kuk. Research work was undertaken by designated Council Secretaries on each of the topics to be raised for discussion at these meetings. Matters which required follow-up actions were referred to the Panels concerned or dealt with in case conferences serviced by the Complaints Division.

## ***Division 3***

Council Business Division 3 provides support services for the conduct of meetings of the Legislative Council. During the period from 1 April 2007 to 31 March 2008, the division serviced 36 meetings of the Council, including four meetings devoted to the Chief Executive's Question and Answer Session.

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The division services two standing committees of the Council, namely, the Public Accounts Committee and the Committee on Members' Interests, and the Committee on Rules of Procedure. During the report period, the Public Accounts Committee held 21 public hearings and 40 meetings, and submitted to the Council two reports on its examination of the Director of Audit's value for money audit reports. The Committee on Members' Interests did not hold any meeting during the report period. The Committee on Rules of Procedure held six meetings.

In addition, the division services the Parliamentary Liaison Subcommittee of the House Committee. The Subcommittee maintained contact with the friendship groups which the Council had formed with the legislatures of Australia, Canada, the European Union, Japan and Singapore, and with other legislatures. Together with other Members of the Council, members of the Subcommittee received visiting parliamentarians and dignitaries. Senior staff members of the Secretariat also received visitors to the Council. A total of 75 meetings with visitors were arranged by the division during the report period.

The Chief Council Secretaries of the division, with the support of Senior Council Secretaries, provided services for meetings-cum-luncheons held between Members and District Council members. Research work was undertaken by designated Senior Council Secretaries on the topics to be raised for discussion at these meetings. Matters which required follow-up actions by Members were referred to the Panels concerned or dealt with in case

conferences serviced by the Complaints Division.

### **Legal Service Division**

Legal Service Division provides legal advice and support for all committees of the Council on bills, subsidiary legislation and other legal matters. The division also renders legal advice to individual Members on matters relating to the business of the Legislative Council. In addition, the division provides in-house legal service for The Legislative Council Commission and the Legislative Council Secretariat. It is the division's mission to provide comprehensive and reliable legal advice, analysis, research, and information services that are timely, objective, non-partisan, and where necessary, confidential; thereby contributing to an informed legislature.

Apart from being head of the Legal Service Division, the Legal Adviser is also the Counsel to the Legislature. Under the Rules of Procedure, the Counsel to the Legislature has the general duty of advising the President and the Clerk to the Legislative Council on legal issues in relation to the business or administration of the Council.

### **Research and Library Services Division**

Research and Library Services Division provides research support for the Council and its committees. During the period under review, a total of 65 research studies were completed, and four research reports, 23 information notes and 38 fact sheets were published. A list of the major subjects studied is in **Appendix 4**.

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The Legislative Council Library provides reference support for Members, their personal assistants and Secretariat staff. Library holdings and publications are open to members of the public, with Council papers and records, and official publications forming the core collection. Other reference materials include parliamentary publications, directories, books on political and constitutional subjects, CD-ROM databases, video tapes of Council meetings as well as newspapers and journals. An electronic press cuttings reference service is available to Members and Secretariat staff. In addition, the Library is linked to a number of external databases and provides access to the audio records of Council and committee meetings through the Digital Recording System.

In 2007-2008, the Library received a total of 19 247 enquiries and 83 search tasks which involved requests requiring more in-depth information and searches over various sources. The Library collection reached 41 210 items. The number of visits made to the Library was 7 697. The number of books loaned out was 11 331.

### **Complaints Division**

Complaints Division provides support service for Members to enable them to deal with complaints and representations lodged with the redress system of the Council. The division assists Members in processing cases to redress grievances and bring to light the need for improvement in government policies and procedures where appropriate.

The work of the division includes meeting and corresponding with complainants, examining the cases lodged and communicating with relevant organizations and government departments, assisting Members in determining suitable courses of action, as well as scheduling and servicing interviews with complainants and case conferences with government officials.

In 2007-2008, the division assisted Members in handling 861 cases, which comprised 154 group representations and 707 individuals' cases. The more topical issues dealt with included those related to the provision of public medical and health services, administration of social security schemes, redevelopment and management of public housing estates, land use and transport matters, and the policy regarding non-local expectant mothers giving birth in Hong Kong.

During the period, the division continued to widen the exposure of staff to the best practices in the processing of complaints through attachment programmes to overseas parliaments and complaint-handling organizations. To enhance the proficiency of staff, Putonghua conversation workshops were arranged. Arrangements were also made for staff to attend workshops on complaint-handling techniques, courses on interpersonal communication skills and counselling techniques.

### **Public Information Division**

Public Information Division provides public relations opinion and advice for the Legislative Council and organizes media

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activities and civic education programmes to promote the work of the Council.

The division handles media and public enquiries received by telephone, mail, e-mail and fax, and issues press releases on behalf of the Council. It liaises closely with media representatives and facilitates their coverage of Council activities and events, provides press marshalling services on official occasions (such as the delivery of Policy Address and Budget Speech), and assists committees in organizing press briefings. It also provides a daily newspaper clipping service for Members to keep them abreast of media reports and public opinion on topical issues.

The division produces Council publications, including the Legislative Council Annual Report and a variety of fact sheets and booklets designed to inform the public of the work of the Council. Apart from the Legislative Council website, the division provides an automated fax-on-demand service through which members of the media and the public are able to access up-to-date Council information at all times.

As part of its on-going civic education programme, the division co-ordinates guided tours of the Legislative Council Building. There were 383 tours during the period under review, of which 76 were conducted by Members. To enable more Members to participate in this programme, a 15-minute "Members Meet with the Public" session has been introduced to form part of the tour, during which Members can share their

parliamentary experience with the public and answer questions.

To further enhance its civic education services, the division organizes workshops for school teachers to provide them with first-hand information on the services provided by the Secretariat for students. During the period under review, two workshops were held for secondary school teachers. Moreover, it is planned that a teachers' focus group be formed to consult teachers on how the Legislative Council civic education programmes can be enhanced upon removal to the new Legislative Council Complex.

#### **Translation and Interpretation Division**

Translation and Interpretation Division provides translation, interpretation and Chinese transcription services for the Council and its committees.

The division is responsible for the production of the Official Record of Proceedings of the Legislative Council, also known as the Hansard, which is the verbatim report of proceedings of the Council. The Official Record is published, in the first instance, in the language of the speeches delivered on the floor, and then translated into two versions, one in Chinese and the other in English. Both the verbatim and translated versions of the Official Record can be viewed on the Council's website. For the 36 Council meetings held during the period under review, the division produced 8 087 pages of the "floor" version of the Official Record. The "floor" version was subsequently rendered

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into 10 710 pages of English text and 7 325 pages of Chinese text.

The division also translates questions, motions, committee papers, minutes of meetings and other Council papers. During the year, its total translation output amounted to 9 668 380 words.

The division continued its efforts to enhance productivity and efficiency through further streamlining the work processes, flexible deployment of staff under pooling arrangements and more effective use of information technology in the preparation of translations.

### **Administration Division**

Administration Division provides secretariat service for the Commission and internal administrative support for other divisions of the Secretariat. The division also administers Members' remuneration and operating expenses reimbursements, and organizes the Council's corporate social functions.

The division assists the Secretary General in executing the administrative, financial and personnel policies of the Commission. It also provides building management and security services in Council premises, and supervises the development and application of information technology in the Secretariat.

During the year, the division serviced eight meetings of the Commission. The division also serviced the Subcommittee on Members' Remuneration and Operating Expenses Reimbursement under the House Committee.

The Subcommittee held five meetings during the period under review. The division also provides support in servicing a meeting-cum-luncheon held between Members and District Council members. In addition, the division organized a total of 35 social functions for Members.

### **Financial Arrangement and Audit**

Through a separate head of expenditure in the HKSAR Government's annual Estimates, the Commission is provided with funds to support the work of the Legislative Council. Recurrent funding is provided through an Operating Expenditure Envelope (OEE), which sets the ceiling for each year's funding. The OEE is sub-divided into two subheads in the Estimates: one for Members' remuneration and operating expenses reimbursements, and the other for Secretariat expenses, which comprise staff emoluments and general expenses. Basically, the funding for Members' remuneration and operating expenses reimbursements is adjusted annually according to the movement of Consumer Price Index (C), while that for Secretariat expenses is adjusted according to the target expenditure level of the Government. Only savings in the subhead for Secretariat expenses may be put into an operating reserve for future deployment at the discretion of the Commission. In addition, non-recurrent funding is obtainable for one-off activities and capital projects.

Where additional resources are required for the introduction of new and improved services, the Commission has to submit bids to

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the Government in the annual Resource Allocation Exercise.

For the purposes of the Public Finance Ordinance (Cap. 2), the Secretary General is designated as the Controlling Officer responsible for the financial resources afforded to the Commission.

The Commission's accounts are subject to examination by the Director of Audit. The Director is empowered to conduct value-for-money audits and examinations into the economy, efficiency and effectiveness with which the Commission expends its resources in performing its functions and exercising its powers.

The net financial provisions obtained for the Commission in 2007-2008 amounted to \$358.4 million, which comprised \$130 million for Members' remuneration and operating expenses reimbursements, and \$228.4 million for the Secretariat's staff emoluments and general expenses. The audited accounts are shown on pages 22 to 51.

### **Compliance Audit on Members' Claims for Reimbursement of Operating Expenses**

To enhance the accountability and transparency in Members' claims for reimbursement of operating expenses that arise out of their LegCo duties, an independent audit firm was appointed in October 2006 to conduct field audits at Members' offices. The primary objective of the audit is to ensure that

the provisions on conflict of interest and declaration of interest stipulated in the Guide for Reimbursement of Operating Expenses for Members of the Legislative Council (the Reimbursement Guide) are complied with. To give Members and their staff an overall understanding of the compliance audit and the logistical arrangements, four briefings, each with a rerun, were conducted in 2007. The first audit report covering the 2006-2007 legislative year was presented to the Commission in April 2008. It states that Members have complied with, in all material respects, the provisions on conflict of interest and declaration of interest as stipulated in the Reimbursement Guide, except in three cases. A copy of the audit report is made available in the Legislative Council Library for public inspection. The auditor has also made some audit recommendations contained in a management letter to the Commission. The Secretariat agrees with and has implemented most of these recommendations. The audit recommendation about "sharing of operating expenses between Legislative Council and private business not supported by objective basis" has been referred to the Subcommittee on Members' Remuneration and Operating Expenses Reimbursement for consideration.

### **Appointment of Staff**

Appointment of Secretariat staff is normally on a three-year agreement. Grading, remuneration and other terms and conditions of service of staff are broadly in line with those applicable to civil servants. Remuneration comprises a basic salary paid in accordance with the salary scale applicable to civil

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servants holding comparable jobs, a cash allowance in lieu of certain fringe benefits enjoyed by civil servants, and an end-of-agreement gratuity. Staff of the Commission are required to serve the Council with complete political impartiality.

During the year, a total of 22 recruitment exercises were conducted, including 13 open recruitment exercises, eight internal recruitment exercises and a special open-cum-internal recruitment exercise for the post of Secretary General. As a result, 28 new staff and 12 serving staff were appointed. In addition, an Assistant Secretary General has been selected for appointment as Secretary General upon the retirement of the incumbent in September 2008.

## **Staff Development**

In 2007-2008, arrangements were made for 115 attendances in local courses and workshops on National Studies, language and communication, information technology, customer service, management and leadership organized by the Civil Service Training and Development Institute and General Grades Office of the Civil Service Bureau, and 7 attendances in seminars on labour legislation and occupational health and safety organized by the Labour Department. Arrangements were also made for 35 attendances in job-related courses and seminars on legal matters and current affairs organized by other local training organizations. In addition, in-house training courses, workshops and seminars were

organized. These included workshops on Putonghua conversation, English writing and English translation skills, courses on information technology and occupational health and safety, and other job-related training workshops and courses.

A number of staff members also attended the following staff development programmes outside Hong Kong -

- a Senior Assistant Legal Adviser attended the Commonwealth Law Conference and the Commonwealth Association of Legislative Counsel Conference in Kenya;
- a Principal Council Secretary was on attachment to the UK Parliament and the Office of the Parliamentary and Health Service Ombudsman;
- an Assistant Legal Adviser attended the National Studies Course at Peking University;
- another Assistant Legal Adviser attended the Legislative Drafting Workshop in Washington DC;
- a Research Officer participated in the Parliamentary Officers' Study Programme in Canada; and
- a Senior Translation Officer attended the Training Course on Translation and Chinese Language in Beijing Normal University.

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## **Staff Consultative Committee**

The Staff Consultative Committee, comprising 19 elected representatives of various grades of staff of the Secretariat and chaired by the Secretary General, provides a channel for staff to express their views on matters affecting them. The Committee held four meetings during the year.

## **Staff Recreation**

A Staff Recreation Club is formed to promote friendship and mutual help among staff of the Secretariat, and to organize recreational activities for them. During the period under review, the Club organized a series of recreational activities, such as outings, interest classes, health talks, as well as a Christmas party for the staff of the Secretariat.

## **Accommodation**

Apart from the Legislative Council Building, facilities and offices of the Council are scattered in four other locations: (1) third, fourth and fifth floors of Central Government Offices (West Wing); (2) third, fourth, fifth and sixth floors of Citibank Tower; (3) fourth floor of Prince's Building; and (4) eighth floor of the Murray Road Multi-Storey Carpark Building. Each Member is provided with a 40m<sup>2</sup> office within Council premises. Forty-six Members' offices are housed in the Central Government Offices (West Wing), whilst the Citibank Tower premises accommodate the remaining 14 Members' offices and most of the staff of the Secretariat.

## **New Legislative Council Complex**

It has been the Commission's long term target to have a purpose-built building for the Legislative Council and the Secretariat. The Commission has actively pursued this target since 1998.

Following the Chief Executive's announcement in his 2005-2006 Policy Address to re-activate the reprovisioning of the Central Government Offices and Legislative Council Building at the Tamar site, the Commission worked closely with the Government to implement the Tamar development project. On 9 January 2008, the Government issued a Letter of Acceptance to Gammon-Hip Hing Joint Venture (G-HH JV), one of four prequalified tenderers, for the design-and-build contract of the project. The contract was signed on 28 January 2008.

On 31 January 2008, a special meeting of the Commission was held for the Government and G-HH JV to brief members on the design of the new Legislative Council Complex. The Commission approved the setting-up of a dedicated Project Team in the Legislative Council Secretariat to assist members to follow through the development of the Complex.

The first batch of thematic plans on the general design of core elements was submitted to the Commission in March 2008 for comments. For this purpose, two special meetings of the Commission were held on 1 March 2008 and 15 March 2008 to study the details of the plans. In the meantime, a series of consultation meetings were held by the

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Project Team to collect comments from various users, including Members and their assistants, reporters, and individual divisions of the Secretariat, on the general design.

Taking into account the comments made by the Commission and other users, the Project Team worked closely with the Government Project Team and G-HH JV to revise the thematic plans. At the special meeting of the Commission held on 8 May 2008, G-HH JV presented to members the revised plans and briefed them on other design aspects, including environmental protection design features and seating arrangements in the Chamber and various conference rooms. The revised thematic plans were endorsed by the Commission at the meeting.

The project is scheduled for completion by mid 2011.

## **Development of Information Technology**

The Legislative Council network backbone integrates all computer systems in use by the Council and the Secretariat to enable the sharing of computer resources by Members and Secretariat staff. They can access information kept in individual application systems from their desks and communicate with each other in an efficient manner. About 60 servers and 430 workstations are in use. Apart from common office automation software applications and administrative systems, the Council is equipped with business support systems, such as Digital Recording System, Voting System, Legislative

Council Business System, Legislative Council Events Scheduling System, Schedule Display System and Research and Library Information System. The e-mail system allows Secretariat staff to communicate with outsiders electronically through the Internet in a fast and effective manner. The website of the Legislative Council contains information on the business transacted in the Council and its committees.

During the year under review, the following projects were undertaken to enhance the use of information technology in the Council -

- completion of the project to replace the Voting System and Public Address / Simultaneous Interpretation System in the Chamber by an advanced integrated system with richer functionality;
- completion of the project to replace traditional CRT monitors for the Secretariat by wide LCD monitors;
- completion of the project to reconstruct the website of the Legislative Council;
- continuation of the project to replace the Voting Systems and Public Address / Simultaneous Interpretation Systems in Conference Room A by an advanced integrated system with richer functionality;
- continuation of the project to enhance the Human Resources Information System;

- 
- commencement of the project to develop a software for generating all scenarios arising from amendments and amendments to amendments to a Member's motion and the wordings of the amended motion; and
  - participation in the Government project on the Medical and Dental Benefits Eligibility Checking System.

## **Environmental Protection**

The Legislative Council Secretariat is committed to conducting all its activities and operations in an environmentally responsible manner. A report covering the environmental goal, policy and management adopted by the Secretariat is in **Appendix 5**.

All staff are required to make efforts to protect the environment through the green measures shown in the report. Special efforts to reduce electricity consumption and paper consumption continued to be made during the year under review.

# Report of the Director of Audit

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**Audit Commission**  
The Government of the Hong Kong Special Administrative Region

## **Independent Audit Report**

### **To The Legislative Council Commission**

I have audited the financial statements of The Legislative Council Commission set out on pages 22 to 51, which comprise the balance sheet as at 31 March 2008, and the income and expenditure account, statement of changes in accumulated funds and cash flow statement for the year then ended, and a summary of significant accounting policies and other explanatory notes.

#### **The Legislative Council Commission's responsibility for the financial statements**

The Legislative Council Commission is responsible for the preparation and the true and fair presentation of these financial statements in accordance with section 13(3)(a) of The Legislative Council Commission Ordinance (Cap. 443) and Hong Kong Financial Reporting Standards. This responsibility includes designing, implementing and maintaining internal control relevant to the preparation and the true and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

#### **Auditor's responsibility**

My responsibility is to express an opinion on these financial statements based on my audit. I conducted my audit in accordance with sections 13(3)(b) and 13(4) of The Legislative Council Commission Ordinance, section 15(1)(a) of the Audit Ordinance (Cap. 122) and the Audit Commission auditing standards. Those standards require that I comply with ethical requirements and plan and perform the audit to obtain reasonable assurance as to whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and true and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by The Legislative Council Commission, as well as evaluating the overall presentation of the financial statements.

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I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

**Opinion**

In my opinion, the financial statements give a true and fair view of the financial position of The Legislative Council Commission as at 31 March 2008 and of its financial performance and cash flows for the year then ended in accordance with Hong Kong Financial Reporting Standards and have been properly prepared in accordance with section 13(3)(a) of The Legislative Council Commission Ordinance.



(Benjamin Tang)  
Director of Audit

7 July 2008

Audit Commission  
26th Floor  
Immigration Tower  
7 Gloucester Road  
Wanchai, Hong Kong

# The Legislative Council Commission Income and Expenditure Account for the Year Ended 31 March 2008

(Expressed in thousands of Hong Kong dollars)

	Note	2008	2007
<b>Income</b>			
Financial provisions from Government	3(a)	<b>358,393</b>	342,075
Investment income	3(b)	<b>8,827</b>	9,389
Gain on sale of fixed assets		-	5
Other income		<b>114</b>	50
		<b>367,334</b>	<b>351,519</b>
<b>Expenditure</b>			
<b>Recurrent</b>			
Members' remuneration	4(a)	<b>40,308</b>	39,642
Members' operating expenses reimbursements	4(a)	<b>89,163</b>	84,130
Staff emoluments	4(b)	<b>201,030</b>	194,819
General expenses	4(c)	<b>27,213</b>	28,219
<b>Non-recurrent</b>			
Members' non-recurrent expenses reimbursements	4(d)	<b>1,100</b>	1,683
Other non-recurrent expenses	4(e)	<b>54</b>	34
		<b>358,868</b>	<b>348,527</b>
<b>Surplus for the year</b>	13	<b>8,466</b>	<b>2,992</b>

The notes on pages 26 to 51 form part of these financial statements.

# The Legislative Council Commission

## Balance Sheet as at 31 March 2008

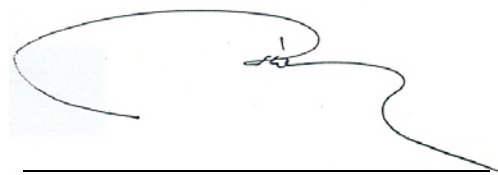
(Expressed in thousands of Hong Kong dollars)

	Note	2008	2007
<b>Non-current assets</b>			
Fixed assets	5	6,923	2,616
Operating funds advanced to Members	7	9,688	9,867
Held-to-maturity securities	8	44,523	38,174
Structured deposits	9	48,805	-
Available-for-sale securities	10	20	29
		<b>109,959</b>	50,686
<b>Current assets</b>			
Prepayments, deposits and other receivables	11	3,331	4,637
Held-to-maturity securities	8	12,849	10,003
Structured deposits	9	-	48,854
Bank deposits		90,956	81,283
Cash at bank and in hand	14	1,893	2,601
		<b>109,029</b>	147,378
<b>Current liabilities</b>			
Payables and accruals	12	28,259	25,022
Contract gratuities accrued		9,886	16,624
		<b>38,145</b>	41,646
<b>Net current assets</b>		<b>70,884</b>	105,732
<b>Total assets less current liabilities</b>		<b>180,843</b>	156,418
<b>Non-current liabilities</b>			
Contract gratuities accrued		30,915	14,947
<b>Net assets</b>		<b>149,928</b>	141,471
<b>Accumulated funds</b>			
Operating reserve	13	142,396	135,446
Investment revaluation reserve	13	(6)	3
Accumulated surplus	13	7,538	6,022
		<b>149,928</b>	141,471

Approved and authorized for issue by The Legislative Council Commission on 7 July 2008



Hon Mrs Rita Fan, GBM, GBS, JP  
Chairman



Mr Ricky C C Fung, SBS, JP  
Secretary General

The notes on pages 26 to 51 form part of these financial statements.

# The Legislative Council Commission

## Statement of Changes in Accumulated Funds

### for the Year Ended 31 March 2008

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*(Expressed in thousands of Hong Kong dollars)*

	Note	2008	2007
<b>Total accumulated funds at beginning of year</b>		<b>141,471</b>	138,490
<b>Net expenditure recognized directly in accumulated funds</b>			
Decrease in fair value of available-for-sale securities	13	(9)	(11)
<b>Surplus for the year</b>	13	<u><b>8,466</b></u>	<u>2,992</u>
<b>Total accumulated funds at end of year</b>	13	<u><b>149,928</b></u>	<u>141,471</u>

*The notes on pages 26 to 51 form part of these financial statements.*

# The Legislative Council Commission

## Cash Flow Statement

### for the Year Ended 31 March 2008

(Expressed in thousands of Hong Kong dollars)

	Note	2008	2007
<b>Cash flows from operating activities</b>			
Financial provisions received from Government	3(a)	358,393	342,075
Other income received		89	50
Payments to and on behalf of Members		(129,282)	(126,447)
Payments to staff		(190,664)	(218,237)
Payment of operating expenses		(24,228)	(25,491)
<b>Net cash from/(used in) operating activities</b>		<b>14,308</b>	<b>(28,050)</b>
<b>Cash flows from investing activities</b>			
Purchase of fixed assets		(5,014)	(3,247)
Proceeds from sale of fixed assets		3	7
(Increase)/Decrease in held-to-maturity securities			
Redemption		10,000	18,900
Purchases		(19,125)	(14,946)
		(9,125)	3,954
Increase in structured deposits			
Uplifts		75,266	-
Placements		(75,374)	-
		(108)	-
Decrease in bank deposits with original maturity over three months			
Uplifts		120,098	128,573
Placements		(115,126)	(109,607)
		4,972	18,966
Interest received		9,060	8,100
<b>Net cash (used in)/from investing activities</b>		<b>(212)</b>	<b>27,780</b>
<b>Net increase/(decrease) in cash and cash equivalents</b>		<b>14,096</b>	<b>(270)</b>
<b>Cash and cash equivalents at beginning of year</b>		<b>26,837</b>	<b>27,067</b>
<b>Effect of foreign exchange rate changes</b>		<b>59</b>	<b>40</b>
<b>Cash and cash equivalents at end of year</b>	14	<b>40,992</b>	<b>26,837</b>

The notes on pages 26 to 51 form part of these financial statements.

# Notes to the Financial Statements

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(Amounts expressed in thousands of Hong Kong dollars unless otherwise stated)

## **1 GENERAL**

The Legislative Council Commission ("the Commission") is a financially and administratively autonomous body corporate established by The Legislative Council Commission Ordinance (Cap. 443). It provides administrative support and services for the Legislative Council ("LegCo") of the Hong Kong Special Administrative Region ("HKSAR") through the Legislative Council Secretariat.

## **2 SIGNIFICANT ACCOUNTING POLICIES**

### **2.1 Statement of compliance**

These financial statements have been prepared in accordance with accounting principles generally accepted in Hong Kong and all applicable Hong Kong Financial Reporting Standards ("HKFRSs"), a collective term which includes all applicable individual Hong Kong Financial Reporting Standards, Hong Kong Accounting Standards ("HKASs") and Interpretations issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA"). A summary of the significant accounting policies adopted by the Commission is set out below.

### **2.2 Basis of preparation of the financial statements**

The measurement basis used in the preparation of these financial statements is historical cost, except that trading financial instruments (note 2.3.2.1) and available-for-sale securities (note 2.3.2.4) are stated at fair value as explained in the accounting policies set out below.

The preparation of financial statements in conformity with HKFRSs requires the management to make judgements, estimates and assumptions that affect the application of policies and the reported amounts of assets and liabilities, as well as income and expenses. The estimates and associated assumptions are based on experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis for judgements about the carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

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There are no critical accounting judgements involved in the application of the Commission's accounting policies. There are also no key assumptions concerning the future, or other key sources of estimation uncertainty at the balance sheet date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities in the coming year.

## **2.3 Financial assets and financial liabilities**

### **2.3.1 Initial recognition**

The Commission classifies its financial assets and financial liabilities into different categories at inception, depending on the purpose for which the assets were acquired or the liabilities were incurred. The categories are: trading financial instruments, loans and receivables, held-to-maturity securities, available-for-sale securities and other financial liabilities.

Financial assets and financial liabilities are measured initially at fair value, which normally equals to the transaction price concerned. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than trading financial instruments) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs on trading financial instruments are expensed immediately.

The Commission recognizes financial assets and financial liabilities on the date it becomes a party to the contractual provisions of the instrument. Regular way purchases and sales of financial assets are accounted for at settlement date.

### **2.3.2 Categorization**

#### **2.3.2.1 Trading financial instruments**

The Commission does not engage in active trading of financial instruments. However, the derivatives embedded in certain structured deposits (note 2.3.6) are categorized as "trading" under HKAS 39, "Financial Instruments: Recognition and Measurement".

At each balance sheet date subsequent to initial recognition, trading financial instruments are measured at fair value. Changes in the fair value are recognized in the income and expenditure account in the period in which they arise.

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#### 2.3.2.2 Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market and which the Commission has no intention of trading. This category includes operating funds advanced to Members, structured deposits, receivables, bank deposits and cash.

At each balance sheet date subsequent to initial recognition, loans and receivables are carried at amortised cost using the effective interest method less impairment losses, if any (note 2.3.7).

#### 2.3.2.3 Held-to-maturity securities

Held-to-maturity securities are non-derivative financial assets with fixed or determinable payments and fixed maturity which the Commission has the positive intention and ability to hold to maturity, other than those that meet the definition of loans and receivables.

At each balance sheet date subsequent to initial recognition, held-to-maturity securities are carried at amortised cost using the effective interest method less impairment losses, if any (note 2.3.7).

#### 2.3.2.4 Available-for-sale securities

Available-for-sale securities are non-derivative securities that are designated as available for sale or are not classified in any of the other categories above. They include securities intended to be held for an indefinite period of time, but which may be sold in response to needs for liquidity or changes in the market environment.

At each balance sheet date subsequent to initial recognition, available-for-sale securities are measured at fair value. Unrealized gains and losses arising from changes in the fair value are recognized directly in the investment revaluation reserve, except for foreign exchange gains and losses which are recognized in the income and expenditure account.

When available-for-sale securities are sold, gains or losses on disposal include the difference between the net sale proceeds and the carrying amount, as well as the accumulated fair value adjustments released from the investment revaluation reserve to the income and expenditure account.

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#### 2.3.2.5 Other financial liabilities

Other financial liabilities are measured at amortised cost using the effective interest method.

#### 2.3.3 Fair value measurement principles

The fair value of financial instruments is based on their quoted market prices at the balance sheet date without any deduction for estimated future selling costs. Financial assets are priced at current bid prices, while financial liabilities are priced at current asking prices.

If there is no publicly available latest traded price nor a quoted market price on a recognized stock exchange or a price from a broker/dealer for non-exchange-traded financial instruments, or if the market for it is not active, the fair value of the financial asset or financial liability is estimated using valuation techniques that provide a reliable estimate of prices which could be obtained in actual market transactions.

Where discounted cash flow techniques are used, estimated future cash flows are based on the management's best estimates and the discount rate used is a market rate at the balance sheet date applicable for an instrument with similar terms and conditions. Where other pricing models are used, inputs are based on market data at the balance sheet date.

#### 2.3.4 Derecognition

A financial asset is derecognized when the contractual rights to receive the cash flows from the financial asset expire, or where the financial asset together with substantially all the risks and rewards of ownership have been transferred.

The Commission uses the weighted average method to determine realized gains and losses to be recognized in the income and expenditure account on derecognition.

A financial liability is derecognized when the obligation specified in the contract is discharged, cancelled or expires.

#### 2.3.5 Offsetting

Financial assets and financial liabilities are offset and the net amount is reported in the balance sheet where there is a legally enforceable right to offset the recognized amounts and there is an intention to settle on a net basis, or to realize the asset and settle the liability simultaneously.

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### 2.3.6 Embedded derivatives

An embedded derivative is a component of a hybrid (combined) instrument that includes both the derivative and a host contract with the effect that some of the cash flows of the combined instrument vary in a way similar to a stand-alone derivative.

The Commission assesses whether an embedded derivative is required to be separated from the host contract when it first becomes a party to the contract. An embedded derivative is separated from the host contract and accounted for as a derivative when (a) the economic characteristics and risks of the embedded derivative are not closely related to those of the host contract; and (b) the hybrid (combined) instrument is not measured at fair value with changes in fair value recognized in the income and expenditure account. Where the embedded derivative is separated, the host contract is accounted for according to its category (note 2.3.2).

### 2.3.7 Impairment of financial assets

The carrying amounts of loans and receivables, held-to-maturity securities and available-for-sale securities are reviewed at each balance sheet date to determine whether there is objective evidence of impairment.

When there is objective evidence that an impairment loss on loans and receivables or held-to-maturity securities has occurred, the loss is recognized in the income and expenditure account as the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the effective interest rate computed on initial recognition of the asset. If in a subsequent period, the amount of such impairment loss decreases and the decrease can be linked objectively to an event occurring after the impairment loss was recognized, the impairment loss is reversed through the income and expenditure account.

When there is objective evidence that an impairment loss on available-for-sale securities has occurred, the cumulative loss that had been recognized directly in the investment revaluation reserve is removed from the investment revaluation reserve and recognized in the income and expenditure account even though the financial asset has not been derecognized. The cumulative loss is the difference between the acquisition cost and the current fair value, less any impairment loss on that financial asset previously recognized in the income and expenditure account. Impairment losses for available-for-sale debt securities are subsequently reversed if an increase in fair value of the investment can be objectively related to an event occurring after the impairment loss was recognized. Impairment losses for available-for-sale equity securities are not reversed through the income and expenditure account. Any subsequent increases in the fair value of such equity securities are recognized directly in the investment revaluation reserve.

---

## 2.4 Fixed assets

### 2.4.1 Measurement of fixed assets

Fixed assets are stated in the balance sheet at cost less accumulated depreciation and any impairment losses (note 2.4.2). Depreciation is calculated to write off the cost of fixed assets, less their estimated residual value, on a straight line basis over the estimated useful lives as follows:

- Furniture and fixtures	10 years
- Motor vehicles and office equipment	5 years
- Computers and software	3 years

Work in progress is not depreciated.

Gains or losses arising from the disposal of fixed assets are determined as the difference between the net disposal proceeds and the carrying amount of the asset, and are recognized in the income and expenditure account at the date of disposal.

### 2.4.2 Impairment of fixed assets

The carrying amounts of fixed assets are reviewed at each balance sheet date to identify any indication of impairment. If there is an indication of impairment, an impairment loss is recognized in the income and expenditure account whenever the carrying amount of an asset exceeds its recoverable amount. The recoverable amount of an asset is the greater of its net selling price and value in use.

## 2.5 Cash equivalents

For the purpose of the cash flow statement, cash equivalents are short-term highly liquid investments that are readily convertible into known amounts of cash and subject to an insignificant risk of changes in value, having been within three months of maturity at acquisition.

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## **2.6 Staff benefits**

### 2.6.1 Contract gratuities

All full-time staff employed by the Commission are on fixed agreement terms, mainly for three years with a gratuity payable upon satisfactory completion of each term. Staff gratuities incurred but not yet due for payment are fully provided and charged to the income and expenditure account. Those gratuities payable within one year from the balance sheet date are classified as current liabilities, while others are classified as non-current liabilities.

### 2.6.2 Contributions to Mandatory Provident Fund ("MPF")

To comply with the requirements under the MPF Schemes Ordinance, the Commission has set up a MPF Scheme by participating in a master trust scheme provided by an independent MPF service provider. Contributions paid and payable by the Commission to the Scheme are charged to the income and expenditure account.

### 2.6.3 Staff leave entitlements

Staff's unexpired entitlements to paid annual leave as a result of services rendered up to the balance sheet date are charged to the income and expenditure account according to each individual staff member's remuneration package.

## **2.7 Revenue and expenditure recognition**

### 2.7.1 Financial provisions from Government

Financial provisions from the HKSAR Government are recognized in the period when receivable.

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### 2.7.2 Interest income

Interest income is recognized as it accrues using the effective interest method.

The effective interest method is a method of calculating the amortised cost of a financial asset or a financial liability and of allocating the interest income or interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial instrument or, when appropriate, a shorter period to the net carrying amount of the financial asset or financial liability. When calculating the effective interest rate, the Commission estimates cash flows considering all contractual terms of the financial instruments (for example, call options) but does not consider future credit losses. The calculation includes all fees paid or received between parties to the contract that are an integral part of the effective interest rate, transaction costs and all other premiums or discounts.

### 2.7.3 Other investment income

Dividend income from listed securities is recognized when the share price of the investment is quoted ex-dividend.

Realized gains or losses on financial instruments are recognized in the income and expenditure account when the financial instruments are derecognized.

Changes in fair value of trading financial instruments are recognized as revaluation gains or losses in the income and expenditure account.

### 2.7.4 Expenses

Members' remuneration, staff emoluments and the Secretariat's operating expenses are accounted for as they are incurred. Members' reimbursable expenses are accounted for as they are claimed.

## 2.8 Foreign currency translation

Foreign currency transactions during the year are translated into Hong Kong dollars at the exchange rates ruling at the transaction dates. Monetary assets and liabilities denominated in foreign currencies are translated into Hong Kong dollars at the exchange rates ruling at the balance sheet date. Exchange gains and losses are recognized in the income and expenditure account.

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## 2.9 Impact of new and revised HKFRSs

The HKICPA has issued a number of new and revised HKFRSs which are effective for the current accounting period. Adoption of these HKFRSs has no significant impact on the Commission's results of operations and financial position, while expanded disclosure has been made in the financial statements in accordance with the new HKFRS 7 "Financial Instruments: Disclosures".

## 3 INCOME

### (a) Financial provisions from Government

	2008	2007
<b>Financial provisions from Government for specified ambits</b>		
Recurrent items		
Members' remuneration and operating expenses reimbursements	129,173	123,816
Secretariat's operating expenses	224,820	215,008
Non-recurrent items		
Members' non-recurrent expenses reimbursements	869	1,150
Secretariat's non-recurrent expenses	3,527	2,093
	<u>358,389</u>	<u>342,067</u>
<b>Allocation warrants issued by government departments and utilized during the year</b>		
Recurrent items		
Secretariat's operating expenses	4	8
<b>Total</b>	<u>358,393</u>	<u>342,075</u>

<b>(b) Investment income</b>	<b>2008</b>	2007
Interest income from financial assets not at fair value through profit or loss		
Held-to-maturity securities	<b>2,362</b>	1,893
Structured deposits	<b>1,239</b>	1,710
Bank deposits	<b>5,564</b>	5,120
Cash at bank	<b>25</b>	60
	<u>9,190</u>	<u>8,783</u>
Dividend income from available-for-sale securities	<b>2</b>	2
Net realized and revaluation losses on derivatives embedded in a structured deposit	<b>(46)</b>	(71)
Net exchange (losses)/gains	<b>(319)</b>	675
<b>Total</b>	<u><b>8,827</b></u>	<u>9,389</u>

#### **4 EXPENDITURE**

##### **(a) Members' remuneration and operating expenses reimbursements**

Members are provided with remuneration and reimbursements for expenses arising from LegCo duties. The rates of such remuneration and reimbursements are proposed by the Government on the advice of the Independent Commission on Remuneration for Members of the Executive Council and the Legislature of the HKSAR ("the Independent Commission"), and approved by the Finance Committee of LegCo.

Under the delegated authority from the Finance Committee, the rates for Members' monthly remuneration and recurrent operating expenses reimbursements are adjusted by the Government yearly in October according to the movement of Consumer Price Index (C). Following a review by the Independent Commission, an additional 10% increase in the reimbursement ceiling for office expenses was approved with effect from October 2006. The relevant rates for each Member are as follows:

	Oct 2007 to Sept 2008 (\$)	Oct 2006 to Sept 2007 (\$)	Oct 2005 to Sept 2006 (\$)
<b>Monthly remuneration</b>			
President	113,500	110,840	108,770
President's Deputy and House Committee Chairman	85,150	83,150	81,600
Members not serving on the Executive Council of the Government	56,750	55,420	54,390
Members serving on the Executive Council of the Government	37,830	36,950	36,260
<b>Annual operating expenses reimbursement</b>			
Office expenses	1,534,020	1,498,070	1,336,490
Entertainment and travelling expenses	157,310	153,620	150,760
Entertainment expenses in the President's capacity	157,460	153,770	150,900
<b>(b) Staff emoluments</b>			
		<b>2008</b>	2007
Salaries		<b>148,849</b>	141,521
Contract gratuities		<b>29,244</b>	28,006
Cash allowances		<b>17,936</b>	19,317
Other job-related allowances		<b>700</b>	654
MPF contributions		<b>3,501</b>	3,438
Increase in accrued leave pay		<b>800</b>	1,883
<b>Total</b>		<b>201,030</b>	194,819

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<b>(c) General expenses</b>		
	<b>2008</b>	2007
Professional and other services	<b>9,221</b>	10,042
Utilities and building services	<b>6,140</b>	6,389
Office supplies	<b>2,564</b>	2,634
Information services	<b>2,547</b>	2,337
Depreciation	<b>2,328</b>	2,963
Repairs and maintenance	<b>1,390</b>	1,840
Others	<b>3,023</b>	2,014
<b>Total</b>	<b>27,213</b>	28,219
<b>(d) Members' non-recurrent expenses reimbursements</b>		
	<b>2008</b>	2007
Members' setting up expenses		
- for LegCo term 2004-2008	<b>466</b>	913
Members' information technology and communication equipment expenses		
- for LegCo term 2004-2008	<b>505</b>	770
Members' winding up expenses		
- for LegCo term 2004-2008	<b>129</b>	-
<b>Total</b>	<b>1,100</b>	1,683
<b>(e) Other non-recurrent expenses</b>		
	<b>2008</b>	2007
Replacement of computing facilities	<b>6</b>	34
Enhancement of the Legislative Council Business Information System	<b>48</b>	-
<b>Total</b>	<b>54</b>	34

5 **FIXED ASSETS**

	Motor vehicles	Computers and software	Office equipment	Furniture and fixtures	Work in progress	Total
<b>Cost</b>						
At 1 April 2006	959	27,834	3,261	8,081	559	40,694
Reclassification	-	559	-	-	(559)	-
Additions	-	588	556	62	-	1,206
Disposals	-	(66)	(449)	(67)	-	(582)
At 31 March 2007	<u>959</u>	<u>28,915</u>	<u>3,368</u>	<u>8,076</u>	<u>-</u>	<u>41,318</u>
At 1 April 2007	<b>959</b>	<b>28,915</b>	<b>3,368</b>	<b>8,076</b>	-	<b>41,318</b>
Additions	-	<b>6,464</b>	<b>112</b>	<b>60</b>	<b>3</b>	<b>6,639</b>
Disposals	-	<b>(3,434)</b>	<b>(317)</b>	<b>(333)</b>	-	<b>(4,084)</b>
At 31 March 2008	<u><b>959</b></u>	<u><b>31,945</b></u>	<u><b>3,163</b></u>	<u><b>7,803</b></u>	<u><b>3</b></u>	<u><b>43,873</b></u>
<b>Accumulated depreciation</b>						
At 1 April 2006	959	25,766	2,782	6,812	-	36,319
Additions	-	2,161	285	517	-	2,963
Disposals	-	(66)	(448)	(66)	-	(580)
At 31 March 2007	<u>959</u>	<u>27,861</u>	<u>2,619</u>	<u>7,263</u>	<u>-</u>	<u>38,702</u>
At 1 April 2007	<b>959</b>	<b>27,861</b>	<b>2,619</b>	<b>7,263</b>	-	<b>38,702</b>
Additions	-	<b>1,739</b>	<b>263</b>	<b>326</b>	-	<b>2,328</b>
Disposals	-	<b>(3,434)</b>	<b>(315)</b>	<b>(331)</b>	-	<b>(4,080)</b>
At 31 March 2008	<u><b>959</b></u>	<u><b>26,166</b></u>	<u><b>2,567</b></u>	<u><b>7,258</b></u>	<u><b>-</b></u>	<u><b>36,950</b></u>
<b>Net book value</b>						
<b>At 31 March 2008</b>	<u><u>-</u></u>	<u><u>5,779</u></u>	<u><u>596</u></u>	<u><u>545</u></u>	<u><u>3</u></u>	<u><u>6,923</u></u>
At 31 March 2007	<u><u>-</u></u>	<u><u>1,054</u></u>	<u><u>749</u></u>	<u><u>813</u></u>	<u><u>-</u></u>	<u><u>2,616</u></u>

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**6 CATEGORIES OF FINANCIAL ASSETS AND FINANCIAL LIABILITIES**

**2008**

	Loans and receivables	Held-to- maturity securities	Available- for-sale securities	Other financial liabilities	Total
Operating funds advanced to Members	9,689	-	-	-	9,689
Held-to-maturity securities	-	57,372	-	-	57,372
Structured deposits	48,805	-	-	-	48,805
Available-for-sale securities	-	-	20	-	20
Deposits and other receivables	2,725	-	-	-	2,725
Bank deposits	90,956	-	-	-	90,956
Cash at bank and in hand	1,893	-	-	-	1,893
Financial assets	<u>154,068</u>	<u>57,372</u>	<u>20</u>	<u>-</u>	<u>211,460</u>
Payables and accruals	-	-	-	28,259	28,259
Contract gratuities accrued	-	-	-	40,801	40,801
Financial liabilities	<u>-</u>	<u>-</u>	<u>-</u>	<u>69,060</u>	<u>69,060</u>

2007

	Trading financial instruments	Loans and receivables	Held-to- maturity securities	Available- for-sale securities	Other financial liabilities	Total
Operating funds advanced to Members	-	10,040	-	-	-	10,040
Held-to-maturity securities	-	-	48,177	-	-	48,177
Structured deposits	-	48,854	-	-	-	48,854
Available-for-sale securities	-	-	-	29	-	29
Deposits and other receivables	-	2,422	-	-	-	2,422
Bank deposits	-	81,283	-	-	-	81,283
Cash at bank and in hand	-	2,601	-	-	-	2,601
Financial assets	<u>-</u>	<u>145,200</u>	<u>48,177</u>	<u>29</u>	<u>-</u>	<u>193,406</u>
Derivative financial instruments	52	-	-	-	-	52
Payables and accruals	-	-	-	-	25,022	25,022
Contract gratuities accrued	-	-	-	-	31,571	31,571
Financial liabilities	<u>52</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>56,593</u>	<u>56,645</u>

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## 7 OPERATING FUNDS ADVANCED TO MEMBERS

	2008	2007
<b>Operating funds advanced for</b>		
- recurrent operating expenses	9,688	9,867
- setting up expenses	-	110
- information technology and communication equipment expenses	1 6 0	63
<b>Total</b>	<b>9,689</b>	<b>10,040</b>
<b>Classified as:</b>		
Current assets (note 11)	1	173
Non-current assets	9,688	9,867
<b>Total</b>	<b>9,689</b>	<b>10,040</b>

Members may apply for advance of funds to finance the setting up, equipping and operation of their offices. The ceilings of advance are set by the Commission.

For setting up Members' offices and equipping them with information technology and communication facilities, the ceilings of advance for each Member as at 31 March 2008 were \$150,000 and \$100,000 (2007: \$150,000 and \$100,000) respectively. Funds advanced in these respects have to be settled within three months with expenses actually incurred and any excess returned to the Commission. They are classified as current assets.

For recurrent operating expenses, the ceiling of advance is equivalent to two months' office operation, entertainment and travelling expenses. As at 31 March 2008, the ceiling was \$281,888 (2007: \$275,282). Funds advanced in this respect have to be returned to the Commission when the Member concerned ceases office. They are classified as non-current assets as it is assumed that only a small number of Members would cease office after the current LegCo term, which ends on 30 September 2008.

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**8 HELD-TO-MATURITY SECURITIES**

	<b>2008</b>	2007
At amortised cost		
<b>Debt securities</b>		
Listed in Hong Kong	<b>18,332</b>	13,207
Listed outside Hong Kong	<b>10,044</b>	7,071
Unlisted	<b>28,996</b>	27,899
<b>Total</b>	<b>57,372</b>	48,177
<b>Classified as:</b>		
Current assets	<b>12,849</b>	10,003
Non-current assets	<b>44,523</b>	38,174
<b>Total</b>	<b>57,372</b>	48,177

## 9 STRUCTURED DEPOSITS

	2008	2007
At amortised cost		
<b>Unlisted structured deposits, interest receivable</b>		
- at predetermined fixed rates in the initial two quarters, subsequently at rates determined by reference to constant maturity swap rates	23,358	-
- at rates determined by reference to London Interbank Offered Rates	7,786	23,078
- at rates determined by reference to both constant maturity swap rates and London Interbank Offered Rates	7,661	-
- at predetermined fixed rates	10,000	-
- at predetermined step-up rates	-	15,622
- at rates determined by reference to the exchange rate between United States dollar and Hong Kong dollar	-	10,154
<b>Total</b>	<b>48,805</b>	<b>48,854</b>
<b>Classified as:</b>		
Current assets	-	48,854
Non-current assets	48,805	-
<b>Total</b>	<b>48,805</b>	<b>48,854</b>

All the above structured deposits are subject to call option to be exercised at the discretion of the banks before maturity.

## 10 AVAILABLE-FOR-SALE SECURITIES

	2008	2007
At fair value		
<b>Equity securities</b>		
Listed in Hong Kong	20	29

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**11 PREPAYMENTS, DEPOSITS AND OTHER RECEIVABLES**

	<b>2008</b>	2007
Prepayments to:		
Government	-	1,500
Staff	-	2
Others	<b>605</b>	591
Deposits	<b>18</b>	19
Receivable from:		
Members		
- operating funds advanced for setting up expenses	-	110
- operating funds advanced for information technology and communication equipment expenses	<b>1</b>	63
	<b>1</b>	173
- others	<b>40</b>	9
Staff	<b>325</b>	297
Accrued interest from structured deposits:		
Accrued interest income	<b>485</b>	563
Negative fair value of embedded derivatives	-	(52)
	<b>485</b>	511
Other accrued interest	<b>1,566</b>	1,527
Other receivables	<b>291</b>	8
<b>Total</b>	<b>3,331</b>	4,637

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**12 PAYABLES AND ACCRUED CHARGES**

	<b>2008</b>	2007
Payable to:		
Government	<b>980</b>	918
Members	<b>3,019</b>	2,050
Staff		
- accrued emoluments and reimbursements	<b>429</b>	67
- accrued leave pay	<b>21,826</b>	21,026
Others	<b>2,005</b>	961
<b>Total</b>	<b>28,259</b>	25,022

**13 ACCUMULATED FUNDS**

	<b>2008</b>	2007
<b>Operating reserve</b>		
At beginning of year	<b>135,446</b>	131,255
Transfer from accumulated surplus	<b>6,950</b>	4,191
At end of year	<b>142,396</b>	135,446
<b>Investment revaluation reserve</b>		
At beginning of year	<b>3</b>	14
Decrease in fair value of available-for-sale securities	<b>(9)</b>	(11)
At end of year	<b>(6)</b>	3
<b>Accumulated surplus</b>		
At beginning of year	<b>6,022</b>	7,221
Surplus for the year	<b>8,466</b>	2,992
Transfer to operating reserve	<b>(6,950)</b>	(4,191)
At end of year	<b>7,538</b>	6,022
<b>Total</b>	<b>149,928</b>	141,471

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Surpluses in recurrent financial provisions for the Secretariat's operating expenses are credited to the operating reserve at the discretion of the Commission for future use on LegCo business.

The investment revaluation reserve comprises the cumulative net change in the fair value of available-for-sale securities held at the balance sheet date and is dealt with in accordance with the accounting policies in notes 2.3.2.4 and 2.3.7.

#### **14 CASH AND CASH EQUIVALENTS**

	<b>2008</b>	2007
Cash at bank and in hand	<b>1,893</b>	2,601
Bank deposits with original maturity within three months	<b>39,099</b>	24,236
<b>Total</b>	<b>40,992</b>	26,837

#### **15 NON-CASH TRANSACTIONS WITH GOVERNMENT**

Offices and certain government-operated services used by the Secretariat are either provided by the Government free of charge or funded by the respective government departments. They are not accounted for in these financial statements.

#### **16 TAXATION**

The Commission is exempt from Hong Kong taxation.

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## 17 CAPITAL COMMITMENTS

Outstanding commitments for acquisitions of fixed assets at 31 March 2008 not provided for in the financial statements were as follows:

	<b>2008</b>	2007
Authorized but not yet contracted for	<b>3,136</b>	3,555
Authorized and contracted for	<b>91</b>	5,777
<b>Total</b>	<b><u>3,227</u></b>	<u>9,332</u>

## 18 FINANCIAL INSTRUMENTS

### 18.1 General

To provide an ancillary source of income, surplus cash is invested in a portfolio of financial instruments according to a target ratio set by the Commission. The portfolio includes fixed deposits, structured deposits, debt securities, equities and trust funds. It is the Commission's policy that all investments in financial instruments, except equities and trust funds, should be principal-protected.

The Commission's financial instruments are shown in note 6.

### 18.2 Credit risk

Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss.

At the balance sheet date, the Commission does not have significant concentrations of credit risk. The maximum exposure to credit risk at the balance sheet date without taking account of any collateral held or other credit enhancements is shown below:

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	<b>2008</b>	2007
Operating funds advanced to Members	<b>9,689</b>	10,040
Held-to-maturity securities	<b>57,372</b>	48,177
Structured deposits	<b>48,805</b>	48,854
Deposits and other receivables	<b>2,725</b>	2,422
Bank deposits	<b>90,956</b>	81,283
Cash at bank	<b>1,887</b>	2,593
<b>Total</b>	<b>211,434</b>	193,369

In respect of operating funds advanced to Members, the credit risk is minimal, because a great proportion of the funds advanced will be offset against Members' expenses reimbursements when they cease office.

To minimize credit risks, all fixed deposits and structured deposits are placed with licensed banks in Hong Kong. For investments in debt securities, only those classified under the investment grade by Moody's or Standard & Poor's are considered. At the balance sheet date, the credit quality of investments in debt securities, analyzed by the lower of ratings designated by Moody's or Standard & Poor's, is as follows:

	<b>2008</b>	2007
Held-to-maturity securities by credit rating		
Aaa/AAA	<b>14,040</b>	11,067
Aa1 to Aa3/AA+ to AA-	<b>43,332</b>	37,110
<b>Total</b>	<b>57,372</b>	48,177

Deposits and other receivables include mainly accrued interest and the associated credit risk is minimal.

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### **18.3 Liquidity risk**

Liquidity risk is the risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities.

The Commission employs projected cash flow analysis to manage liquidity risk, namely by forecasting the amount of cash required and monitoring the working capital of the Commission to ensure that all liabilities due and funding requirements known could be met. As the Commission has a strong liquidity position, it has a very low level of liquidity risk.

### **18.4 Interest rate risk**

Interest rate risk refers to the risk of loss arising from changes in market interest rates. This can be further classified into fair value interest rate risk and cash flow interest rate risk.

Fair value interest rate risk is the risk that the fair value of a financial instrument will fluctuate because of changes in market interest rates. Since all the Commission's bank deposits and held-to-maturity securities and some of its structured deposits bear interest at fixed rates, their fair values will fall when market interest rates increase. However, as they are all stated at amortised cost, changes in market interest rates will not affect their carrying amounts and the Commission's surplus and accumulated funds.

Cash flow interest rate risk is the risk that future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Commission is exposed to cash flow interest rate risk because for a significant portion of its structured deposits, interest for the whole or a major part of the deposit period is receivable at rates determined by reference to London Interbank Offered Rates and/or constant maturity swap rates. The management considers a 50 basis points increase/decrease in market interest rates in the coming financial year to be reasonably possible. Had such an increase/decrease occurred at the balance sheet date, the interest on the structured deposits would have been received at the same rates and the Commission's surplus and accumulated funds would not have changed (2007: a decrease of \$1.1 million for a 50 basis points increase and no change for a 50 basis points decrease). This sensitivity analysis has been prepared assuming that the change in interest rates had been applied to the structured deposits in existence at the balance sheet date and that the call option had not been exercised by the banks before maturity.

The table below sets out the Commission's exposure to interest rate risk, based on the major interest bearing assets stated at carrying amounts at the balance sheet date and categorized by the earlier of contractual re-pricing dates or maturity dates.

	Repricing period					Total
	3 months or less	More than 3 months but not more than 1 year	More than 1 year but not more than 2 years	More than 2 years but not more than 5 years	More than 5 years but not more than 10 years	
<b>2008</b>						
Held-to-maturity securities	10,000	2,849	14,346	21,004	9,173	57,372
Structured deposits	38,805	-	5,000	5,000	-	48,805
Bank deposits	59,870	31,086	-	-	-	90,956
	<b>108,675</b>	<b>33,935</b>	<b>19,346</b>	<b>26,004</b>	<b>9,173</b>	<b>197,133</b>
<b>2007</b>						
Held-to-maturity securities	-	10,003	12,844	25,330	-	48,177
Structured deposits	33,232	15,622	-	-	-	48,854
Bank deposits	46,030	35,253	-	-	-	81,283
	<b>79,262</b>	<b>60,878</b>	<b>12,844</b>	<b>25,330</b>	<b>-</b>	<b>178,314</b>

## 18.5 Currency risk

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates.

According to the Commission's policy, any financial instrument denominated in a currency other than the HK dollar, Renminbi or the US dollar has to be covered by a back-to-back forward exchange contract for converting back the funds invested into Hong Kong dollars. Moreover, the amount of US dollar denominated financial instruments, as well as its weighting in the portfolio, has to be maintained under a pre-determined level.

At the balance sheet date, financial assets totalling \$103.8 million (2007: \$102.6 million) were denominated in US dollars. The remaining financial assets and all financial liabilities were denominated in HK dollars. Owing to the linked exchange rate of the HK dollar to the US dollar, the Commission has a very low level of currency risk.

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## 19 FAIR VALUES

The fair value of financial instruments traded in active markets is based on quoted market prices at the balance sheet date. In the absence of such quoted market prices, fair values are estimated using present value or other valuation techniques, using inputs based on market conditions existing at the balance sheet date.

The fair values of held-to-maturity securities are shown below:

	Carrying value		Fair value	
	2008	2007	2008	2007
Held-to-maturity securities	<b>57,372</b>	48,177	<b>59,024</b>	47,832

All other financial instruments are stated at fair value or carried at amounts not materially different from their fair values as at 31 March 2008 and 2007.

## 20 POSSIBLE IMPACT OF AMENDMENTS, NEW STANDARDS AND INTERPRETATIONS ISSUED BUT NOT YET EFFECTIVE FOR THE YEAR ENDED 31 MARCH 2008

Up to the date of issue of these financial statements, the HKICPA has issued a number of amendments, new standards and interpretations which are not yet effective for the year ended 31 March 2008 and which have not been early adopted in these financial statements.

The Commission is in the process of making an assessment of what the impact of these amendments, new standards and interpretations is expected to be in the period of initial adoption. So far it has concluded that the adoption of them is unlikely to have a significant impact on the Commission's results of operations and financial position.

The following revised standard may result in new or amended disclosures in future financial statements:

**Effective for accounting periods beginning on or after**

HKAS 1 (Revised)  
Presentation of Financial Statements

1 January 2009

# Appendix 1

## Committees of The Legislative Council Commission

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### Committee on Personnel Matters

#### *Terms of Reference*

- (1) To consider personnel matters including staffing resources, appointment, promotion, dismissal, grading, duties, remuneration and other terms and conditions of service of staff of the Secretariat which require the attention of the Commission;
- (2) To approve appointments including acting appointments with a view to promotion of officers at Chief Council Secretary level and above; and
- (3) To monitor progress of appointment and personnel matters delegated to the Secretary General.

#### *Membership*

Hon Mrs Rita FAN HSU Lai-tai, GBM, GBS, JP (Chairman)

Hon Miriam LAU Kin-yee, GBS, JP

Hon Margaret NG

Hon Jasper TSANG Yok-sing, GBS, JP

Hon Emily LAU Wai-hing, JP

Hon Albert Jinghan CHENG, JP

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## **Committee on Members' Operating Expenses**

### ***Terms of Reference***

- (1) To advise on administrative matters relating to Members' operating expenses; and
- (2) To review the Secretary General's decision on a Member's claim for operating expenses reimbursement upon the Member's request.

### ***Membership***

Hon Mrs Rita FAN HSU Lai-tai, GBM, GBS, JP (Chairman)

Hon Miriam LAU Kin-yee, GBS, JP

Hon Fred LI Wah-ming, JP

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## **Committee on Facilities and Services**

### ***Terms of Reference***

- (1) To consider the accommodation requirements of the Council and the Secretariat;
- (2) To assess the needs of the Council and of individual Members for services and facilities for the conduct of Council business;
- (3) To formulate solutions for meeting needs identified at (1) and (2);
- (4) To consider financial matters relating to (1) to (3) above, and approve procurement of fixed assets costing above \$500,000 but not exceeding \$2,000,000; and
- (5) To monitor the progress and developments relating to the above items.

### ***Membership***

Hon Mrs Rita FAN HSU Lai-tai, GBM, GBS, JP (Chairman)

Hon James TIEN Pei-chun, GBS, JP

Hon Emily LAU Wai-hing, JP

Hon WONG Ting-kwong, BBS

Prof Hon Patrick LAU Sau-shing, SBS, JP

## Appendix 2

# Staff Establishment of the Legislative Council Secretariat

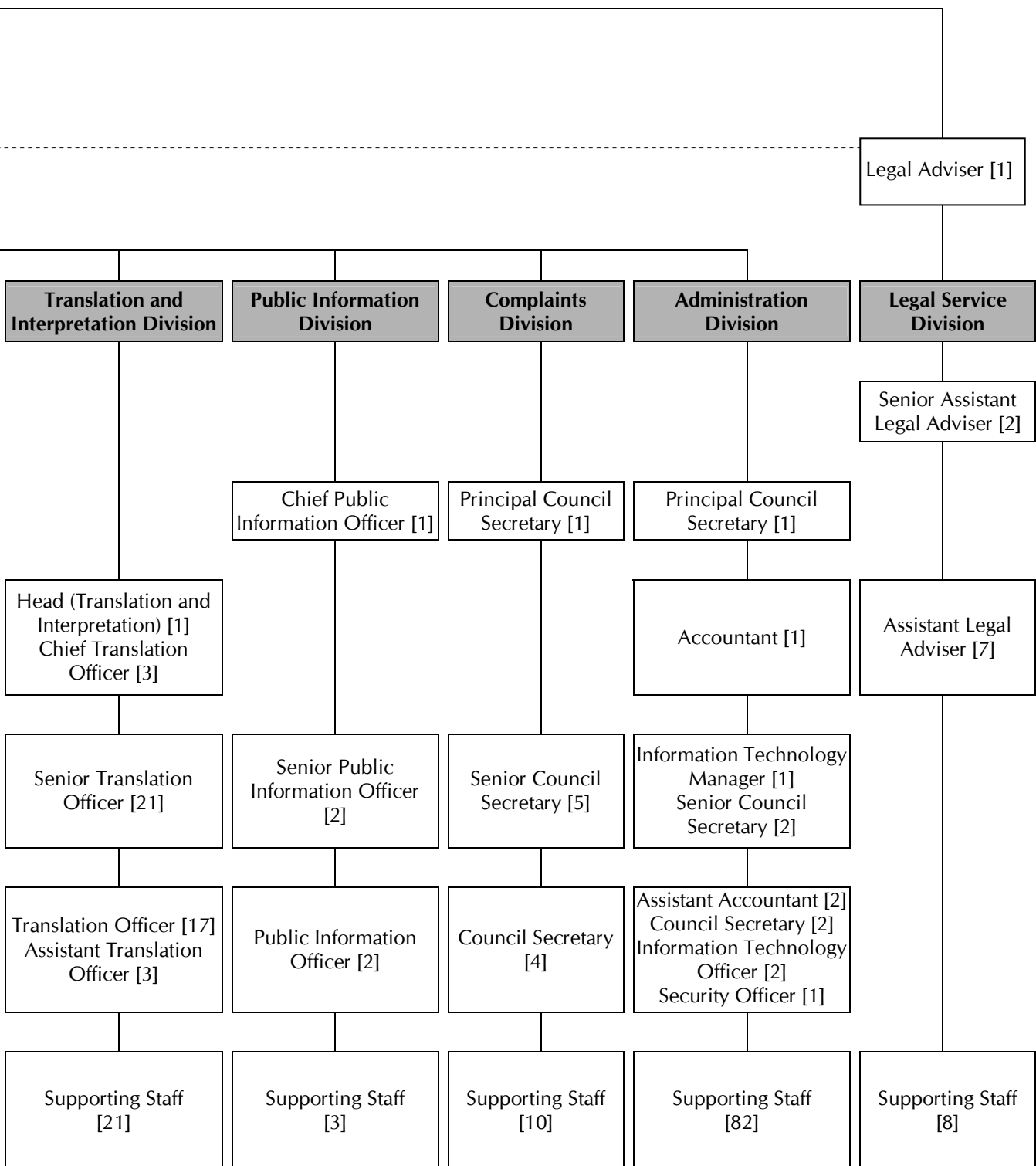
Permanent Post	As at 31.3.2008
Secretary General	1
Legal Adviser	1
Deputy Secretary General	1 *
Assistant Secretary General	3
Senior Assistant Legal Adviser	2
Chief Public Information Officer	1
Head (Research and Library Services)	1
Principal Council Secretary	2
Accountant	1
Assistant Legal Adviser	7
Chief Council Secretary	15
Chief Translation Officer	4
Deputy Head (Research and Library Services)	1
Information Technology Manager	1
Research Officer	7
Senior Council Secretary	27
Senior Public Information Officer	2
Senior Translation Officer	21
Assistant Accountant	2
Council Secretary	12
Information Technology Officer	2
Librarian	3
Public Information Officer	2
Translation Officer	17
Assistant Translation Officer	3
Security Officer	1
Senior Administrative Assistant	6
Senior Legislative Assistant	4
Senior Security Assistant	2
Accounting Clerk	4
Administrative Assistant I	16
Assistant Information Technology Officer	3
Senior Chinese Transcriber	2
Social Functions Assistant	1
Security Assistant	21
Legislative Assistant	18
Administrative Assistant II	47
Chinese Transcriber	5
Personal Chauffeur	1
Steward	5
Chauffeur	1
Motor Driver	1
Clerical Assistant	25
Office Assistant	14
Workman I	1
Workman II	2
<b>Total</b>	<b>319</b>

\* A temporary Assistant Secretary General post created holding against a frozen Deputy Secretary General post.

# Appendix 3 Organization Structure of the Legislative Council Secretariat (as at 31.3.2008)



Figures in   and   denote no. of permanent and time-limited posts respectively



## Appendix 4

# A List of Major Subjects Studied by the Research and Library Services Division

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- Academic freedom and institutional autonomy of higher education in the United Kingdom, New Zealand and Hong Kong
- Genetically modified food labelling in selected places
- Social enterprise policies of the United Kingdom, Spain and Hong Kong
- Minimum wage system in selected places
- Valedictory speeches in selected legislatures
- Heritage conservation in selected places
- Government strategies to enhance competitiveness in Switzerland and Singapore
- Requirement for Chinese proficiency in seeking education and employment
- Policies and measures for mitigation of climate change
- Wheelchair accessible taxi services in Sydney and London
- Social entrepreneurial activities in Taiwan
- Rules and practices of selected overseas legislatures on Members' references to allegations made in published materials
- Motions not intended to have legislative effect moved at sittings of the House of Commons of the United Kingdom Parliament
- Premature disclosure of committee proceedings and reports in the United Kingdom, New Zealand and Canada
- Mechanisms for adjusting individual Members' remuneration in selected legislatures
- Registration and disclosure of the occupation of the spouses of principal officials in selected places
- Usage of electoral register
- Government scholarship schemes in selected places
- Interim budgetary arrangements in selected places
- Regulation of exit polls in selected places
- Restoration capabilities of telecommunications operators in overseas places
- Convention and exhibition facilities in selected places
- Cruise terminals in selected places
- Restrictions on and requirements for declaring Members' outside employment and earnings in selected places
- Spatial planning and urban renewal in selected places

# Appendix 5

## Secretary General's Environmental Report for the Year 2007-2008

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### ***Environmental Goal***

The Legislative Council Secretariat is committed to -

- Conducting all its activities and operations in an environmentally responsible manner
- Minimizing consumption of resources by efficient use of materials
- Minimizing negative impacts on the environment during the whole work cycle

### ***Environmental Policy***

The environmental policy of the Legislative Council Secretariat requires all staff to make a special effort to protect the environment through -

- **Saving resources**, particularly on paper and electricity
- **Reducing waste** by re-using paper, collecting recyclable materials and adopting green procurements where applicable
- **Preserving a pleasant indoor working environment** through maintenance of good indoor air quality and minimization of noisy works during office hours
- **Preventing and minimizing air pollution** through the choice of commuting modes and good driving behaviour

### ***Environmental Management***

Under the chairmanship of Principal Council Secretary (Administration), a Green Effort Team with representatives from all divisions was set up in 1993 to develop the Secretariat's environmental objectives and oversee the implementation of the green programme in the Secretariat. The Team monitors the progress and reviews the overall strategy for green management in the Secretariat.

A description of the environmental measures and the performance of these measures are included in the following table. The targets on these measures for the year 2008-2009 are also given in the table.

## Environmental Management and Future Targets

<b>Saving Resources</b>	
<b>I. Environmental Measures Adopted</b>	<p><b>Economy in the use of paper</b></p> <ul style="list-style-type: none"> <li>• Use blank side of used paper for drafting</li> <li>• Print on both sides of paper</li> <li>• Use double side photocopiers</li> <li>• Use recycled paper</li> <li>• Minimize photocopies (e.g. not to make unnecessary spare or personal copies, to review regularly the need for hardcopy of papers and to receive papers by electronic mail)</li> <li>• Minimize copies of circulars (e.g. circulate by electronic mail as far as possible; and if necessary, only one copy to a group of staff)</li> <li>• Use old sets of documents for re-circulation</li> <li>• Adopt green measures at festive seasons (e.g. support Green Christmas, re-use decorative materials)</li> <li>• Use plain paper fax machines</li> <li>• Avoid use of fax leader pages</li> <li>• Use blank side of used paper to print incoming fax message</li> <li>• Communicate by electronic mail</li> <li>• Request softcopies from senders to facilitate future processing by electronic means</li> <li>• Upload documents, including agenda, minutes, discussion papers, submissions, reports of all open meetings onto the LegCo website (<a href="http://www.legco.gov.hk">http://www.legco.gov.hk</a>)</li> <li>• Store documents in central information systems for common access by staff</li> <li>• Reduce subscription to newspapers and magazines by the use of electronic news platform</li> </ul> <p><b>Economy in the use of envelope</b></p> <ul style="list-style-type: none"> <li>• Stop using envelopes for unclassified documents</li> <li>• Reuse envelopes or use transit envelopes</li> </ul> <p><b>Energy conservation</b></p> <ul style="list-style-type: none"> <li>• Carry out routine checks to ensure that users switch off lights, air conditioners and office equipment in unoccupied areas; and during lunch and after office hours when office is not in use</li> <li>• Modify group lighting switches to individual switches</li> <li>• Use high efficiency electric lamps/tubes</li> <li>• Reduce lighting to minimum required for illumination</li> <li>• Encourage the use of staircase for inter-floor traffic</li> <li>• Minimize the operation time of lifts outside office hours</li> <li>• Issue advice on a regular basis on the need to save energy e.g. attach stickers to all switches to remind users to turn off lights and air-conditioning when leaving</li> <li>• As far as practicable, set the room temperature at 25.5°C during summer months</li> <li>• Improve the air-conditioning system to enhance its efficiency</li> <li>• Control fuel consumption (e.g. minimize the use of official vehicles)</li> <li>• Encourage the use of public transport</li> <li>• Turn off vehicle engines while waiting</li> </ul>
<b>II. Performance on the Environmental Measures</b>	<ul style="list-style-type: none"> <li>• Through various effective energy saving measures, consumption of electricity decreased by 5.87% from 1 717 331 kWh in 2006-2007 to 1 616 516 kWh in 2007-2008. As far as the Legislative Council Building is concerned, the drop in electricity consumption is 6% from 1 061 800 kWh in 2006-2007 to 998 040 kWh in 2007-2008</li> <li>• Consumption of paper decreased by 10.62% from 23 591 reams in 2006-2007 to 21 086 reams in 2007-2008</li> <li>• Consumption of envelopes also decreased by 12.2% from 24 038 nos. in 2006-2007 to 21 106 nos. in 2007-2008</li> </ul>
<b>III. Targets for Year 2008-2009</b>	<ul style="list-style-type: none"> <li>• Decrease electricity consumption by 3%, subject to the number of meetings remaining more or less the same as in 2007-2008</li> </ul>

Reducing Wastes	Preserving a Pleasant Indoor Working Environment
<ul style="list-style-type: none"> <li>• Reuse envelopes, loose minute jackets</li> <li>• Use refillable ball pens</li> <li>• Cease the use of wooden pencils</li> <li>• Use recycled pencils</li> <li>• Use recycled paper as far as possible</li> <li>• Use recycled printer and fax cartridges as far as possible</li> <li>• Urge staff to use their own cups instead of paper cups</li> <li>• Collect waste paper, used printer and fax cartridges, aluminum cans and plastic bottles for recycling</li> <li>• Use Digital Recording System to record meeting proceedings, thereby reducing consumption of cassette tapes or discs</li> </ul>	<ul style="list-style-type: none"> <li>• Use low emission and ozone-free photocopiers</li> <li>• Use non-volatile correction fluid</li> <li>• Carry out renovation works outside office hours</li> <li>• Conduct annual air quality tests to monitor the air quality in offices</li> <li>• Clean air filters and outlets regularly</li> </ul>
<ul style="list-style-type: none"> <li>• Consumption of recycled pencils decreased by 0.5% from 816 nos. in 2006-2007 to 812 nos. in 2007-2008</li> <li>• Collection of waste paper increased by 133% from 13 582 kg in 2006-2007 to 31 666 kg in 2007-2008</li> <li>• Collection of used printer and fax cartridges for recycling decreased by 19.66% from 412 nos in 2006-2007 to 331 nos in 2007-2008 due to the corresponding reduction in the consumption of cartridges</li> </ul>	<ul style="list-style-type: none"> <li>• Legislative Council Building designated as a smoke-free building in April 1999</li> <li>• The Legislative Council Building was awarded the Indoor Air Quality (IAQ) Certificate (Good Class) under the IAQ Certification Scheme for Offices and Public Places in 2007 and 2008</li> </ul>
<ul style="list-style-type: none"> <li>• Use recycled paper for all documents</li> <li>• Increase the use of recycled printer and fax cartridges, subject to higher quality and lower price</li> <li>• Increase collection of waste paper</li> </ul>	

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