

**Report on the Activities of
The Legislative Council Commission
2008 - 2009**

**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

This is the first year of the fourth term of the Legislative Council of the Hong Kong Special Administrative Region. Our term will run for four years from 2008 to 2012. I am greatly honoured to be elected President and thereby become the Chairman of The Legislative Council Commission in this new term.

We have moved a step closer to the construction of the new Legislative Council Complex at Tamar. The interior design theme of designated areas is in the final stage and the project will soon move to the Detailed Design Stage which is scheduled for completion in March 2010. The design theme of the new LegCo Complex integrates both elements of solemnity and prudence, and of openness and empathy. These elements are respectively well represented by the symbol of a "square" shape ("fang", i.e. transliteration of the Chinese character "方") and the symbol of a "round" shape ("yuan", i.e. transliteration of the Chinese character "圓"). "Square" denotes restraint, whereas "round" refers to changes. Indeed, social progress lies in striking a balance between the pursuit for developmental changes and the desire for stability. As such, the architectural concept of "heaven being round and earth being square" ("tian yuan di fang", i.e. transliteration of the Chinese expression "天圓地方") in traditional Chinese architecture exactly reflects the characteristics of the new LegCo Complex.

On the overall design requirements for the new LegCo Complex, the Project Contractor has been requested to identify locations suitable for building in or placing of original works of art, so as to combine the functional

and aesthetic considerations in key spaces of the new LegCo Complex. To formulate policy/guidelines on the acquisition of works of art for the new LegCo Complex, and to advise on matters relating to the display and management of the art collection in the new LegCo Complex, the Commission has set up a Committee on Art to deal with the related matters.

Regarding the proposed expansion of the new LegCo Complex to address the need for additional space for new and enhanced services for the Council and the public, and additional office area for the Secretariat, the Administration has planned to brief the Commission on the details of the expansion proposal some time in October 2009 before its consultation with the Panel on Development for seeking funding approval from Public Works Subcommittee and the Finance Committee by the end of 2009.

It has always been our policy to enhance transparency and promote better understanding of our work. We plan to develop and launch a pilot video webcasting service for the Internet live audio-visual coverage of Council meetings and committee meetings held in Conference Room A, and establish an archive of video webcast proceedings. As an added feature of the pilot scheme, we will provide simultaneous sign language interpretation, and arrange to display the image on screen when Council proceedings are webcast. Full scale implementation is being planned for when we relocate to the new LegCo Complex.

We also consider it necessary to set up our own archives and will make the necessary arrangements to take forward the initiative. The mission of the Archives is to acquire, organize, preserve and safeguard records of enduring value relating to the Legislature of Hong Kong for the purposes of facilitating general access to such records, and documenting the history of the Legislative Council for future generations.

To enable Members and the general public to have access to the Confirmed and Translated versions of the Hansard at the earliest practicable time, we will fine-tune the working processes and put in place additional resources to speed up the production of the Hansard. As a result, the timeframes for the production of the Draft, Confirmed and Translated versions of the Hansard will be reduced to three, seven and 24 working days respectively after the date of the relevant Council meetings.

Within the two years from mid 2009 to mid 2011, the Secretariat will be facing great challenges in preparing for moving into the new LegCo Complex. The commissioning of the new Complex is more than a reprovisioning exercise. LegCo will be entering into a new era of a much closer relationship with the public, through a wide range of new services to be provided direct to members of the public. The net operating floor area of the LegCo Complex will be 16 092 m², i.e. 3.7 times the size of LegCo Building, with more conference facilities, new facilities such as lobby hall, exhibition area, video-showing corner, viewing gallery, education gallery, education activities room,

cafeteria and a souvenir shop. The repositioning of the LegCo Library, which will be turned into a Constitutional Library, will be located on the Ground Floor of the Main Foyer, with a Children's Corner to enable children to explore more about LegCo at a young age.

The Commission will continue to monitor the progress of the new LegCo Complex project and put in place adequate resources to strengthen the support services for the Council and to enable members of the public to enjoy the facilities in the new LegCo Complex.

In closing, I wish to record my most sincere appreciation of the unfailing support of all my LegCo colleagues and dedicated staff of the Secretariat. I am confident that the Commission will continue to perform its functions successfully with their support.



Hon Jasper TSANG Yok-sing
Chairman
The Legislative Council Commission

The Legislative Council

The fourth 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, six Bills Committees and 27 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. Eleven 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 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 2008-2009, 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 -

- 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

Four 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;
- **Committee on Facilities and Services**, which oversees the provision of services, accommodation and facilities to the Council and the Secretariat; and
- **Committee on Art**, which advises on matters relating to art in the new Legislative Council Complex.

The terms of reference and membership of the four 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. She is responsible to the Chairman of the Commission for the administration of the Secretariat.

As at 31 March 2009, there were 338 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

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

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. The division also provides support to the Subcommittee to Study Issues Arising from Lehman Brothers-related Minibonds and Structured Financial Products which was set up under the House Committee and authorised by resolution of the Council to exercise the powers conferred by section 9(1) of the Legislative Council (Powers and Privileges) Ordinance.

During the period from 1 April 2008 to 31 March 2009, the division serviced a total of 344 meetings and 11 local duty visits. Forty-three of the 344 meetings were held to receive public views, at which a total of 604 individuals and deputations had given views. The division also provided support to the 20 sessions of special Finance Committee meetings held over five days for the examination of the Estimates, and processed 2 985 questions submitted by Members seeking the Administration's replies on details of the expenditure items shown in the Estimates.

To facilitate Members' consideration of the various issues discussed by panels and committees, the division prepared a total of 129 background briefs and 43 discussion papers this year, as compared to 69 background briefs and 41 discussion papers in the previous year. Some of the major briefs, such as those on harbour front planning, urban renewal strategy and measures to rationalize utilization of Build-Operate-Transfer tunnels were prepared to facilitate detailed study of the subject matters by the relevant Panels or committees. In addition, a total of 47 committee reports were prepared by the division in the period.

The Chief Council Secretaries in the division, with the support of Council Secretaries on a rotation basis, also provided services to meetings-cum-luncheons held between Members and District Council members. Matters which required follow-up actions after these meetings were referred to the Panels concerned or dealt with in case conferences serviced by the Complaints Division.

The division oversees the updating of the 187 topics currently on the Database on Particular Policy Issues which was placed on the Legislative Council website for public access. The hit rate during April 2008 to March 2009 reached 351 807 as compared to 322 548 in the previous year.

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 year under review, it also provided service for the Select Committee to Inquire into Matters Relating to the Post-service Work of Mr LEUNG Chin-man which was appointed by a resolution passed by the Legislative Council on 10 December 2008.

During the period from 1 April 2008 to 31 March 2009, the division serviced a total of 320 meetings as well as seven local duty visits. In servicing committees, the division also assisted in researching and analyzing information, as well as collating and analyzing public views. Sixty-seven of the 320 meetings were held to receive public views, at which a total of 950 individuals and deputations had given views.

The division had further enhanced its research support to committees. A total of 143 background briefs and 78 discussion papers were prepared by the division during the period to facilitate Members' consideration of specific items and issues, as compared to 97

background briefs and 45 discussion papers in the previous year. Some of the major subjects covered in the background briefs and discussion papers included development of the Political Appointment System, Police's practices regarding handling of searches of detainees, Wage Protection Movement and establishment of a statutory minimum wage in Hong Kong, monitoring of the West Kowloon Cultural District Project, implementation of the Civil Justice Reform and voting right of prisoners. In addition, the division had prepared a total of 47 committee reports during the period.

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.

The division has also updated the Handbooks for Chairmen of Panels, Bills Committees and Subcommittees on Subsidiary Legislation/Other Instruments which provide handy reference to the relevant rules and practices as well as general guidelines to assist Chairmen of committees in understanding their responsibilities, powers and authority.

Division 3

Council Business Division 3 provides support services for the conduct of meetings of the Legislative Council. During the period from 1 April 2008 to 31 March 2009, the division serviced 38 meetings of the Council, including four meetings devoted to the Chief Executive's Question and Answer Session.

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 10 public hearings and 27 meetings, and submitted to the Council three reports on its examination of the Director of Audit's value for money audit reports. The Committee on Members' Interests held two open meetings, while the Committee on Rules of Procedure held six meetings during the report period.

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 57 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 six research reports, 32 information notes and 27 fact sheets were published. A list of the major subjects studied is in **Appendix 4**.

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 2008-2009, the Library received a total of 19 485 enquiries and 92 search tasks which involved requests requiring more in-depth information and searches over various sources. The Library collection reached 45 107 items. The number of visits made to the Library was 6 844. The number of books loaned out was 10 065.

Complaints Division

The 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 2008-2009, the division assisted Members in handling 1 818 cases, which comprised 262 group representations and 1 556 individuals' cases. The more topical issues dealt with included those related to the administration of social security schemes, the provision of welfare services, the management of public housing estates and tenancy issues, land use and public transport matters, and views on legislation for minimum wage.

Public Information Division

Public Information Division is responsible for the development and implementation of a public information and civic education programme on the Council, with a view to enhancing public understanding of the work of the Council and its Members. It also

provides public relations opinion and advice for the Council, and maintains a close contact and working relationship with the media.

The division handles media and public enquiries received by telephone, mail, fax, e-mail and in person. During the period from 1 April 2008 to 31 March 2009, the division received 17 562 telephone, fax and walk-in enquiries and 1 735 e-mail enquiries, increased by 1.18% and 34.6% respectively as compared with the previous year. It also liaises closely with media representatives and facilitates their coverage of Council activities and events; issues press releases on Council business; provides press marshalling services for Members on official occasions (such as the delivery of the Policy Address and the Budget Speech), and assists committees in organizing press briefings. Moreover, it 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. A total of 470 tours were organized during the period under report, an increase of 23% as

compared with 383 tours conducted in 2007-2008. Of the 470 tours, 140 were participated by Members, an increase of nearly 85% when compared with 76 such tours conducted in the previous year. The sharp increase in Members' participation in these guided tours is mainly due to the introduction of a 15-minute "Members Meet with the Public" session, during which Members share their parliamentary experience with the public and answer their questions, thus strengthening communication and interaction between Members and the public.

To further enhance its education services, the division had formed a Focus Group comprising school principals and teachers to garner their views on how to enhance the Council's public education programmes. Three meetings of the Focus Group were held during the period under review. Suggestions raised in the meetings were useful and essential for the division to formulate an effective education service strategy in the coming years. Also, based upon the views given by members of the Focus Group, the division had revamped the Council's "Civic Education Corner" website and produced a new and enhanced version of the website to enable students and youngsters to get to know the Legislature in an interesting way.

With the implementation of the New Secondary School Curriculum this September, it is planned that a series of new teaching aids and teaching materials be produced to facilitate the development of the school-based curriculum and teaching at schools. Moreover, outreach to schools and roving

exhibitions in public areas may be organized to enhance students' and public understanding of the work of the Legislature.

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 38 Council meetings held during the period under review, the division produced 9 592 pages of the "floor" version of the Official Record, representing a 18.6% increase over the same period in the previous year. The "floor" version was subsequently rendered into 13 269 pages of English text and 9 074 pages of Chinese text.

The division also translates questions, motions, committee papers, minutes of meetings and other Council papers. During the year, it yielded a total translation output of 10 630 590 words. This represented a 10% increase over the past year.

The division continued to enhance its efficiency and productivity by re-engineering the work processes, deploying staff more flexibly under pooling arrangements and tapping information technology profitably for service improvement. Following a critical review of the Hansard production processes, enhanced efforts were made to speed up the preparation and release of the "floor" and translated versions of the Hansard, so that the Hansard could be accessible by Members and the public within the shortest practicable time. Through streamlining the work procedures and keeping the workflow under tight control, the division had already been able to shorten the time frame for the release of the "floor" version from one calendar month to three calendar weeks, while striving to further expedite the overall production of the Hansard in the future.

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 11 meetings and two briefings (in relation to the interior design of the new Legislative Council Complex) of the Commission and three meetings of the Committee on Art. The division also serviced the Subcommittee on Members' Remuneration and Operating Expenses Reimbursement under the House Committee. The Subcommittee held three 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 41 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 capital projects.

Where additional resources are required for the introduction of new and improved services, the Commission put forward bids under the Government's 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 2008-2009 amounted to \$399.3 million, which comprised \$144 million for Members' remuneration and operating expenses reimbursements, and \$255.3 million for the Secretariat's staff emoluments and general expenses. The audited accounts are shown on pages 23 to 50.

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 has been appointed 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. Following the presentation of the first audit report in March 2008, a briefing was conducted in July 2008 to update Members and their staff of the audit requirements and logistical arrangements for the 2007-2008 audit.

The second audit report covering the 2007-2008 legislative year was presented to the Commission in March 2009. 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; no particular instance of violation was reported. On the instructions of the Commission, the audit report is made available for public inspection at the Legislative Council Library.

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 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 42 recruitment exercises were conducted, including 29 open recruitment exercises and 13 internal recruitment exercises. As a result, 84 new staff and 22 serving staff, including 4 directorate staff, were appointed.

Staff Development

The Secretariat places great emphasis on staff development to ensure the continuity in providing quality service to the Council. A Staff Succession Committee, chaired by the Secretary General and comprising all heads of divisions, was set up in March 2009 to consider and develop staff succession planning strategies. A career development subcommittee was also formed for each of the six grades of staff. Each headed by the most senior officer of the grade, the six Career Development Subcommittees would draw up training plans for the grades and advise the Staff Succession Committee on the training needs of staff.

In 2008-2009, arrangements were made for 89 attendances in local courses and workshops

on National Studies, language and communication, management and leadership organized by the Civil Service Training and Development Institute and General Grades Office of the Civil Service Bureau. Arrangements were also made for 336 attendances in job-related training courses, workshops and seminars. These covered a wide range of areas including topics about the financial market, mediation skills, event organising, accounting and auditing standards, legal studies, labour legislation, administrative practices, information technology, Putonghua conversation, and occupational safety and health. To widen the perspective of staff in the processing of complaints, arrangements were made for them to attend workshops on topical issues of complaint, and courses on interpersonal skills and counselling techniques. 76 staff servicing committees attended an in-house training and development programme in which Dr Malcolm Jack, Clerk of the House of Commons of the United Kingdom was invited to give talks on parliamentary practice and committee work in addition to the thematic talks given by the senior staff of the Secretariat.

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

- The Legal Adviser attended a seminar on the Implementation of 'One Country, Two Systems' in Macau;
- a Chief Council Secretary was on attachment to the UK Parliament;

- another Chief Council Secretary attended the Inter-parliamentary Study Programme in Australia;
- an Assistant Legal Adviser attended the Legislative Drafting Workshop in Washington DC;
- a Chief Translation Officer participated in the Ninth Triennial Conference of the Commonwealth Hansard Editors Association in the UK;
- a Senior Translation Officer attended the Training Course on Translation and Chinese Language in Beijing Normal University;
- a Senior Public Information Officer was on attachment to the Australia Parliament; and
- another Senior Public Information Officer attended the National Studies Course at Sun Yat Sen University.

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, educational video shows, 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 and tenth floors of the Murray Road Multi-Storey Carpark Building. Each Member is provided with a 40m² 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

Since the Administration kick-started the Tamar Development Project in January 2008, which comprises the design and construction of the Legislative Council Complex, the Central Government Complex, an open space, two covered pedestrian footbridges and other ancillary facilities, the Commission has

been closely monitoring the implementation of the new Legislative Council Complex project. In March 2008, a dedicated team, the Project Team for the New Legislative Council Complex, was set up in the Legislative Council Secretariat to assist the Commission to follow through the development of the new Complex.

The Commission considered and endorsed the interior design themes of the majority of the designated areas of the new Complex such as the Main Foyer, Members' Entrance, Chamber, Ante-Chamber, Conference Rooms and Press Conference Rooms. The Contractor would follow up with members' comments on the remaining facilities. The revised furniture layout plans of offices which had taken into account the views of users will be finalized in mid 2009.

The provision of barrier-free access for users with physical disabilities in the new Complex was one of the major concerns of the Commission on the design of the new Complex. On 2 October 2008, the Project Team held a meeting with welfare organizations on the barrier-free design of the new Complex. Having regard to some of the suggestions made by the organizations at the meeting, the Commission requested the Contractor to prepare a report on the additional works required to ensure that the new Complex would fulfil the mandatory requirements set out in the new "Design Manual: Barrier Free Access" issued by the Building Department in 2008, and the recommended requirements in the Design Manual as far as practicable.

The Committee on Art established under the Commission had studied and made recommendations on the art acquisition strategy for the new Complex, including the range of artworks to be acquired, major locations for installation of artworks, preferred modes of acquisition and implementation plan. In determining the long-term art acquisition policy, which included commissioning of art pieces and acceptance of donated works, the Commission would make reference to practices of other legislatures and might conduct public consultation.

To prepare for the move of LegCo to the new Complex and to meet its long-term business need, the Commission approved in December 2008 the establishment of a working team under the Project Team to conduct the Information Systems Strategic Plan Study, which aimed at exploring business improvement opportunities using information technology in the current environment, and studying the strategic planning and roadmap for the preparation of integration, migration, relocation and long-term development of information technology in the new Complex. The recommendations of the working team on the two-phase Study would be presented to the Commission in mid 2009 and early 2010 respectively.

To address the need for additional space for new and enhanced services for the Legislative Council and the public, the Commission initiated discussion with the Administration in March 2009 on the viability of a number of options for expansion of the new Complex. The Commission considered that an early decision on the expansion design, before the

finalization of the current office layout plans would substantially reduce subsequent abortive works and construction works. The Commission requested the Administration to take a pragmatic approach and seriously reconsider its proposal to construct an additional floor on top of the high block for new communal facilities and LegCo Secretariat's office.

The overall work completion for the Project as at 31 March 2009 is 13.14%. 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 460 workstations are in use. Apart from common office automation software applications and administrative systems, the Council is equipped with business support systems, such as Voice Broadcast 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 Conference Room A by an advanced integrated system with richer functionality;
- completion of the participation in the Government project on the Medical and Dental Benefits Eligibility Checking System;
- completion of the project to upgrade the wide area network, as result of which the speed of data transfer over the wide area network is now 50% faster;
- completion of the project to install remote control cameras system in Conference Room A;
- continuation of the project to enhance the Human Resources Information System;
- continuation 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
- commencement of the project to install a pilot video broadcast system so that members of the public can watch and listen

(floor language only), via the internet, to Council meetings, Chief Executive's Question and Answer Sessions, Chief Executive's Policy Address, Budget Speech and all open meetings of the Legislative Council and its committees held in Conference Room A.

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



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 23 to 50, which comprise the balance sheet as at 31 March 2009, 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.

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 2009 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

16 July 2009

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 2009

(Expressed in thousands of Hong Kong dollars)

	Note	2009	2008
Income			
Financial provisions from Government	3(a)	399,271	358,393
Investment income	3(b)	7,439	8,827
Other income		1,044	114
		407,754	<u>367,334</u>
Expenditure			
<i>Recurrent</i>			
Members' remuneration and medical allowances	4(a)	45,780	40,308
Members' operating expenses reimbursements	4(a)	91,948	89,163
Staff emoluments	4(b)	227,458	201,030
General expenses	4(c)	31,407	27,213
<i>Non-recurrent</i>			
Members' non-recurrent expenses reimbursements	4(d)	6,251	1,100
Other non-recurrent expenses	4(e)	169	54
		403,013	<u>358,868</u>
Surplus for the year	13	<u>4,741</u>	<u>8,466</u>

The notes on pages 27 to 50 form part of these financial statements.

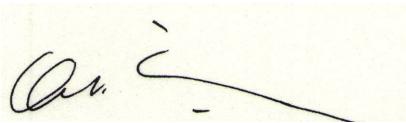
The Legislative Council Commission

Balance Sheet as at 31 March 2009

(Expressed in thousands of Hong Kong dollars)

	Note	2009	2008
Non-current assets			
Fixed assets	5	9,963	6,923
Operating funds advanced to Members	7	12,335	9,688
Held-to-maturity securities	8	30,154	44,523
Structured deposits	9	-	48,805
Available-for-sale securities	10	1,945	20
		54,397	109,959
Current assets			
Prepayments, deposits and other receivables	11	3,711	3,331
Held-to-maturity securities	8	14,432	12,849
Bank deposits	14	170,694	90,956
Cash at bank and in hand		1,568	1,893
		190,405	109,029
Current liabilities			
Payables and accruals	12	31,947	28,259
Contract gratuities accrued		42,989	9,886
		74,936	38,145
Net current assets		115,469	70,884
Total assets less current liabilities		169,866	180,843
Non-current liabilities			
Contract gratuities accrued		15,072	30,915
Net assets		154,794	149,928
Accumulated funds			
Operating reserve	13	143,971	142,396
Investment revaluation reserve	13	119	(6)
Accumulated surplus	13	10,704	7,538
		154,794	149,928

Approved and authorized for issue by The Legislative Council Commission on 16 July 2009



Hon Jasper Tsang Yok Sing, GBS, JP
Chairman



Ms Pauline Ng Man Wah
Secretary General

The notes on pages 27 to 50 form part of these financial statements.

The Legislative Council Commission Statement of Changes in Accumulated Funds for the Year Ended 31 March 2009

(Expressed in thousands of Hong Kong dollars)

	Note	2009	2008
Total accumulated funds at beginning of year		149,928	141,471
Net income/(expenditure) recognized directly in accumulated funds			
Increase/(Decrease) in fair value of available-for-sale securities	13	125	(9)
Surplus for the year	13	4,741	<u>8,466</u>
Total accumulated funds at end of year	13	<u>154,794</u>	<u>149,928</u>

The notes on pages 27 to 50 form part of these financial statements.

The Legislative Council Commission

Cash Flow Statement

for the Year Ended 31 March 2009

(Expressed in thousands of Hong Kong dollars)

	Note	2009	2008
Cash flows from operating activities			
Financial provisions received from Government	3(a)	399,271	358,393
Other income received		913	89
Payments to and on behalf of Members		(147,947)	(129,282)
Payments to staff		(207,293)	(190,664)
Payment of operating expenses		(26,233)	(24,228)
		<hr/>	<hr/>
Net cash from operating activities		18,711	14,308
Cash flows from investing activities			
Purchase of fixed assets		(6,263)	(5,014)
Proceeds from sale of fixed assets		14	3
Decrease/(Increase) in held-to-maturity securities			
Redemption		12,850	10,000
Purchases		-	(19,125)
		<hr/>	<hr/>
		12,850	(9,125)
Decrease/(Increase) in structured deposits			
Uplifts		48,808	75,266
Placements		-	(75,374)
		<hr/>	<hr/>
		48,808	(108)
Purchase of available-for-sale securities		(1,801)	-
(Increase)/Decrease in bank deposits with original maturity over three months			
Uplifts		159,229	120,098
Placements		(257,286)	(115,126)
		<hr/>	<hr/>
		(98,057)	4,972
Interest received		7,430	9,060
		<hr/>	<hr/>
Net cash used in investing activities		(37,019)	(212)
Net (decrease)/increase in cash and cash equivalents		(18,308)	14,096
Cash and cash equivalents at beginning of year		40,992	26,837
Effect of foreign exchange rate changes		56	59
Cash and cash equivalents at end of year	14	22,740	40,992

The notes on pages 27 to 50 form part of these financial statements.

Notes to the Financial Statements

(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.

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.

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.

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.

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 their 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 amounts of the assets, and are recognized in the income and expenditure account at the time 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.

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 an 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.

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 operating expenses and medical allowances are accounted for as they are claimed; and end-of-service gratuities payable to Members are accounted for at the end of each LegCo term when back-to-back financial provisions from the Government are obtained.

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.

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. There have been no changes to the accounting policies applied in these financial statements for the years presented as a result of these developments.

Amendments to HKAS 39, issued in October 2008, permit an entity in rare circumstances to reclassify non-derivative securities out of the trading category. The amendments also permit reclassification of a financial asset from the available-for-sale category to the loans and receivables category if the entity has the intention and ability to hold the financial asset for the foreseeable future or until maturity. These amendments do not have any impact on the financial statements as the Commission has not reclassified any financial assets.

The Commission has not applied any new standard that is not yet effective for the current accounting period (see note 20).

3 INCOME

(a) Financial provisions from Government

	2009	2008
Financial provisions from Government for specified ambits		
Recurrent items		
Members' remuneration, medical allowances and operating expenses reimbursements	137,626	129,173
Secretariat's operating expenses	250,083	224,820
Non-recurrent items		
Members' non-recurrent expenses reimbursements	6,346	869
Secretariat's non-recurrent expenses	<u>5,214</u>	<u>3,527</u>
	399,269	358,389

Allocation warrants issued by government departments and utilized during the year

Recurrent items		
Secretariat's operating expenses	2	4
Total	<u>399,271</u>	<u>358,393</u>

(b) Investment income	2009	2008
Interest income from financial assets not at fair value through profit or loss		
Held-to-maturity securities	2,111	2,362
Structured deposits	1,732	1,239
Bank deposits	4,049	5,564
Cash at bank	1	25
	<hr/> 7,893	<hr/> 9,190
Dividend income from available-for-sale securities	2	2
Net realized and revaluation losses on derivatives embedded in a structured deposit	-	(46)
Net exchange losses	(456)	(319)
Total	<hr/>7,439	<hr/>8,827

4 EXPENDITURE

(a) Members' remuneration, benefits and operating expenses reimbursements

Members are provided with remuneration, benefits and reimbursements for expenses arising from LegCo duties. A medical allowance and an end-of-service gratuity, which is calculated at 15% of the remuneration earned by the Member concerned and payable at the end of each four-year LegCo term, were first introduced in the LegCo term starting from 1 October 2008. The rates of such remuneration, benefits 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, and Officials under the Political Appointment System 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' remuneration, medical allowance and recurrent operating expenses reimbursements are adjusted by the Government yearly in October according to the movement of Consumer Price Index (C). The relevant rates for each Member are as follows:

	Oct 2008 to Sept 2009 (\$)	Oct 2007 to Sept 2008 (\$)	Oct 2006 to Sept 2007 (\$)
Monthly remuneration			
President	136,400	113,500	110,840
President's Deputy and House Committee Chairman	102,300	85,150	83,150
Members not serving on the Executive Council of the Government	68,200	56,750	55,420
Members serving on the Executive Council of the Government	45,470	37,830	36,950
Annual medical allowance	26,130	-	-
Annual operating expenses reimbursements			
Office expenses	1,603,050	1,534,020	1,498,070
Entertainment and travelling expenses	164,390	157,310	153,620
Entertainment expenses in the President's capacity	164,550	157,460	153,770
 (b) Staff emoluments			
	2009	2008	
Salaries	169,459	148,849	
Contract gratuities	31,513	29,244	
Cash allowances	18,238	17,936	
Other job-related allowances	1,420	700	
MPF contributions	3,790	3,501	
Increase in accrued leave pay	3,038	800	
Total	227,458	201,030	

(c) General expenses

	2009	2008
Professional and other services	9,756	9,221
Utilities, communication and building services	6,550	6,140
Office supplies	2,296	2,564
Information services	3,332	2,547
Depreciation	4,882	2,328
Repairs and maintenance	1,584	1,390
Others	3,007	3,023
Total	<u>31,407</u>	<u>27,213</u>

(d) Members' non-recurrent expenses reimbursements

	2009	2008
Members' setting up expenses		
- for LegCo term 2004-2008	296	466
- for LegCo term 2008-2012	1,266	-
Members' information technology and communication equipment expenses		
- for LegCo term 2004-2008	495	505
- for LegCo term 2008-2012	1,129	-
Members' winding up expenses		
- for LegCo term 2004-2008	3,065	129
Total	<u>6,251</u>	<u>1,100</u>

(e) Other non-recurrent expenses

	2009	2008
Replacement of computing facilities	4	6
Enhancement of the Legislative Council Business Information System	-	48
Microfilming of archival records	165	-
Total	<u>169</u>	<u>54</u>

5 FIXED ASSETS

	Motor vehicles	Computers and software	Office equipment	Furniture and fixtures	Work in progress	Total
Cost						
At 1 April 2007	959	28,915	3,368	8,076	-	41,318
Additions	-	6,464	112	60	3	6,639
Disposals	-	(3,434)	(317)	(333)	-	(4,084)
At 31 March 2008	<u>959</u>	<u>31,945</u>	<u>3,163</u>	<u>7,803</u>	<u>3</u>	<u>43,873</u>
At 1 April 2008	959	31,945	3,163	7,803	3	43,873
Reclassification	-	3	-	-	(3)	-
Additions	329	6,791	606	201	-	7,927
Disposals	(218)	(356)	(279)	(992)	-	(1,845)
At 31 March 2009	<u>1,070</u>	<u>38,383</u>	<u>3,490</u>	<u>7,012</u>	<u>-</u>	<u>49,955</u>
Accumulated depreciation						
At 1 April 2007	959	27,861	2,619	7,263	-	38,702
Additions	-	1,739	263	326	-	2,328
Disposals	-	(3,434)	(315)	(331)	-	(4,080)
At 31 March 2008	<u>959</u>	<u>26,166</u>	<u>2,567</u>	<u>7,258</u>	<u>-</u>	<u>36,950</u>
At 1 April 2008	959	26,166	2,567	7,258	-	36,950
Additions	33	4,390	303	156	-	4,882
Disposals	(218)	(356)	(275)	(991)	-	(1,840)
At 31 March 2009	<u>774</u>	<u>30,200</u>	<u>2,595</u>	<u>6,423</u>	<u>-</u>	<u>39,992</u>
Net book value						
At 31 March 2009	<u>296</u>	<u>8,183</u>	<u>895</u>	<u>589</u>	<u>-</u>	<u>9,963</u>
At 31 March 2008	-	<u>5,779</u>	<u>596</u>	<u>545</u>	<u>3</u>	<u>6,923</u>

6 CATEGORIES OF FINANCIAL ASSETS AND FINANCIAL LIABILITIES

2009

	Loans and receivables	Held-to- maturity securities	Available- for-sale securities	Other financial liabilities	Total
Operating funds advanced to Members	12,569	-	-	-	12,569
Held-to-maturity securities	-	44,586	-	-	44,586
Available-for-sale securities	-	-	1,945	-	1,945
Deposits and other receivables	2,816	-	-	-	2,816
Bank deposits	170,694	-	-	-	170,694
Cash at bank and in hand	1,568	-	-	-	1,568
Financial assets	187,647	44,586	1,945	-	234,178
Payables and accruals	-	-	-	31,947	31,947
Contract gratuities accrued	-	-	-	58,061	58,061
Financial liabilities	-	-	-	90,008	90,008

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	154,068	57,372	20	-	211,460
Payables and accruals	-	-	-	28,259	28,259
Contract gratuities accrued	-	-	-	40,801	40,801
Financial liabilities	-	-	-	69,060	69,060

7 OPERATING FUNDS ADVANCED TO MEMBERS

	2009	2008
Operating funds advanced for		
- recurrent operating expenses	12,335	9,688
- setting up expenses	86	-
- information technology and communication equipment expenses	148	1
Total	<u>12,569</u>	<u>9,689</u>
Classified as:		
Current assets (note 11)	234	1
Non-current assets	12,335	9,688
Total	<u>12,569</u>	<u>9,689</u>

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 2009 were \$150,000 and \$100,000 (2008: \$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 2009, the ceiling was \$294,573 (2008: \$281,888). 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 2012.

8 HELD-TO-MATURITY SECURITIES

	2009	2008
At amortised cost		
Debt securities		
Listed in Hong Kong	15,513	18,332
Listed outside Hong Kong	10,033	10,044
Unlisted	19,040	28,996
Total	44,586	57,372
Classified as:		
Current assets	14,432	12,849
Non-current assets	30,154	44,523
Total	44,586	57,372

9 STRUCTURED DEPOSITS

	2009	2008
At amortised cost		
Unlisted structured deposits, interest receivable		
- 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
- at rates determined by reference to both constant maturity swap rates and London Interbank Offered Rates	-	7,661
- at predetermined fixed rates	-	10,000
Total	-	48,805
Classified as:		
Current assets	-	-
Non-current assets	-	48,805
Total	-	48,805

10 AVAILABLE-FOR-SALE SECURITIES

	2009	2008
At fair value		
Equity securities		
Listed in Hong Kong	1,945	20

11 PREPAYMENTS, DEPOSITS AND OTHER RECEIVABLES

	2009	2008
Prepayments to:		
Government	1	-
Others	660	605
Deposits	87	18
Receivable from:		
Members		
- operating funds advanced for setting up expenses	86	-
- operating funds advanced for information technology and communication equipment expenses	148	1
	234	1
- others	1	40
Staff	374	325
Accrued interest from structured deposits	-	485
Other accrued interest	2,329	1,566
Other receivables	25	291
Total	3,711	3,331

12 PAYABLES AND ACCRUALS

	2009	2008
Payable to:		
Government	1,578	980
Members	1,893	3,019
Staff		
- accrued emoluments and reimbursements	344	429
- accrued leave pay	24,864	21,826
Others	3,268	2,005
Total	31,947	28,259

13 ACCUMULATED FUNDS

	2009	2008
Operating reserve		
At beginning of year	142,396	135,446
Transfer from accumulated surplus	1,575	6,950
At end of year	143,971	142,396
Investment revaluation reserve		
At beginning of year	(6)	3
Increase/(Decrease) in fair value of available-for-sale securities	125	(9)
At end of year	119	(6)
Accumulated surplus		
At beginning of year	7,538	6,022
Surplus for the year	4,741	8,466
Transfer to operating reserve	(1,575)	(6,950)
At end of year	10,704	7,538
Total	154,794	149,928

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

	2009	2008
Cash at bank and in hand	1,568	1,893
Bank deposits with original maturity within three months	21,172	39,099
Total	22,740	40,992

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.

17 CAPITAL COMMITMENTS

Outstanding commitments for acquisitions of fixed assets at 31 March 2009 not provided for in the financial statements were as follows:

	2009	2008
Authorized but not yet contracted for	809	3,136
Authorized and contracted for	491	91
Total	<u>1,300</u>	<u>3,227</u>

18 FINANCIAL RISK MANAGEMENT**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 did 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:

	2009	2008
Operating funds advanced to Members	12,569	9,689
Held-to-maturity securities	44,586	57,372
Structured deposits	-	48,805
Deposits and other receivables	2,816	2,725
Bank deposits	170,694	90,956
Cash at bank	1,558	1,887
Total	<u>232,223</u>	<u>211,434</u>

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, was as follows:

	2009	2008
Held-to-maturity securities by credit rating		
Aaa/AAA	3,998	14,040
Aa1 to Aa3/AA+ to AA-	31,521	43,332
A1/A+	9,067	-
Total	<u>44,586</u>	<u>57,372</u>

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

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 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. Since the Commission has no floating-rate investments, its exposure to cash flow interest risk is minimal.

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 repricing dates or maturity dates.

	Repricing period					Total
	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		
2009						
Held-to-maturity securities	10,446	3,986	4,002	22,068	4,084	44,586
Bank deposits	84,141	86,553	-	-	-	170,694
	94,587	90,539	4,002	22,068	4,084	215,280
2008						
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
	108,675	33,935	19,346	26,004	9,173	197,133

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 \$104.6 million (2008: \$103.8 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.

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	
	2009	2008	2009	2008
Held-to-maturity securities	44,586	57,372	46,378	59,024

All other financial instruments are stated at fair value or carried at amounts not materially different from their fair values as at 31 March 2009 and 2008.

20 POSSIBLE IMPACT OF AMENDMENTS, NEW STANDARDS AND INTERPRETATIONS ISSUED BUT NOT YET EFFECTIVE FOR THE YEAR ENDED 31 MARCH 2009

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 2009 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:

	<u>Effective for accounting periods beginning on or after</u>
HKAS 1 (Revised) Presentation of Financial Statements	1 January 2009
Amendments to HKFRS 7 Financial Instruments: Disclosures - Improving Disclosures about Financial Instruments	1 January 2009

Appendix 1

Committees of The Legislative Council Commission

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.
- (3) To monitor progress of appointment and personnel matters delegated to the Secretary General.

Membership

Hon Jasper TSANG Yok-sing, GBS, JP (Chairman)

Hon LEE Cheuk-yan

Dr Hon Margaret NG

Dr Hon Philip WONG Yu-hong, GBS

Hon Emily LAU Wai-hing, JP

Hon IP Kwok-him, GBS, JP

Committee on Members' Operating Expenses

Terms of Reference

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

Membership

Hon Jasper TSANG Yok-sing, GBS, JP (Chairman)

Hon Miriam LAU Kin-yee, GBS, JP

Hon Fred LI Wah-ming, JP

Committee on Facilities and Services

Terms of Reference

- (1) To advise on matters relating to the provision of office accommodation, furniture and equipment to 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 advise on the provision of services and facilities to the public who visit the Legislative Council Building/Complex.
- (4) To formulate solutions for meeting needs identified at (1), (2) and (3).
- (5) To consider financial matters relating to (1) to (4) above, and approve procurement of fixed assets costing above \$500,000 but not exceeding \$2,000,000.
- (6) To monitor the progress and developments relating to the above items.

Membership

Hon Jasper TSANG Yok-sing, GBS, JP (Chairman)

Hon Miriam LAU Kin-yee, GBS, JP

Dr Hon Margaret NG

Hon Emily LAU Wai-hing, JP

Hon WONG Ting-kwong, BBS

Prof Hon Patrick LAU Sau-shing, SBS, JP

Hon IP Kwok-him, GBS, JP

Committee on Art

Terms of Reference

- (1) To formulate policy/guidelines on the acquisition of works of art for the new Legislative Council (LegCo) Complex.
- (2) To advise on the locations of works of art in the new LegCo Complex.
- (3) To advise on matters relating to the display and management of the art collection in the new LegCo Complex.
- (4) To monitor the progress and developments relating to the above items.

Membership

Hon Jasper TSANG Yok-sing, GBS, JP (Chairman)

Dr Hon Margaret NG

Hon Emily LAU Wai-hing, JP

Prof Hon Patrick LAU Sau-shing, SBS, JP

Hon IP Kwok-him, GBS, JP

Appendix 2

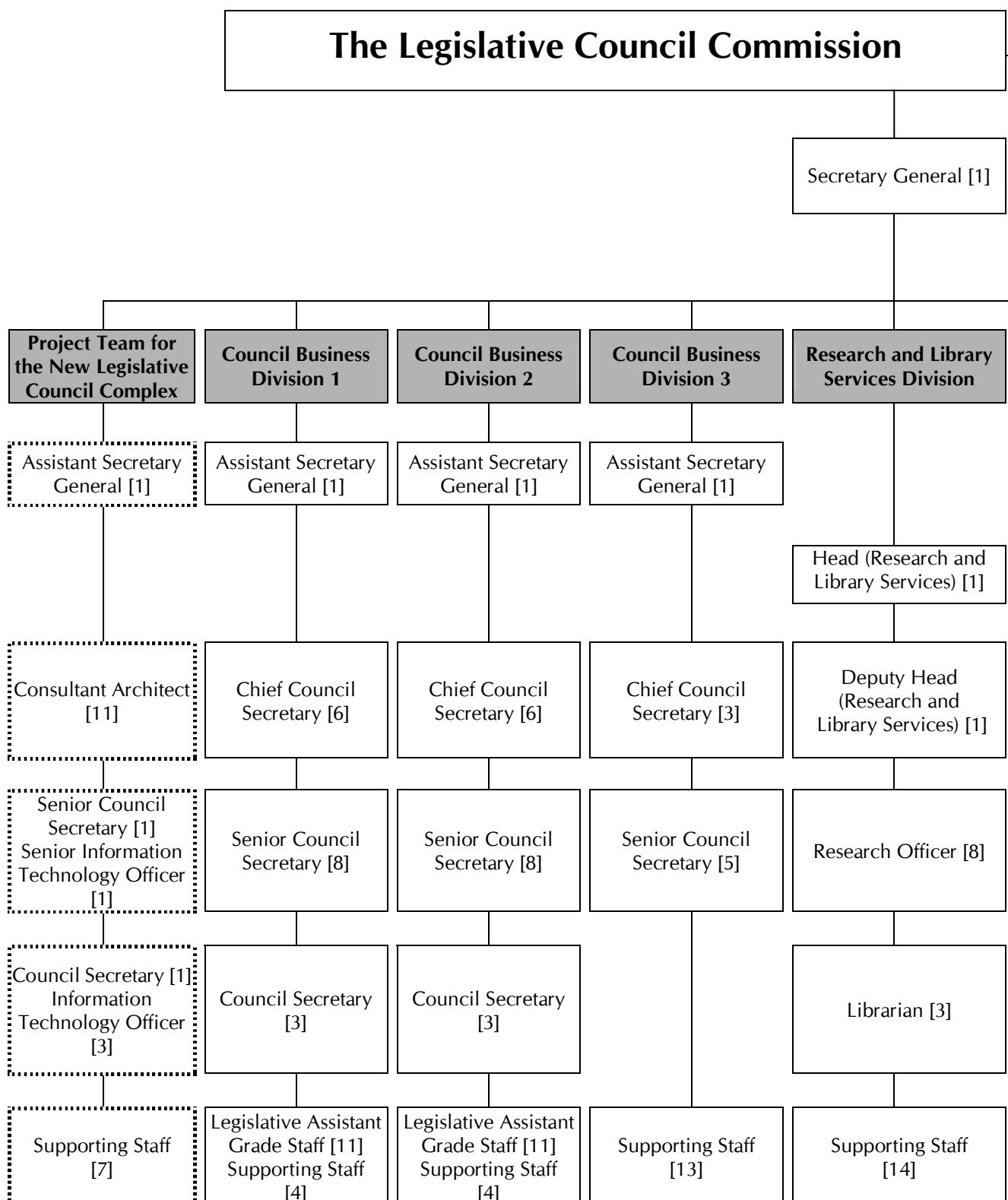
Staff Establishment of the Legislative Council Secretariat

Permanent Post	As at 31.3.2009
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
Head (Translation and Interpretation)	1
Principal Council Secretary	2
Accountant	1
Assistant Legal Adviser	9
Chief Council Secretary	15
Chief Translation Officer	3
Deputy Head (Research and Library Services)	1
Information Technology Manager	1
Research Officer	8
Senior Council Secretary	28
Senior Public Information Officer	3
Senior Translation Officer	24
Assistant Accountant	2
Council Secretary	12
Information Technology Officer	2
Librarian	3
Public Information Officer	3
Translation Officer	20
Assistant Translation Officer	3
Security Officer	1
Senior Administrative Assistant	8
Senior Legislative Assistant	4
Senior Security Assistant	2
Accounting Clerk	5
Administrative Assistant I	17
Assistant Information Technology Officer	3
Senior Chinese Transcriber	2
Social Functions Assistant	1
Security Assistant	21
Legislative Assistant	18
Administrative Assistant II	51
Chinese Transcriber	5
Personal Chauffeur	1
Steward	5
Chauffeur	1
Motor Driver	1
Clerical Assistant	24
Office Assistant	14
Workman I	1
Workman II	2
Total	338

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

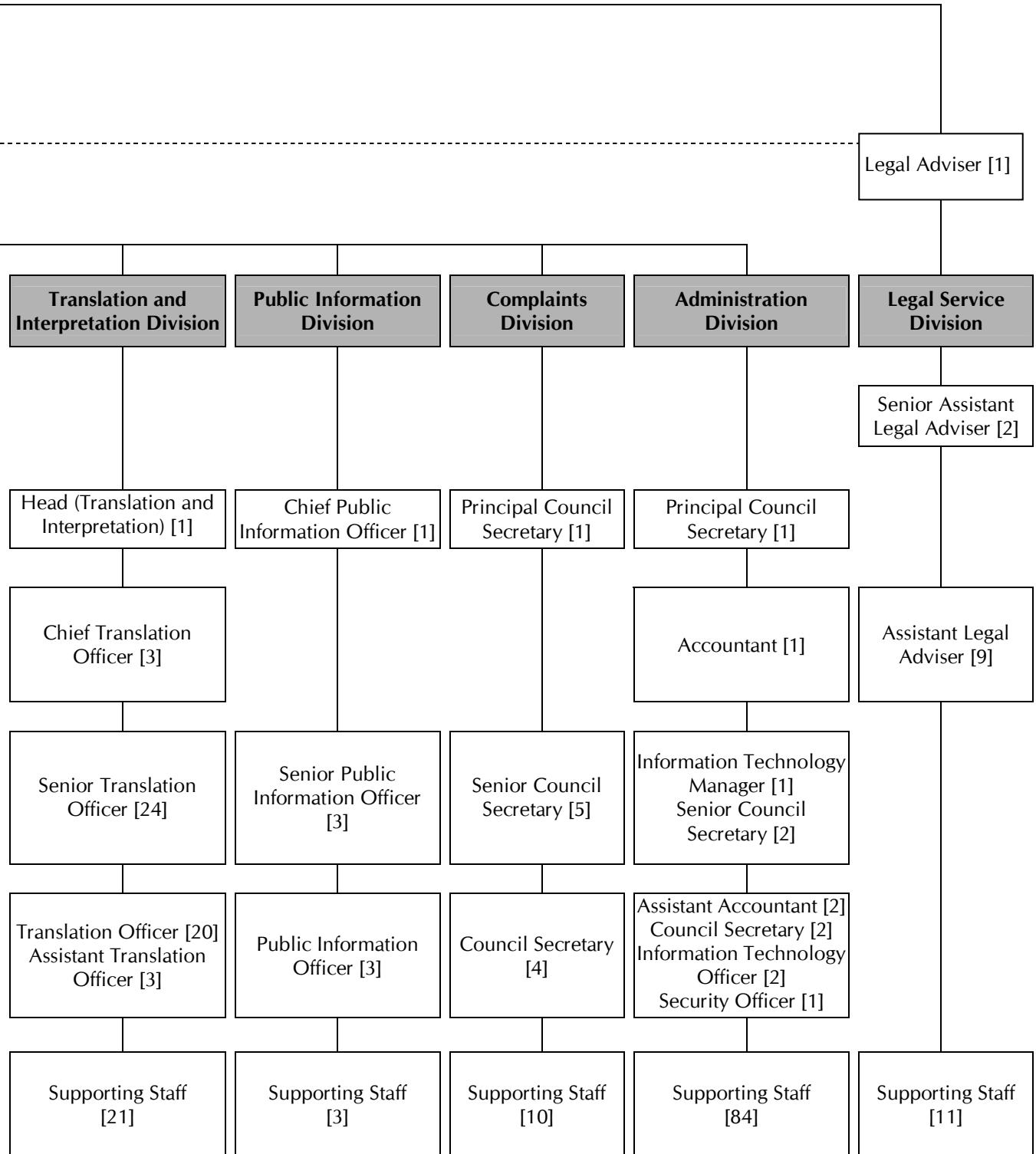
Appendix 3

Organization Structure of the Legislative Council Secretariat (as at 31.3.2009)



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

[] = number of staffing positions



Appendix 4

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

- Human rights commissions in Northern Ireland, Australia, South Korea, and India
- Parliamentary monitoring mechanism on intelligence agencies in selected places
- Regulation of radio broadcasting services in selected places
- Food safety mechanism and food labelling requirements in the European Union, the United Kingdom and France
- Strategies and measures in tackling domestic violence in selected places
- Built heritage conservation policy in selected places
- Art programmes of selected parliaments
- Independence of anti-corruption agencies in investigating corruption complaints against the head of state or head of government in selected places
- Accreditation of professional training in Hong Kong
- Impacts of the Lump Sum Grant Subvention System on the subvented welfare sector
- Access to the electoral register
- Air services in Hong Kong
- Food hygiene information system in selected places
- Minimum wage system in Germany
- Implementation problems of the Personal Data (Privacy) Ordinance
- Professional investors
- Australian Fair Pay Commission
- Remedies for unfair dismissal in selected places
- Collective bargaining system in selected places
- Impartiality of Speakers
- Auto-fuel prices in selected places
- Scope and expenditure of legal aid services in selected places
- Voting right of prisoners
- United Nations Human Rights Council Universal Periodic Review
- Regulation of the sale of retail structured financial products in selected places
- Cross-border families
- Light pollution and the regulation of outdoor lighting in selected places
- Economic and trade co-operation between Hong Kong and Taiwan
- Intangible cultural heritage
- Appointment and tenure of office of the Monetary Authority in Hong Kong and the heads of central banks in selected places
- New democracies in central and eastern Europe

Appendix 5

Secretary General's Environmental Report for the Year 2008-2009

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

The Administration Division regularly reviews the Secretariat's environmental objectives and oversees the implementation of the green programme in the Secretariat. To monitor the implementation of green effort measures in office premises, individual divisions are requested to complete a compliance checklist every six months.

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 2009-2010 are also given in the table.

Environmental Management and Future Targets

Saving Resources	
I. Environmental Measures Adopted	
Economy in the use of paper <ul style="list-style-type: none">• Use blank side of used paper for drafting• Print on both sides of paper• Use double side photocopiers• Use recycled paper• 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)• 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)• Use old sets of documents for re-circulation• Adopt green measures at festive seasons (e.g. support Green Christmas, re-use decorative materials)• Use plain paper fax machines• Avoid use of fax leader pages• Use blank side of used paper to print incoming fax message• Communicate by electronic mail• Request softcopies from senders to facilitate future processing by electronic means• Upload documents, including agenda, minutes, discussion papers, submissions, reports of all open meetings onto the LegCo website (http://www.legco.gov.hk)• Store documents in central information systems for common access by staff• Reduce subscription to newspapers and magazines by the use of electronic news platform	
Economy in the use of envelope <ul style="list-style-type: none">• Stop using envelopes for unclassified documents• Reuse envelopes or use transit envelopes	
Energy conservation <ul style="list-style-type: none">• 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• Modify group lighting switches to individual switches• Use high efficiency electric lamps/tubes• Reduce lighting to minimum required for illumination• Encourage the use of staircase for inter-floor traffic• Minimize the operation time of lifts outside office hours• 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• As far as practicable, set the room temperature at 25.5°C during summer months• Improve the air-conditioning system to enhance its efficiency• Control fuel consumption (e.g. minimize the use of official vehicles)• Encourage the use of public transport• Turn off vehicle engines while waiting	
II. Performance on the Environmental Measures <ul style="list-style-type: none">• Through various effective energy saving measures, consumption of electricity decreased by 3.4% from 1 616 516 kWh in 2007-2008 to 1 561 500 kWh in 2008-2009. As far as the Legislative Council Building is concerned, the drop in electricity consumption is 3.4% from 998 040 kWh in 2007-2008 to 964 440 kWh in 2008-2009• Consumption of paper increased by 18.4% from 21 086 reams in 2007-2008 to 24 962 reams in 2008-2009• Consumption of envelopes also increased by 113% from 21 106 nos. in 2007-2008 to 44 962 nos. in 2008-2009• The rise in the consumption of papers and envelopes in 2008-2009 was mainly attributable to the increase in meetings arising from the establishment of the Subcommittee to Study Issues Arising from Lehman Brothers-related Minibonds and Structured Financial Products and the Select Committee to Inquire into Matters Relating to the Post-service Work of Mr LEUNG Chin-man in the period under review. As both the Select Committee and the Subcommittee are authorized to exercise the powers conferred by section 9(1) of the Legislative Council (Powers and Privileges) Ordinance, substantial amount of evidence and paper work was generated in the course of hearings. All confidential papers were required to be printed and dispatched to members of the relevant committee in sealed envelopes, resulting in a rise in the consumption of papers and envelopes	
III. Targets for Year 2009-2010 <ul style="list-style-type: none">• Decrease electricity consumption by 1%, subject to the number of meetings remaining more or less the same as in 2008-2009	

Reducing Wastes	Preserving a Pleasant Indoor Working Environment
<ul style="list-style-type: none"> • Reuse envelopes, loose minute jackets • Use refillable ball pens • Cease the use of wooden pencils • Use recycled pencils • Use recycled paper as far as possible • Use recycled printer and fax cartridges as far as possible • Urge staff to use their own cups instead of paper cups • Collect waste paper, used printer and fax cartridges, aluminum cans and plastic bottles for recycling • Use Digital Recording System to record meeting proceedings, thereby reducing consumption of cassette tapes or discs 	<ul style="list-style-type: none"> • Use low emission and ozone-free photocopiers • Use non-volatile correction fluid • Carry out renovation works outside office hours • Conduct annual air quality tests to monitor the air quality in offices • Clean air filters and outlets regularly
<ul style="list-style-type: none"> • Consumption of recycled pencils increased by 10.2% from 812 nos. in 2007-2008 to 895 nos. in 2008-2009 • Collection of waste paper decreased by 26% from 31 666 kg in 2007-2008 to 23 429 kg in 2008-2009 • Collection of used printer and fax cartridges for recycling increased by 40.5% from 331 nos in 2007-2008 to 465 nos in 2008-2009 	<ul style="list-style-type: none"> • Legislative Council Building designated as a smoke-free building in April 1999 • The Legislative Council Building was awarded the Indoor Air Quality (IAQ) Certificate (Good Class) under the IAQ Certification Scheme for Offices and Public Places from 2007 to 2009
<ul style="list-style-type: none"> • Use recycled paper for all documents • Increase the use of recycled printer and fax cartridges, subject to higher quality and lower price • Increase collection of waste paper 	

立法會行政管理委員會
**THE LEGISLATIVE COUNCIL
COMMISSION**

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