LC Paper No. AS196/04-05

Information Note

Statistics on the utilization of Members' recurrent operating expenses reimbursement

This information note reports on the utilization of the recurrent operating expenses reimbursement by Members and the utilization pattern of Members who claimed reimbursement up to or close to the reimbursement ceilings.

Background

2. At a meeting of the Subcommittee in December 2004, some members expressed the view that Members elected through different channels might require different amounts of financial provision for carrying out their duties, because of the difference in the size of their constituencies. It was also suggested that in reviewing the adequacy of the financial provision for Members, the extent to which Members used the Office Operation Expenses Reimbursement (OOER) and Entertainment and Travelling Expenses Reimbursement (ETER) should be taken into consideration.

3. Based on the information available as at 15 February 2005, statistics on the utilization of OOER and ETER for the two years ended on 30 September 2003 and 30 September 2004 have been compiled. In some cases, further breakdown according to the channels through which Members were elected, namely, Election Committee (EC), Functional Constituencies (FC) and Geographical Constituencies (GC), is provided.

Statistics

Office Operation Expenses Reimbursement

4. The statistics on the utilization of OOER are summarized below, with further breakdowns according to the major categories of expenses in **Appendix I**:

	2002/03		**2003/04**	
	$	**%**	**$**	**%**
Annual reimbursement ceiling	1,397,470	100	1,356,940	100
Average reimbursement				
Overall average	1,279,684	91.6	1,228,764	90.6
EC average	1,265,873	90.6	1,179,468	86.9
FC average	1,206,167	86.3	1,182,768	87.2
GC average	1,375,032	98.4	1,298,582	95.7

5. The utilization rates of OOER are distributed in the following pattern:

Utilization rate (%)	**2002/03**				**2003/04**			
	Overall	**EC**	**FC**	**GC**	**Overall**	**EC**	**FC**	**GC**
100	26 (43.2)	1 (16.7)	7 (23.3)	18 (75)	20 (33.3)	1 (16.7)	7 (23.3)	12 (50.0)
99 to <100	5 (8.3)	1 (16.7)	2 (6.7)	2 (8.3)	7 (11.7)	—	3 (10.0)	4 (16.7)
90 to <99	13 (21.7)	1 (16.7)	9 (30)	3 (12.5)	12 (20.0)	—	8 (26.7)	4 (16.7)
80 to <90	4 (6.7)	2 (33.2)	2 (6.7)	—	8 (13.3)	4 (66.6)	2 (6.7)	2 (8.3)
70 to <80	7 (11.7)	1 (16.7)	5 (16.7)	1 (4.2)	8 (13.3)	1 (16.7)	6 (20.0)	1 (4.2)
60 to <70	4 (6.7)	—	4 (13.3)	—	4 (6.7)	—	3 (10.0)	1 (4.1)
⋮								
40 to <50	1 (1.7)	—	1 (3.3)	—	1 (1.7)	—	1 (3.3)	—
Total no. of Members	**60 (100)**	**6 (100)**	**30 (100)**	**24 (100)**	**60 (100)**	**6 (100)**	**30 (100)**	**24 (100)**

( ) = no. of Members expressed as a percentage of all the Members in the corresponding category noted at the top of the column

Entertainment and Travelling Expenses Reimbursement

6. Half of ETER can be used for hiring staff. On average, less than 4% of ETER was used for this purpose. The claimed amounts under ETER are summarized below, with further details in **Appendix II**:

	2002/03		2003/04	
	$	**%**	**$**	**%**
Annual reimbursement ceiling	157,640	100	153,070	100
Average reimbursement				
Overall average	147,579	93.6	140,945	92.1
EC average	157,218	99.7	138,577	90.5
FC average	142,677	90.5	136,846	89.4
GC average	151,296	96.0	146,660	95.8

7. The utilization rates of ETER are distributed in the following pattern:

Utilization rate (%)	2002/03				2003/04			
	Overall	**EC**	**FC**	**GC**	**Overall**	**EC**	**FC**	**GC**
100	45 (75.0)	4 (66.7)	19 (63.3)	22 (91.6)	41 (68.4)	3 (50.0)	17 (56.7)	21 (87.5)
99 to <100	7 (11.7)	2 (33.3)	5 (16.7)	—	5 (8.3)	—	4 (13.3)	1 (4.2)
90 to <99	1 (1.6)	—	—	1 (4.2)	5 (8.3)	2 (33.3)	2 (6.7)	1 (4.2)
50 to <90	4 (6.7)	—	4 (13.3)	—	6 (10.0)	1 (16.7)	5 (16.6)	—
⋮								
0 to <20	3 (5.0)	—	2 (6.7)	1 (4.2)	3 (5.0)	—	2 (6.7)	1 (4.1)
Total no. of Members	**60 (100)**	**6 (100)**	**30 (100)**	**24 (100)**	**60 (100)**	**6 (100)**	**30 (100)**	**24 (100)**

( ) = no. of Members expressed as a percentage of all the Members in the corresponding category noted at the top of the column

Further Analyses

8. Twenty-seven Members made use of all or nearly all (i.e. 99% or more) of the claimable OOER. The number of full-time and part-time staff they employed and the number of offices they maintained in June 2004 are further analysed. The position in June 2004 was used for the analysis because some Members started winding up their offices or redeployed their assistants on non-LegCo business after prorogation of the second LegCo in July 2004, which resulted in the scaling down of their operations and claims for OOER since then.

Staff

9. Out of the 27 Members mentioned in paragraph 8 above, 21 Members employed four to eight full-time staff and 16 of them employed one to three part-time staff. The following table shows the average numbers of staff employed.

	No. of full-time assistants#	**No. of part-time assistants**
Overall average (27 Members)	5.9	1.5
EC average (average of 1 Member)	2	0
FC average (average of 10 Members)	5.1	0.7
GC average (average of 16 Members)	6.7	2.1

employees who usually work 30 hours or more a week

10. Most (i.e. 43%) of the full-time staff of these 27 Members had a monthly salary in the $5,000 to $9,999 range, followed by another 31% in the $10,000 to $14,999 range. Further detailed breakdown of the salaries offered to full-time and part-time staff are set out in **Appendices III and IV** respectively.

Offices

11. In calculating the number of district offices, only the portion of a joint office for which rental reimbursement was claimed has been taken into account. The central office which was provided for each Member by the LegCo Secretariat free of charge is included in the following average numbers of offices operated:

	No. of offices	
	Average	**Range**
Overall (27 Members)	2.7	1 – 6.5
EC (1 Member)	2	2
FC (10 Members)	2.1	1 – 3.5
GC (16 Members)	3.2	1 – 6.5

12. Breakdowns of the distribution of the above offices among the 27 Members mentioned in paragraph 8 are shown in **Appendices V and Va**.

Over-ceiling Expenses

13. Even though over-ceiling expenses were not reimbursable, in order to ascertain the total financial provision required, Members were invited to submit such expenses for verification. In respect of the year ended 30 September 2004, only five Members submitted their over-ceiling expenses to the Secretariat, as compared to 20 Members who claimed reimbursement up to the OOER ceiling.

14. As shown in **Appendix VI**, the over-ceiling expenses were submitted by one Member returned by functional constituencies and four Members from geographical constituencies. The annual amounts reported ranged from $45,759 to $180,608. It is noted that a Member returned by geographical constituencies had to lease an office entirely with his own financial resources.

Accounts Office
Legislative Council Secretariat
February 2005

Appendix I

Average annual reimbursements and utilization rates of Office Operation Expenses Reimbursement per Member

1. Overall

	Oct 2002 to Sept 2003		**Oct 2003 to Sept 2004**	
	$	**%**	**$**	**%**
Reimbursement ceiling (annual)	**1,397,470**	**100**	**1,356,940**	**100**
Average reimbursement total	**1,279,684**	**91.6**	**1,228,764**	**90.6**
Staff remuneration and expenses	909,176	65.1	879,123	64.8
Office accommodation	121,539	8.7	120,276	8.9
Equipment and furniture	14,643	1.0	9,725	0.7
Other operating expenses	234,326	16.8	219,640	16.2

2. Breakdowns of statistics in respect of LegCo Members returned from Election Committee, Functional Constituencies and Geographical Constituencies

i) Election Committee

	Oct 2002 to Sept 2003		**Oct 2003 to Sept 2004**	
	$	**%**	**$**	**%**
Reimbursement ceiling (annual)	**1,397,470**	**100**	**1,356,940**	**100**
Average reimbursement total	**1,265,873**	**90.6**	**1,179,468**	**86.9**
Staff remuneration and expenses	899,952	64.4	828,356	61
Office accommodation	177,089	12.7	175,617	12.9
Equipment and furniture	17,811	1.3	2,177	0.2
Other operating expenses	171,021	12.2	173,318	12.8

ii) Functional Constituencies

	Oct 2002 to Sept 2003		Oct 2003 to Sept 2004	
	$	**%**	**$**	**%**
Reimbursement ceiling (annual)	**1,397,470**	**100**	**1,356,940**	**100**
Average reimbursement total	**1,206,167**	**86.3**	**1,182,768**	**87.2**
Staff remuneration and expenses	857,155	61.3	849,181	62.6
Office accommodation	92,083	6.6	86,806	6.4
Equipment and furniture	10,539	0.8	5,288	0.4
Other operating expenses	246,390	17.6	241,493	17.8

iii) Geographical Constituencies

	Oct 2002 to Sept 2003		Oct 2003 to Sept 2004	
	$	**%**	**$**	**%**
Reimbursement ceiling (annual)	**1,397,470**	**100**	**1,356,940**	**100**
Average reimbursement total	**1,375,032**	**98.4**	**1,298,582**	**95.7**
Staff remuneration and expenses	976,509	69.9	929,243	68.5
Office accommodation	144,470	10.3	148,278	10.9
Equipment and furniture	18,982	1.4	17,157	1.3
Other operating expenses	235,071	16.8	203,904	15

Appendix II

Average annual reimbursements and utilization rates of Entertainment and Travelling Expenses Reimbursement per Member

1. Overall

	Oct 2002 to Sept 2003		**Oct 2003 to Sept 2004**	
	$	**%**	**$**	**%**
Reimbursement ceiling (annual)	**157,640**	**100**	**153,070**	**100**
Average reimbursement total	**147,579**	**93.6**	**140,945**	**92.1**
Entertainment and travelling expenses	142,354	90.3	135,404	88.5
Staff remuneration	5,225	3.3	5,541	3.6

2. Breakdowns of statistics in respect of LegCo Members returned from Election Committee, Functional Constituencies and Geographical Constituencies

i) Election Committee

	Oct 2002 to Sept 2003		**Oct 2003 to Sept 2004**	
	$	**%**	**$**	**%**
Reimbursement ceiling (annual)	**157,640**	**100**	**153,070**	**100**
Average reimbursement total	**157,218**	**99.7**	**138,577**	**90.5**
Entertainment and travelling expenses	147,833	93.8	138,577	90.5
Staff remuneration	9,385	5.9	—	—

ii) Functional Constituencies

	Oct 2002 to Sept 2003		Oct 2003 to Sept 2004	
	$	**%**	**$**	**%**
Reimbursement ceiling (annual)	**157,640**	**100**	**153,070**	**100**
Average reimbursement total	**142,677**	**90.5**	**136,846**	**89.4**
Entertainment and travelling expenses	141,074	89.5	134,709	88
Staff remuneration	1,603	1	2,137	1.4

iii) Geographical Constituencies

	Oct 2002 to Sept 2003		Oct 2003 to Sept 2004	
	$	**%**	**$**	**%**
Reimbursement ceiling (annual)	**157,640**	**100**	**153,070**	**100**
Average reimbursement total	**151,296**	**96.0**	**146,660**	**95.8**
Entertainment and travelling expenses	142,585	90.5	135,479	88.5
Staff remuneration	8,711	5.5	11,181	7.3

Salary distribution of full-time employees hired by Members who claimed 99% or more of the reimbursable amount for office operation expenses in the year ended 30 September 2004 (based on reimbursement claims in respect of June 2004)

Monthly Salary Range ($)	No. of Full-time Employees#
0 - 4,999	2 *
5,000 - 9,999	68
10,000 - 14,999	50
15,000 - 19,999	20
20,000 - 24,999	10
25,000 - 29,999	5
30,000 - 34,999	2
35,000 - 39,999	2
40,000 - 44,999	1
Total	**160**

\# Employees who usually work 30 hours or more a week are classified as full-time staff.

* Temporary posts

Salary distribution of part-time employees hired by Members who claimed 99% or more of the reimbursable amount for office operation expenses in the year ended 30 September 2004 (based on reimbursement claims in respect of June 2004)

Salary Range ($)	No. of Part-time Employees
0 - 999	5
1,000 - 1,999	5
2,000 - 2,999	6
3,000 - 3,999	8
4,000 - 4,999	6
5,000 - 5,999	8
6,000 - 6,999	1
⋮	⋮
8,000 - 8,999	1
⋮	⋮
14,000 - 14,999	1
Total	**41**

Number of Central & District Offices operated by LegCo Members who claimed 99% or more of the reimbursable amount for office operation expenses in the year ended 30 September 2004 (Position as in June 2004)

No. of Members	No. of Central Offices		No. of District Offices (Note)								No. of Offices Each	Total No. of Offices
	0	**1**	**0.5**	**1**	**1.5**	**2**	**2.5**	**3**	**4**	**5.5**		
2		1									1	2
1		1	0.5								1.5	1.5
11		1		1							2	22
2		1			1.5						2.5	5
4		1				2					3	12
2		1					2.5				3.5	7
2		1						3			4	8
2		1							4		5	10
1		1								5.5	6.5	6.5
27	**27**		**47.0**								**—**	**74**

(Note) For an office shared by two or more LegCo/District Council Members, only the shared portion of the office is counted for compiling the above statistics.

Number of Central & District Offices operated by LegCo Members who claimed 99% or more of the reimbursable amount for office operation expenses in the year ended 30 September 2004 (Position as in June 2004)

i) Election Committee

No. of Members	No. of Central Offices		No. of District Offices (Note)								No. of Offices Each	Total No. of Offices
	0	1	0.5	1	1.5	2	2.5	3	4	5.5		
1		1		1							2	2
1	**1**		**1.0**								**—**	**2**

ii) Functional Constituencies

No. of Members	No. of Central Offices		No. of District Offices (Note)								No. of Offices Each	Total No. of Offices
	0	1	0.5	1	1.5	2	2.5	3	4	5.5		
1		1									1	1
1		1	0.5								1.5	1.5
6		1		1							2	12
1		1				2					3	3
1		1					2.5				3.5	3.5
10	**10**		**11.0**								**—**	**21**

iii) Geographical Constituencies

No. of Members	No. of Central Offices		No. of District Offices (Note)								No. of Offices Each	Total No. of Offices
	0	1	0.5	1	1.5	2	2.5	3	4	5.5		
1		1									1	1
4		1		1							2	8
2		1			1.5						2.5	5
3		1				2					3	9
1		1					2.5				3.5	3.5
2		1						3			4	8
2		1							4		5	10
1		1								5.5	6.5	6.5
16	**16**		**35.0**								**—**	**51**

(Note) For an office shared by two or more LegCo/District Council Members, only the shared portion of the office is counted for compiling the above statistics.

Office expenses over the reimbursement ceiling in the year ended 30 September 2004*

Member	Expenses in excess of the ceiling for Office Operation Expenses Reimbursement (OOER)				
	Staff remuneration and expenses $'000	Office accommodation $'000	Other operating expenses $'000	Annual total $'000	Over-ceiling %
Geographical Constituencies					
A	124	51	6	181	13.3
B	74	18	20	112	8.3
C	70	5	2	77	5.7
D	36	19	2	57	4.2
Sub-total	304	93	30	427	7.9
Functional Constituencies					
E	41	4	1	46	3.4
Sub-total	41	4	1	46	3.4
Total	345	97	31	473	7.0

* Out of the 20 Members who fully claimed the reimbursable amount under OOER, only 5 reported their over-ceiling expenses to the Secretariat.