立法會
Legislative Council

**Paper for the House Committee Meeting
on 18 March 2011**

**First Report of the Subcommittee on Members' Remuneration
and Operating Expenses Reimbursement**

Review of Members' Operating Expenses Reimbursements

Purpose

      This paper reports on the study conducted by the Subcommittee on Members' Remuneration and Operating Expenses Reimbursement ("the Subcommittee") on the staffing resources and office support required by Members of the Legislative Council ("LegCo") for the performance of their duties. It also seeks the House Committee's endorsement of the Subcommittee's recommendation to submit to the Independent Commission on Remuneration for Members of the Executive Council and the Legislature, and Officials under the Political Appointment System of the Hong Kong Special Administrative Region ("the Independent Commission") a package of proposals to enhance the level of the operating expenses reimbursements ("OER") to enable Members to employ and retain a team of good quality staff and to have the necessary research support as well as the furniture and equipment to support the work of their offices.

The Subcommittee

2.   Upon the commencement of the Fourth LegCo, the House Committee agreed that a subcommittee should be set up to continue the work of the Subcommittee of the Third LegCo. The Subcommittee was formed on 17 October 2008. It comprises 9 members, as shown in **Appendix I**.

Review of the operating expenses reimbursement

3.   One of the major tasks of the Subcommittee is to follow up with the Independent Commission on the enhancement of the level of the OER for LegCo Members.   In the course of its review of the OER, in order to assess the extent of resources required for Members to perform their LegCo functions and duties, the Subcommittee requested the Secretariat to conduct a series of surveys with a view to establishing -

      (a)   the need for setting up district offices to help Members perform their LegCo functions and duties, and the resources required for setting up central and district offices;

      (b)   the resources required for employing and retaining a team of good quality staff to support the work of LegCo Members; and

      (c)   the resources required for employing staff or engaging consultancy to carry out public and social policies research to assist Members in performing their LegCo functions and duties.

4.   Upon the completion of the surveys conducted by the Secretariat, the Subcommittee has held three meetings to discuss the findings and proposals put forward by the Secretariat.   It has also received views from deputations and invited them to present their views to the Subcommittee at one of its meetings. The list of deputations which have given views to the Subcommittee is in **Appendix II**.   A summary of views given by the deputations is in **Appendix III**.

5.   Having considered the findings of the surveys and the views expressed by deputations, the Subcommittee has conducted further studies and come up with a package of proposals for consultation with Members and their Personal Assistants ("PAs").   A briefing session was conducted by the Secretary General for all Members and PAs on 14 February 2011.   The proposals received strong support from Members and PAs, who also put forward some suggestions to improve the package.   The proposals, after further fine-tuning by the Subcommittee, are set out in detail in the submission to the Independent Commission in **Appendix IV**.

The proposals

Staffing requirements and resources required

6.   Based on the findings of the survey on staffing requirements conducted by the Secretariat, the Subcommittee reaffirms that Members do not have sufficient resources to hire adequate number of staff, or to pay the staff at a level which is commensurate with those with the same qualifications performing the same level of work in the Civil Service. The survey also reveals that staff retention is a common problem. The median length of service of Members' staff is less than 3 years, and the turnover rate of full-time staff is as high as 34%. The majority of the Members who have difficulty in recruiting and retaining suitable staff consider that poor career prospects, low salaries, irregular/long working hours and inadequate fringe benefits are the main reasons attributing to the recruitment and retention problems.

7.   The survey reveals that LegCo Members engage on average 6.3 full-time staff and 1 part-time staff to carry out the full range of duties, with 50% on core and 50% on non-core LegCo duties. For easy computation, the Subcommittee adopts the average of 7 full-time staff for each Member to operate a central office and 2 district offices for determining the ranking of these 7 posts and calculating the financial provision that should be included in the OER for engaging these 7 staff members.

8.   Having regard to the nature of core LegCo duties, the Subcommittee considers that there should be at least 1 PA pitched at the level of an Executive Officer I ("EO I") to co-ordinate the core support services provided to the Member. That PA should be assisted by 2 staff members who are basically Assistant Clerical Officers ("ACO") to provide secretarial and clerical support. This is consistent with the findings of the Administration in 1993 when the mid-point salaries of 1 EO I, 1 Personal Secretary and 1 Clerical Officer (both equivalent to ACO) were included in the OER.

9.   As regards the staffing for 2 district offices, the Subcommittee notes that the district staff need to assist a Member in handling complaints from members of the public, conduct site visits, organize activities, prepare reports, draft press releases, etc., and they need to work long hours. It is considered that there should be 2 staff members working in each district office, with at least 1 staff member being a degree-holder. The Subcommittee considers it appropriate to pitch the 2 posts in each district office at EO II level and ACO level respectively.

10.	In total, the provision included in the OER should enable each Member to engage 7 full-time staff, including 1 EOI, 2 EO IIs and 4 ACOs. Since the salary portion of the Office Operation Expenses Reimbursement ("OOER") has all along accounted for some 70% of the OOER (since 1993), the Subcommittee considers that this portion should be adjusted accordingly.

11.	In order to provide increments as an incentive for good performance, the Subcommittee proposes that the average of the first four salary points (i.e. to cover a LegCo term of four years) of the comparable ranks in the Civil Service be adopted in computing the salary portion of the OOER. On the basis of the above, the salary portion of OOER should be adjusted from the current $1,158,325 (i.e. 70% of $1,654,750) to $1,582,188, as follows:

> Monthly provision:
> - EO I x 1			$41,503
> - EO II x 2			$45,162
> - ACO x 4			$45,184		**$131,849**
> 					x 12 months
> Annual provision in salary portion:	**$1,582,188**

12.	To effect the change, the annual accountable component of the OOER will have to be increased by 25.6% from the current $1,654,750 to $2,078,613 per annum. In order that Members can retain part of the funding for the payment of increments in subsequent years of a four-year term, the Subcommittee proposes that the surplus from the funding for a Member's annual OOER entitlements each year can be rolled-over to the next year until the end of a LegCo term. Since Members' claims of OOER are processed on the basis of actual amounts of expenditure incurred with documented proof and are open to public scrutiny, there are sufficient safeguards for ensuring the proper and prudent use of public funds.

13.	To ensure continuity of service, the Subcommittee proposes that an end-of-service gratuity should be provided to full-time staff engaged by Members, following similar arrangement in the Civil Service. Assuming a 10-15% gratuity for the 7 full-time staff, in line with that for comparable ranks in the Civil Service, this will result in a further increase of $17,519 per month, i.e. $210,228 per annum, adding a 12.7% increase to the current OOER, to 2,288,841 per annum. As this funding is aimed to improve the remuneration package of staff, the Subcommittee proposes that the funding earmarked for the payment of gratuities should be kept and maintained by the LegCo Secretariat and all gratuities are paid directly by the Secretariat to the individual staff on instructions given by Members upon completion of employment contract by staff.

14.   The Subcommittee takes the view that the Civil Service posts given in the paper are to provide benchmarks for computing the funding resources for Members' staff in the OOER. Members can refer to the information regarding these posts, such as the scope of duties, and qualification and experience requirements when Members determine the salary levels which they consider appropriate for their staff.

15.   The Subcommittee takes the view that for those Members who are currently engaging more than 7 full-time staff, they should have the flexibility to continue to engage the present staff, but the proposed additional funding should be used to provide incentives to staff so that their staff can continue to provide an effective service to assist Members in performing their LegCo functions.

16.   Regarding the adjustment mechanism, the Subcommittee considers that the salary portion of the OOER (i.e. 70% of the OOER) should be adjusted annually based on the Civil Service pay adjustments as the movement of Consumer Price Index (C) cannot reflect the rate of salary increase in the labour market.

17.   To address the concern about the funding for increments beyond the fourth year of service, the Subcommittee proposes that a further review of the salary provision in the OOER should be conducted in two to three years' time to evaluate the effectiveness of the present package of proposals in retaining quality staff. Where there is evidence that the average length of service of Members' staff has reached four years and beyond, there will be strong grounds for adopting mid-point salaries (instead of the average of the first four salary points) in computing the salary portion of the OOER. The Subcommittee also proposes that similar reviews should be conducted "once every four years".

New accountable allowance for research

18.   From the separate study on the research needs of Members, it is revealed that Members generally consider that they do not have adequate resources to engage staff with the required background to conduct public and social policies research. In order that Members can conduct more professional research studies, additional financial provision should be provided to Members to enable them to engage experts to undertake ad hoc research projects as and when needed. The Subcommittee notes from the survey on research needs of Members that the required amount of research work is at a mean of $74,300, and on average, 77% (i.e. $57,200) would be absorbed by the staff engaged by Members with the remaining 23% by external consultancy. The additional research fee required for external consultancy is $17,000. The Subcommittee

proposes that a new accountable allowance of $204,000 ($17,000 x 12 months) per annum for conducting research should be provided. This additional funding should be kept as a separate fund and be drawn for research purposes only and all research studies conducted with this funding should be made public on the Members' websites as and when feasible and no later than the end of the relevant LegCo term.

19. The Subcommittee also considers that the existing restriction against LegCo Members to use the OOER to employ a political party they are affiliated to in undertaking a consultancy is already outdated in the light of the current political and constitutional development in Hong Kong. The Subcommittee proposes that this restriction should be removed.

Allowances for setting up offices and procuring IT and communication equipment

20. The current level of Setting Up Expenses Reimbursement ("SUER") was drawn up in 1993 on the basis of 1 central office and 1 district office for a staffing complement of 3 staff members. The Information Technology and Communication Equipment Expenses Reimbursement ("ITER") was made available to each Member per LegCo term in 1999. With the adoption of 3 offices for 7 staff members as the standard provision, the combined provision of the SUER and the ITER of $250,000 is no longer adequate to meet Members' needs.

21. Against the present $150,000 for SUER (for a Member who has not claimed SUER in the previous term) and $100,000 for ITER claimable in a LegCo term, the shortfall for equipping 1 central office and 2 district offices as revealed in the survey on Members' needs for office furniture and equipment is about $232,422.

22. The Subcommittee proposes that the one-off provision for setting up offices and procuring IT and communication equipment should be increased by $232,500, and that the SUER and ITER should be merged into one single allowance to increase flexibility. The combined allowance should be $482,500 per term.

Implementation plan

23. As for the timing for giving effect to the above proposals, the Subcommittee proposes that they should be implemented as from 1 October 2011 in order to enable LegCo Members to better perform their relevant functions.

Follow-up work

24. The Subcommittee notes that some Members are currently operating more than 3 offices and more than 7 staff members, and this will have impact on the salaries that can be offered to their staff. The Subcommittee considers that there is a need to study how far Members are allowed to set up district offices and the optimum number of offices that a Member should have. The Subcommittee proposes that this study should be conducted as a separate exercise by an independent consultant before the end of the current term.

Advice sought

25. Members are invited to endorse the package of proposals as set out in paragraphs 6 to 24 above, and to agree to forward the submission in **Appendix IV** to the Independent Commission.

Administration Division
Legislative Council Secretariat
15 March 2011

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

Membership list

Chairman Hon Emily LAU Wai-hing, JP

Members Hon LEE Cheuk-yan

     Hon CHEUNG Man-kwong

     Hon Abraham SHEK Lai-him, SBS, JP

     Hon WONG Ting-kwong, BBS, JP

     Hon Ronny TONG Ka-wah, SC

     Prof Hon Patrick LAU Sau-shing, SBS, JP

     Hon IP Kwok-him, GBS, JP

     Hon Mrs Regina IP LAU Suk-yee, GBS, JP

     (Total : 9 members)

Clerk   Mr Andy LAU

**立法會議員酬金及工作開支償還款額
小組委員會
Subcommittee on Members' Remuneration and
Operating Expenses Reimbursement**

**個人/團體給小組委員會的口頭申述意見/書面意見
List of individuals/organizations that have made oral presentation/
written submissions to the Subcommittee**

口頭申述意見	Oral presentation
議員工作人員協會*	Councillors' Workers Association *
林立志先生	Mr LAM Lap-chi
--	Miss Canny LUI
--	Miss Lilian HO
黃俊恆先生*	Mr Billy WONG *
陳嘉偉先生	Mr CHAN Ka-wai
陳小萍小姐	Miss Ivy CHAN
陳羲文先生	Mr Steve CHAN
蔡旭明先生	Mr CHOI Yuk-ming

書面意見	Written submissions
李永成先生	Mr LEE Wing-shing
郭仲文	--
鄧徐中	--
民主黨立法會議員秘書處	Secretariat of Legislative Councillors of The Democratic Party
李華明議員助理	Personal Assistant of Hon Fred LI Wah-ming
李華明議員辦事處	Office of Hon Fred LI Wah-ming

* **個人/團體亦有提交書面意見**
Individuals/organizations that have also given written submissions

**Summary of views given by deputations/individuals
on matters relating to Members' Operating Expenses Reimbursement**

General resource issues

Insufficiency of resources for Members

- The scope of public policy issues requiring Members' attention is very wide. Independent Members or Members of small political parties/groups in particular face a shortage of resources.

- Members in the past focused on vetting of legislations and review of public policies, but today they, in addition, have to serve their constituencies, e.g. handling complains, building networks in the community, etc. and face the rising expectations of the public.

- In order to monitor the performance of the Government effectively, and to meet the expectations of the public, Members have a strong practical need for the research support provided by their personal assistants to help them raise pertinent questions in the deliberation on those policies.

- The current portion of Office Operation Expenses Reimbursement ("OOER") for paying staff salaries is inadequate making it practically impossible to increase the pay of one staff member without cutting the pay of others in the same office.

- After paying for expenses for running their offices, Members have little left to pay for staff expenses under their OOER entitlements. OOER entitlements should be significantly increased to meet the needs of Members in performing their work and to attract and retain experienced talent to support them in deliberating policies and undertaking community work.

- In order for LegCo to effectively fulfil its functions to monitor the performance of the Government, LegCo Members should have adequate resources to hire well qualified people in the labour market.

- The inherent limitations imposed on the scope of work of Members' offices by the lack of resources should be duly taken into account in the course of review.

Arrangement for Members of functional constituencies and of geographical constituencies

- Members of functional constituencies and of geographical constituencies should be separately treated as the needs of the two types of Members are different.

- Members from geographical constituencies should be allowed to have a greater number of offices to serve their constituencies.   The OOER ceiling should be raised sufficiently to enable them to do so.

- An objective yardstick such as the geographical location or the size of electoral population should be used as the basis for determining the number of offices that a Member is entitled to have.

Members' total package

- It has been suggested that the total package of a Member including his remuneration and OOER entitlement in the Fifth LegCo should be increased to $20 million.

Staffing complement

- It has been suggested that a Member from geographical constituency basically requires 3 district offices each of which having a staff complement of at least 3 staff members which could either be two full-time staff members plus 1 part-timer or 1 full-time staff member plus 2 part-timers.

- A suggestion is that there should also be 2 staff members in the central office of the Member for carrying out policy research or administrative duties.

- Some hold the view that staff with legal background and experience of handling community affairs and cases, policy research, etc should be included in the proposal on the staffing complement for Members' offices.

- It has been suggested that a Member should be allowed to employ 10 full-time staff and that the upper limit of Member's offices should be kept unchanged, i.e. one central office plus 4 district offices.

Provision of resources for research

- A provision under OOER for research expenses should be made on conducting research related to a Member's core duties. A condition suggested for claims for research expenses is that Members are required to publish their research reports.

Staff remuneration issues

Comparison of posts of Members' staff

- Some hold the view that the proposed staffing complement based on ranks in the Government, i.e. Executive Officer I, Executive Officer II and Assistant Clerical Officer, is inappropriate since these ranks cannot reflect the wide range of duties undertaken by Member's personal assistants. Instead, in the light of the nature of work of personal assistants, the compatible ranks in the Government are in grades such as the Administrative Officer or grades requiring legal background.

- Some opine that comparison should be made between the job of Member's personal assistants and comparable jobs in the LegCo Secretariat and the Government for identifying suitable salary benchmarks.

- Some consider that a Member's personal assistant undertakes a wider range of duties and heavier workload than an Executive Officer, and as such should be paid around $38,000. Personal assistants are now grossly underpaid.

Establishment of a system of pay scales and ranks

- A system of pay scales should be established for different positions in a Member's office in order to provide an objective standard for the hiring of staff required for providing support to a Member.

- The resource funding mechanism should recognize the number of years of service of staff.   Use of the mid point or maximum point of the pay scales of comparable ranks in the Government as the basis for determining the resources for paying Members' staff is proposed. However, concern has been raised as to the use of one-line vote as a basis for resource funding as it might have the effect of dragging down the pay levels of staff.

- Some personal assistants are concerned that they may not be able to benefit from an increased OOER entitlement as Members might make use of the OOER increase to pay for the higher rent for an office at better location.   As such, in determining the OOER ceiling, the Member's expenses in staff salary should be separated from other recurrent expenses of the Member's office.

- There should be some form of differentiation of ranks in the job of personal assistant whereby new entrants to the job could have an idea about their career prospects.

Annual adjustment of pay scales

- Annual salary increment for personal assistants should be factored in the calculation of Members' OOER entitlements.   The adjustment of the pay of Members' staff according to CPI(C) Index resulting in annual pay increases of merely around 2% had made it very difficult for Members' offices to attract or retain experienced staff.   Instead, CPI(A) and CPI(B) should be used for computing the adjustments in staff expenses in OOER as Members' staff belong to the low-income group.

- In order for Members to attract and retain capable and experienced talent, a mechanism for determination of salary, promotion and years of service making reference to the civil service system should be established.

<u>Gratuity</u>

- The proposal for an end-of-service gratuity for staff retention purposes is supported.

<u>Severance payment</u>

- Some have suggested that the requirement of offsetting the severance payment payable upon the cessation of the employment of a personal assistant by the accrued benefits attributable to the employer's contribution made to the employee in the Mandatory Provident Fund ("MPF") scheme should be abolished.

- However, there is also the view that exempting personal assistants from the application of offsetting requirement would invite queries and criticisms as to why personal assistants could receive a special treatment under the MPF Schemes Ordinance.

Other matters

<u>Political talent</u>

- There have been views that in the light of the implementation of universal suffrage in 2020, working as Members' staff is an ideal way for developing political talent. However, the lack of resources for Members and their staff impedes their abilities to serve the community and restricts the development of political talent for Hong Kong.

A Submission to the
Independent Commission on Remuneration for
Members of the Executive Council and the Legislature, and
Officials under the Political Appointment System
of the Hong Kong Special Administrative Region

Review of the Operating Expenses Reimbursement for Legislative Council Members

Subcommittee on Members' Remuneration
and Operating Expenses Reimbursement
of the House Committee of the Legislative Council

March 2011

Table of Contents

Chapter 1   Introduction

1.1   This document outlines the findings of a review conducted by the Subcommittee on Members' Remuneration and Operating Expenses Reimbursement ("the Subcommittee") of the House Committee on the operating and setting-up expenses reimbursements to assess how far the current levels of reimbursements are able to meet the needs of Members of the Legislative Council ("LegCo") to set up and operate their own offices for performing their LegCo functions and duties.   It also contains a package of proposals proposed by the Subcommittee and endorsed by the House Committee of LegCo for submission to the Independent Commission on Remuneration for Members of the Executive Council and the Legislature, and Officials under the Political Appointment System of the Hong Kong Special Administrative Region ("the Independent Commission") for its consideration.

Background

1.2   The Subcommittee was formed by the House Committee in October 2008 to examine issues relating to the level of remuneration and operating expenses reimbursement ("OER") for LegCo Members.   The Subcommittee comprises 9 members, as shown in **Annex I**.

1.3   In November 2008, the Subcommittee decided to conduct a detailed study to review the staffing resources and office support required by LegCo Members for the performance of their functions and duties with a view to establishing -

<blockquote>

(a)   the need for setting up district offices to help LegCo Members perform their LegCo functions and duties, and the resources required for setting up central and district offices;

(b)   the resources required for employing and retaining a team of good quality staff to support the work of LegCo Members; and

(c)   the resources required for employing staff or engaging consultancy to carry out public and social policies research to assist LegCo Members in performing their LegCo functions and duties.

</blockquote>

1.4   In conducting this review, the Subcommittee requested the LegCo Secretariat to carry out surveys among LegCo Members to ascertain the current difficulties encountered by LegCo Members and their staff and to understand the staffing support LegCo Members would require in order to perform their duties effectively.

1.5   Between January 2009 and October 2010, the LegCo Secretariat conducted four surveys and put forward its analysis in the following areas for the Subcommittee's deliberation:

(a)   <u>Staffing requirements</u>

➤   the nature of the various types of duties undertaken by LegCo Members' staff;

➤   the academic qualifications and experience required for undertaking the various types of duties;

➤   the number of staff required for undertaking the various types of duties;

➤   the current remuneration package offered to staff;

➤   the connection between the number of staff and the number of offices;

➤   the major difficulties encountered by LegCo Members in recruiting and retaining staff; and

➤   the necessary resources required by individual LegCo Members to recruit and retain a team of good quality staff to assist them in performing their LegCo functions and duties.

(b) <u>Need for research support</u>

- ➤ the existing arrangements for provision of research services and the resources incurred;

- ➤ the level of satisfaction towards research work undertaken by different parties, in terms of speed and quality; and

- ➤ the need for additional research support and resources required.

(c) <u>Need for setting up central office and district offices</u>

- ➤ operating characteristics of central office and district offices such as manning scale, opening hours, number of patronage, office accommodation expenses, office size, location, etc; and

- ➤ the need for setting up central and district offices.

(d) <u>Requirements of office furniture and equipment</u>

- ➤ essential items for the operation of offices, and

- ➤ resources required for setting up and procuring information technology and communication equipment.

1.6   The Subcommittee, after initial deliberation of the findings of the surveys, invited public views and consulted LegCo Members and their Personal Assistants ("PAs") on a package of proposals to enable LegCo Members to employ and retain a team of good quality staff to support the work of their offices.   The proposals received strong support from LegCo Members and PAs, and after taken into account the views expressed at the consultation sessions, the Subcommittee further fine-tuned the proposals and put forward its proposals to the House Committee at its meeting on 18 March 2011.   The package of proposals is now set out in this document for consideration by the Independent Commission.

Report

1.7   The main report comprises six Chapters:

Chapter 1:   an introduction to the need for the review of the OER, the scope of the review and how it was conducted;

Chapter 2:   the background of the OER system and other one-off provisions;

Chapter 3:   the staffing support required to carry out core and other duties to support the work of LegCo Members, and the need to set up district offices; computation of the salary portion which should be included in the OER for LegCo Members;

Chapter 4:   research needs of LegCo Members and the resources required for engaging outside consultants to carry out public and social policies research;

Chapter 5:   resources required for setting up and operating central and district offices for LegCo Members;

Chapter 6:   summary of proposals and financial implications.

Chapter 2   The OER system and other provisions

The OER system

2.1   The OER system originated from arrangements put in place long before 1993 under which a general expenses allowance was payable against certified claims made by LegCo Members.   In 1993, in response to the request of the then LegCo Ad Hoc Group on Review of Allowances for LegCo Members, the Administration conducted a questionnaire survey on the expenditure of LegCo Members, conducted sample visits to offices of some LegCo Members and collected supplementary information on how their offices and staff operated.

2.2   On 7 May 1993, the Administration submitted a package of remuneration arrangements for the Finance Committee's approval.   Among the proposals was the enhancement of the monthly general expenses allowance to $73,000 for each LegCo Member inclusive of two parts: $63,000 to cover office and staff expenses; and $10,000 in respect of entertainment and travelling. The allowance would be adjusted by reference to the movements of the appropriate Hang Seng Consumer Price Index ("CPI").   As regards the part on office and staff expenses, it was devised on the basis of three elements:

(a)   highest Housing Authority rental as a notional provision for rental, rates and management fee (18%);

(b)   the sum of the mid-point salaries of an Executive Officer I, a Personal Secretary II and a Clerical Officer II as a notional provision for staff salaries and benefits (70%); and

(c)   sundry office expenses (12%).

2.3   In its proposal to the Finance Committee in May 1993, the Administration also indicated that further reviews on LegCo Members' remuneration should be undertaken by an independent Commission to be appointed by the then Governor.   In July 1993, the Independent Commission was appointed.   Since then, all matters in relation to LegCo Members' remuneration and general expenses allowance (later known as the OER) were considered by the Independent Commission up to this date.

2.4   In September 1994, the Independent Commission published its first report.   One major recommendation in the Commission report relating to

general expenses allowance was the recognition of the need for directly elected Members to set up an office in their respective constituencies and to be given an additional allowance of up to $10,000 per month, claimable on a reimbursement basis. Non-directly elected Members who preferred not to use the offices provided to them at Central Government Office ("CGO"), West Wing, would be allowed to claim an additional allowance of up to $10,000 per month to meet office rental, etc. This allowance was subsequently merged with other office and staff expenses reimbursements in 1999.

2.5   In 1995, in response to the views expressed by the then LegCo Working Group on Review of Allowances for LegCo Members, the Independent Commission suggested that the term "general expenses allowance" be changed to "operating expenses reimbursement", i.e. OER, to reflect more accurately the nature of the allowance. Changes were introduced from time to time to provide more flexibility for Members to make use of the resources available to carry out their work and at the same time to lay down guidelines to enhance accountability and transparency. For example, the monthly allowance of $10,000 to meet expenses for entertainment and travelling, with 30% being non-accountable (i.e. not supported by receipts) was modified in 1996 to raise the non-accountable limit to 50%. In 1999, this limit was removed and Members was allowed to use up to 50% of this allowance on staff expenses, in which case reimbursements are claimed on an accountable basis so that the corresponding future severance payments can also be reimbursed.

2.6   Nevertheless, the actual amount of OER has never undergone any major reviews. In July 2001, recognizing LegCo Members' increased workload relating to Council business and the staffing support for Members appeared thin, the Independent Commission recommended that the portion on office operation expenses reimbursement ("OOER") be increased by $25,000 per month to enable Members to employ additional and better qualified staff. The proposal was approved by the Finance Committee on 6 July 2001. In 2006, noting that the then level of OOER was inadequate for the majority of Members and did not allow them to recruit adequate or quality staff to operate local offices and to conduct policy research, the Independent Commission was sympathetic to the situation and recommended an increase of 10% in the OOER.

2.7   In the paper submitted to the Finance Committee for approval on 3 November 2006, it was stated that "*the Independent Commission notes that the need amongst LegCo Members and the cost of running a Member's office vary greatly. It is difficult, if not impossible, to devise an objective yardstick to determine the optimum number of assistants and district offices for LegCo Members, having regard to their different background and different modes of*

operation. The Independent Commission has therefore taken a holistic approach. Having considered a basket of factors including the utilisation rates of the OER, statistics on the number of offices operated and staff employed by LegCo Members, changes in population and the number of registered electors for geographical constituency elections, and the nature of work and demands now placed on LegCo Members, the Independent Commission has come to a view that a 10% increase to the OER (i.e. OOER) would be appropriate."

Setting-Up Allowance and Winding-Up Allowance

2.8   In 1993, each LegCo Member was allocated an individual office in CGO, West Wing. This office is called the "central office" in this document. Each Member was also entitled to be reimbursed the expenses for setting up and winding up his office up to a maximum of $100,000 and $73,000 respectively. The setting-up allowance was only available to those who did not have any office and who did not prefer to take up offices in CGO. For Members who already had offices, 50% of the allowance (i.e. $50,000) could be claimed for the purpose of removal or expansion of office, and the purchase of office equipment/furniture.

2.9   In a review conducted by the Independent Commission in 1993, it was recognized that directly elected Members had a genuine need to set up district office so that they could maintain a close connection with the district they represented.   Apart from providing an additional monthly accountable allowance of $10,000 as mentioned in paragraph 2.4 above, they should be automatically eligible for the $100,000 setting-up allowance, on a one-off and reimbursement basis, to set up 1 office in their respective district.   This setting-up allowance was subsequently open to all Members irrespective of whether they would give up their allocated offices in CGO and was merged with the $50,000 for setting up the central office to make up a total of $150,000 available to each LegCo Member for setting up offices for each LegCo term (re-elected Members may only claim up to 50%).   In other words, the amount of $150,000 was for the setting-up of the central office, and a district office for each LegCo term.

2.10   As regards the winding-up allowance, when the allowance was first approved in 1993, the original $73,000 provision was equivalent to one month's expenses allowance at that time.   A number of reviews were subsequently conducted.   The current winding-up allowance comprises a fixed amount equivalent to the total monthly OER and a variable amount with no pre-set ceiling, payable on the basis of the actual severance payment given to staff employed using the OER.

Information Technology and Communication Expenses Reimbursement

2.11   In 1999, an Information Technology and Communication Expenses Reimbursement of up to $100,000 was made available to each LegCo Member per LegCo term.   This new provision was to help LegCo Members improve communication with the public through wider use of information technology, instead of operating additional offices.

Current levels of the OER

Annual provisions

Office Operation Expenses Reimbursement	$1,654,750 per year
Entertainment and Travelling Expenses Reimbursement	$169,690 per year

One-off provisions (per LegCo term)

Setting Up Expenses Reimbursement	$150,000 or $75,000 (LegCo Members who have claimed setting up expenses in the previous term)
Information Technology and Communication Equipment Expenses Reimbursement	$100,000
Winding Up Expenses Reimbursement	$137,896 plus actual severance payments

Utilization of the OER

2.12   In considering whether the current level of the OER is adequate for LegCo Members, it is noticed that the Independent Commission has all along relied heavily on the average utilization rate of the OOER as a basis for consideration.   As the needs of Members returned by geographical constituencies and functional constituencies are different, the Subcommittee considers it inappropriate to use the average utilization rate of all 60 Members as the only indicator to assess Members' needs.   The analysis of Members' needs for resources contained in this submission is therefore based on Members'

actual needs rather than just utilization rates. To ascertain the needs of LegCo Members, the Subcommittee conducted its own surveys to collect objective data on the resources required to enable individual LegCo Members to employ and retain a team of good quality staff to support the performance of their LegCo functions and duties.

2.13   In order to give a general picture of how the current level of the OER is inadequate for LegCo Members to perform their LegCo functions and duties, some statistics are provided below for reference:

(a)   For 2008/2009, a total of 22 LegCo Members (16 returned by geographical constituencies and 6 returned by functional constituencies) had claimed up to 99% or above of their OOER, with 11 LegCo Members (10 returned by geographical constituencies and 1 returned by functional constituency) claiming up to 100% of their OOER;

(b)   Some Members had incurred expenses above the OOER limit. For 2008-2009, 5 LegCo Members volunteered to report on these for record. Of the 5 LegCo Members, the shortfalls paid out of pocket ranged from a few hundred dollars to $115,000;

(c)   For Entertainment and Travelling Expenses Reimbursement ("ETER"), a total of 41 LegCo Members (26 returned by geographical constituencies and 15 returned by functional constituencies) had claimed up to 99% or above of their ETER in 2008-2009, with 33 LegCo Members (22 returned by geographical constituencies and 11 returned by functional constituencies) claiming up to 100 % of their ETER.

2.14   Details of the utilization of the OER for 2007-2008 and 2008-2009 are set out in **Annex II**.

Chapter 3   Staffing and office support for LegCo Members

3.1   Arguments over the level of operating expenses which LegCo Members need to perform their functions and duties have persisted for almost two decades.   While there is no disagreement between the Administration and Legislature that the work of LegCo Members has become much more complex and there is a greater need for LegCo Members to stay in close contact with their constituents, there was insufficient objective data in the past to substantiate a more realistic increase in the OER to enable LegCo Members to employ and retain a team of staff with the requisite knowledge and experience to assist Members in performing their functions and duties.

3.2   The survey conducted by the Administration in 1993 was the first time when the staffing and office support required by LegCo Members had been studied.   It was after this survey that the Administration had decided to provide a general expenses allowance based on the mid-point salaries of 1 Executive Officer I, 1 Personal Secretary and 1 Clerical Officer II and the operating expenses for 2 offices (primarily for the office in CGO provided by the Administration and 1 district office).   Since then, the level of the OER had not been realistically assessed and adjusted to suit the actual needs of LegCo Members.   In the absence of more realistic yardsticks to determine the needs of LegCo Members, a lot of weight has been given to the average utilization rate of the OER which, as explained in paragraph 2.12, cannot fully reflect the actual difficulties of LegCo Members in view of the varying circumstances of Members and the varying needs of Members in the geographical constituencies and functional constituencies.

3.3   In November 2008, the Subcommittee of the Fourth LegCo noted that most LegCo Members could only offer low salaries to their staff, or engage a limited number of staff due to insufficient funding in the OER.   The Subcommittee considered it necessary to conduct a sample survey among Members and their PAs to assess the extent of resources required for employing and retaining a team of good quality staff to support the work of Members. The survey was conducted in two phases:

> Phase I: information on the staffing complement in Members' offices, the scope of duties of each of the positions, the qualifications and experience of the incumbents, their remuneration package; Members' difficulties in recruiting and retaining staff as well as their aspirations in the staffing complement;

Phase II: resources required for employing staff or engaging consultancy to carry out public and social policies research; the need for setting up district offices and resources required for setting up central and district offices.

Staffing requirements

3.4   Phase I of the survey was conducted in January 2009.   25 re-elected LegCo Members, representing a mix of LegCo Members returned by geographical constituencies and functional constituencies[1] were invited to participate in a questionnaire survey.   Sixteen LegCo Members, including 7 LegCo Members returned by functional constituencies and 9 LegCo Members returned by geographical constituencies, completed the questionnaire by the deadline in March 2009, representing a response rate of 64%.   In addition, 116 PAs who were staff of these 16 LegCo Members completed the questionnaires on their job conditions.

3.5   Following a preliminary analysis of the information ascertained from the questionnaire survey in Phase I, a second–level study was conducted to examine the nature of various types of duties undertaken by Members' staff and the academic qualifications and experience required for undertaken each type of duties and the remuneration offered for undertaking such duties.   This second-level study helped in determining the ranking of different job types having regard to the entry requirements and responsibilities of comparable ranks in the Civil Service.

3.6   A brief summary of the essential information collected from the survey is given in **Annex III**.

Nature of support services

3.7   The survey findings reveal that the total time spent by LegCo Members on LegCo work vary significantly, ranging from 74 hours to 336 hours in every four weeks.   On average, each LegCo Member spends 221 hours in every 4 weeks (i.e. 55.25 hours per week) in performing LegCo functions and duties.   These include core LegCo duties such as attending meetings of the Council and its committees, briefing the press on issues discussed at meetings

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[1]   Ten re-elected LegCo Members each returned by geographical constituencies and functional constituencies were invited to take part in the Survey, having regard to their utilization level of the OOER in the previous term and the current term, political affiliation, etc.   Upon completion of the first stage of sampling, some selected LegCo Members had declined to take part in the Survey.   Another round of sampling was conducted and 5 more re-elected LegCo Members were invited to take part in the Survey.

and handling complaints under the LegCo Redress System, and other LegCo-related duties such as meeting with the Administration, attending press interviews on public policy issues, meeting with members of the public or constituents, attending forums and participating in functions as LegCo members, etc. The information helps analyze the degree of complexity of the various types of support services provided to LegCo Members and assess the job requirements as well as the qualifications of the staff required to perform such support services.

3.8 On the basis of LegCo Members' activities in performing their LegCo functions, the nature of duties of the staff providing support to LegCo Members is broken down into the following two categories:

(a) Core LegCo duties: providing legal and research support; organizing committee papers for meetings, preparing summaries of papers and highlighting areas of concern; preparing questions for meetings; drafting Council questions and speeches; conveying enquiries and requests from the LegCo Secretariat in relation to meetings especially if the LegCo Member is the chairman of a committee; and responding to enquiries from the Administration and the press;

(b) Other LegCo-related duties: meeting the public/constituents on behalf of LegCo Members; handling complaints and enquiries from constituents; drafting articles for newspapers; preparing publications, newsletters, work reports and other publicity materials; and undertaking accounting matters.

3.9 There is a need to differentiate core LegCo duties and other LegCo-related duties performed by LegCo Members' staff as the level and scope of responsibilities are different, and the qualification and experience requirements for staff to undertake the two types of duties are also different.

Actual number of staff engaged to support Members' LegCo work

3.10 It is noted from the survey that among the staff employed by these 16 LegCo Members, only 4% perform solely core LegCo duties; 57% perform both core LegCo and other LegCo-related duties, and 39% perform solely other LegCo-related duties. This situation falls short of LegCo Members' expectation, as all 16 LegCo Members have responded that they would have wanted to engage more dedicated staff to perform solely core LegCo duties, and the number of staff required for performing solely core LegCo duties is averaged at 1.7.

3.11   On average, each LegCo Member is hiring 6.3 full-time staff and 1 part-time staff.   These staff members are required to work in the central office provided by the LegCo Secretariat and also district offices.   From the survey, it is noticed that there is a significant gap between the average number of staff employed by LegCo Members returned by geographical constituencies and those by functional constituencies.   The average number is 9.9 for the former and 4 for the latter.   However, both LegCo Members returned by geographical constituencies and functional constituencies indicate the need to hire more staff. LegCo Members returned by functional constituencies ask for 4.6 staff, while LegCo Members returned by geographical constituencies ask for 13.1 staff. This comes up to a total of 9.4 staff on average, with 19% for undertaking solely core LegCo duties, 45% for undertaking both core LegCo and other LegCo-related duties, and 36% for undertaking solely other LegCo-related duties.

3.12   The survey also reveals that the number of staff required depends very much on the number of offices to be operated by each Member.   On average, LegCo Members returned by functional constituencies operate 2 offices including the central office, while LegCo Members returned by geographical constituencies operate 4 offices.   The average number of offices operated by LegCo Members is 3, while the number of full-time staff to support each office is about 2.1.

Academic background and experience requirement

3.13   Staff performing core LegCo duties require higher academic qualifications and more substantial working experience.   The survey reveals that 100% of those who undertake solely core LegCo duties possess qualifications at tertiary or professional level.   87% of those staff performing both core LegCo and other LegCo-related duties have received tertiary education or above, and 59% of them have five or more years' working experience.   Even for those who perform solely other LegCo-related duties, 36% have tertiary qualifications.

3.14   The salaries paid to staff members who handle core LegCo duties are higher than those who perform solely other LegCo-related duties.   On average, the monthly salary of full-time staff members who handle core LegCo duties is about $15,500, with about 20% receiving a salary of $20,000 or above.   This salary is lower than the starting salary of an Executive Officer II ("EO II")[2] in the Civil Service which is $20,950 per month.   For staff members who handle

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[2]   Entry requirement for an Executive Officer II in the Civil Service is a bachelor's degree from a Hong Kong university, or equivalent.

other LegCo-related duties, the average salary is about $9,662, which is lower than the starting salary of $10,250 of an Assistant Clerical Officer ("ACO")[3] in the Civil Service.   As far as fringe benefits are concerned, the majority of the staff have medical allowance while a few also enjoy education allowance and double pay.

3.15   No part-time staff is engaged for performing solely core LegCo duties. The hourly rate of the salary of part-time staff who perform both core LegCo and other LegCo-related duties is higher than those performing solely other LegCo-related duties.   57% of those performing both core and other LegCo-related duties receive an hourly rate of $70 or above, while 100% of those performing solely LegCo-related duties receive $69 and below.

3.16   70% of the LegCo Members indicate that they do not have adequate resources to engage a sufficient number of staff with the necessary qualifications and experience to support their work.   Staff salaries on average take up the major portion of their OOER claims, and some LegCo Members cannot seek reimbursement of other expenses including rentals of district offices because of inadequate funds in the OOER.   As a result, most LegCo Members can only offer low salaries to their staff, hence making it difficult for them to recruit experienced staff.

3.17   The survey shows that staff retention is a common problem.   The median length of service of LegCo Members' staff is less than 3 years, and the annual turnover rate of full-time staff is as high as 34% in the 2007/08 legislative year.   The majority of the LegCo Members who have difficulties in recruiting and retaining suitable staff consider that these difficulties are mainly caused by poor career prospect, low salaries, irregular and long working hours, and inadequate fringe benefits.

3.18   On the part of the staff of LegCo Members, over 70% of them find their jobs challenging and satisfying, with a wide spectrum of experiences which would be helpful for their career development.   However, around 60% of them are dissatisfied with their level of salary and the limited advancement opportunities.   Their jobs also require them to work irregular and long hours. 74% of them do not consider their remuneration package attractive enough for them to stay in the LegCo Members' office for the whole term.

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[3]   Entry requirement of an Assistant Clerical Officer in the Civil Service is Level 2/Grade E or above in five subjects including Mathematics in the Hong Kong Certificate of Education Examination, or equivalent.

3.19   In addition, LegCo Members also express the view that in order to have effective support to their work, they hope to employ mainly full-time staff with a university degree or professional qualifications.

3.20   The shortfalls as revealed from the survey on staffing requirements are two-fold: insufficient resources to pay the staff at a level which is commensurate with those with the same qualifications performing the same level of work; and insufficient resources to hire adequate staff to perform both core LegCo and other LegCo-related duties.

Survey on the need of setting up district offices

3.21   The emphasis of the survey in Phase II is on the need for setting up district offices.   The survey aims to ascertain the requirement in the number of district offices, analyze the operating characteristics of district offices, assess the resources required for the operation of district offices, and understand LegCo Members' aspirations in setting up district offices to support their work. Opportunity is also taken to gauge LegCo Members' views on the central office to be provided in the new LegCo Complex at Tamar.

3.22   All 60 LegCo Members were invited on 20 October 2010 to take part in this survey.   Forty-one LegCo Members, including 21 returned by functional constituencies and 20 returned by geographical constituencies, responded to the survey.   A summary of the findings is set out below:

    (a)   Both LegCo Members returned by functional constituencies and geographical constituencies have a strong need for setting up district offices for maintaining close contact with their constituencies and for understanding the needs of the community;

    (b)   The average of the number of offices (including central offices) operated by Members returned by functional constituencies is 2, while the average for Members returned by geographical constituencies is 4.   After discounting central offices, LegCo Members on average operate 2 district offices but they hope to have 3 to 4 district offices;

    (c)   On the size of a district office, LegCo Members' aspiration is 62 sq m while the present average is 34 sq m;

(d)   On the location of district offices, the first choice is public housing estate, second choice is shopping arcade in public housing estate and third choice is private office buildings;

(e)   The office accommodation expenses, after deducting staff costs, at present amount to $8,900 per month per office, while the estimated expenses after taking into account the larger size of the office would amount to $11,798 per month;

(f)   Each district office is manned by 2 staff members; and

(g)   The 60 sq m central office will only barely meet their present needs, and Members hope to have an additional space of 23.85 sq m to accommodate their core team (which on average is about 3-4 staff members) and to meet their constituents.

Details of the survey findings are in **Annex IV**.

3.23   The Subcommittee notes that Members returned by geographical constituencies especially those with a larger constituency area would need to set up more district offices to minimize the travelling time of their constituents when seeking their assistance.   Communication by electronic means, such as emails or fax, are usually not appropriate in these cases as the constituents seeking for help do not normally have access to such means and they would prefer to have face-to-face communication with Members or their staff.

Analysis

Staffing complement

3.24   Whether a LegCo Member is returned by a functional or geographical constituency, the need for staffing support to carry out the Member's core LegCo duties, such as preparation work for attendance at meetings of the Council and its committees, drafting of Council questions and speeches at motion debates, background research work, etc. is the same.   The need for staff to undertake non-core LegCo duties depends on how many district offices a Member is allowed to set up.   For example, Members returned by functional constituencies ask for 4.6 staff, while Members returned by geographical constituencies ask for 13.1 staff.   The Subcommittee finds that the more district offices a Member sets up in his constituency, the more staff he would require, and if the OER remains unchanged, the less he can afford to offer a

salary which is commensurate with that given to employees with the same qualification and experience and undertaking the same kind of work. The Subcommittee recognises that some Members, especially those with a large constituency area, may need to set up more district offices. However, as the present exercise aims to address the high staff turnover situation and to ensure that LegCo Members are able to recruit and retain a core team of good quality staff, it decides that a separate exercise should be conducted to deal with district offices. For this exercise, the Subcommittee would adopt the present average figures.

3.25   The survey reveals that LegCo Members at present engage on average 6.3 full-time staff and 1 part-time staff to carry out the full range of duties, with 50% on core and 50% on non-core LegCo duties. For easy computation, the Subcommittee adopts the average of 7 full-time staff for each Member to operate a central office and 2 district offices for determining the ranking of these 7 posts and calculating the financial provision that should be included in the OOER for engaging these 7 staff members. Based on the findings on Members' aspiration on the deployment of staff in core and non-core LegCo duties (paragraph 3.11 refers), these 7 staff members should be deployed in the following manner:

Type of LegCo duties	Percentage	No. of staff
Core LegCo duties	19%	**1.33**
Core duties & other LegCo-related duties	45%	**3.15**
Other LegCo-related duties	36%	**2.52**

3.26   As the work of Members' staff is related to public administration and is public service in nature, the Subcommittee considers it appropriate and fair for the ranking of their PAs to be pitched at a level which is commensurate with their counterparts in the Civil Service, having regard to their job duties, qualifications and experience requirements.

3.27   Having regard to the nature of core LegCo duties, the Subcommittee considers that there should be at least one PA pitched at the level of an Executive Officer I ("EO I") to co-ordinate the core support services provided to the Member. That PA should be assisted by 2 staff members who are basically Assistant Clerical Officers ("ACOs") to provide secretarial and clerical support. This is consistent with the findings of the Administration in 1993 when the

mid-point salaries of 1 EO I, 1 Personal Secretary and 1 Clerical Officer (both equivalent to ACOs) were included in the OER.

3.28   As regards the staffing for two district offices, the Subcommittee notes that the district staff need to assist a Member in handling complaints from members of the public, conduct site visits, organize activities, prepare reports, draft press releases, etc., and they need to work long hours.   It is considered that there should be two staff members working in each district office, with at least 1 staff member being a degree-holder.   The Subcommittee considers it appropriate to pitch the 2 posts in each district office at EO II level and ACO level respectively.

3.29   In total, the provision included in the OER should enable each Member to engage 7 full-time staff, including 1 EOI, 2 EO IIs and 4 ACOs. Since the salary portion of the OOER has all along accounted for some 70% of the OOER (since 1993), the Subcommittee considers that this portion should be adjusted accordingly.

3.30   The Subcommittee notes that some Members are currently operating more than 3 offices and are engaging more than 7 staff members, and considers that Members should have the flexibility to engage whatever number of staff members they consider appropriate.   Nevertheless, as the number of staff members will have impact on the salaries that can be offered to staff, the Subcommittee considers that this will be a matter to be included in the separate study on the setting up of district offices.

Financial implications

3.31   During the consultation with Members and their PAs on the proposed staffing complement, the Subcommittee noticed that there was general support for adopting 7 full-time staff for operating three offices (including the central office) as the basis for computing the salary portion of the OOER.   There was also strong support for using the salary scales of the respective ranks in the Civil Service for calculating the provision required and providing incentives in the remuneration package, such as increments and end-of-contract gratuities, to retain high quality and experienced staff.

3.32   At present, Members' OOER is adjusted annually in accordance with the movement of CPI (C).   Separate funding is not provided in the OOER to allow Members to grant pay increments to staff or adjust their salaries in accordance with the annual civil service pay adjustment.   With resources only allowing a minimal increase in salary each year, Members are unable to retain their staff members through the provision of increments.   Without any

provision for increments, as in the present situation, Members' staff often switch to other better-paid jobs after working for a few years in order to cope with their growing financial needs in supporting their families. Members, therefore, have to spend time to hire and train new staff following departure of experienced staff, resulting in their weakened capability in monitoring the performance of the Government.

3.33　　The Subcommittee is aware that mid-point salaries have all along been used for calculating the salary portion of the OER and this arrangement is intended to allow for the payment of increments. However, as the OER has not been reviewed in a detailed manner in the past 18 years, the provision intended for increments no longer exists with the increase in the number of staff engaged. The Subcommittee therefore considers it appropriate to determine a salary point which would allow for the granting of increments to retain high quality staff. However, should mid-point salaries be adopted for all the 7 full-time staff in the current exercise, there would be a drastic increase as high as 67% in the OOER, which may cause concern to the general public. Since the survey has revealed that the average length of service of the current PAs does not exceed three years, the Subcommittee considers that, as an interim measure, it may be more appropriate to adopt at this stage the Secretariat's proposal of using the average salary of the first four salary points of each of the relevant ranks, as follows:

Year	EOI	EOII	ACO
Year 1	$38,685	$20,950	$10,250
Year 2	$40,515	$22,005	$10,910
Year 3	$42,410	$23,115	$11,645
Year 4	$44,400	$24,255	$12,380
Average salary	$41,503	$22,581	$11,296

3.34　　On the basis of the above, the salary portion of the OOER should be adjusted from the current $1,158,325 (i.e. 70% of $1,654,750) to $1,582,188, as follows:

Monthly provision:
- EO I x 1　　　　　　　　$41,503
- EO II x 2　　　　　　　　$45,162
- ACO x 4　　　　　　　　$45,184　　　**$131,849**
　　　　　　　　　　　　　　　　x 12 months
　　　Annual provision in salary portion: **$1,582,188**

3.35   To effect the change, the annual accountable component of the OOER will have to be increased by 25.6% from the current $1,654,750 to $2,078,613 per annum.   In order that Members can retain part of the funding for the payment of increments in subsequent years of a four-year term, the Subcommittee proposes that the surplus from the funding for a Member's annual OOER entitlements each year can be rolled-over to the next year until the end of a LegCo term.   Since Members' claims of OOER are processed on the basis of actual amounts of expenditure incurred with documented proof and are open to public scrutiny, there are sufficient safeguards for ensuring the proper and prudent use of public funds.

3.36   The Subcommittee notes that there is concern among Members' PAs that the present proposal may not allow staff members who have served more than four years to continue to have increments after the fourth year.   To address this concern, the Subcommittee considers that if the above proposal is accepted by the Independent Commission, another review should be conducted in two to three years' time to evaluate the effectiveness of the present package of proposals in retaining quality staff.   Where there is evidence that the average length of service of Members' staff has reached four years and beyond, consideration may be given to adopting the use of mid-point salaries in the long-run.

End-of-service gratuity

3.37   To ensure continuity of service, the Subcommittee proposes that an end-of-service gratuity should be provided to full-time staff engaged by Members, following similar arrangement in the Civil Service.   Assuming a 10%-15% gratuity for the 7 full-time staff, in line with that for comparable ranks in the Civil Service, this will result in a further increase of $17,519 per month, i.e. $210,228 per annum, adding a 12.7% increase to the current OOER, to $2,288,841 per annum.   As this funding is aimed to improve the remuneration package of staff, the Subcommittee proposes that the funding earmarked for the payment of gratuities should be kept and maintained by the LegCo Secretariat and all gratuities are paid directly by the Secretariat to the individual staff on instructions given by Members upon completion of employment contract by staff.

Annual adjustment

3.38   The Subcommittee also analyses the appropriateness of adjusting the salary portion of the OOER in accordance with CPI(C).   As salaries of PAs are calculated on the basis of Civil Service salaries, it may be more appropriate to adjust the salary portion according to pay adjustments in the Civil Service.

Comparing the situation in 2010 with the base year in 1999, it is noted that the cumulative changes of the pay adjustments in the Civil Service is always higher than those of the CPI(C). The cumulative difference between the two could be quite significant, ranging from 5.1% to 12.47%. In 2010, the cumulative difference stood at 6.89% when compared to the base year of 1999. A table showing the comparison of the changes in civil service adjustments and CPI (C) in the past 10 years is given in **Annex V**.

3.39   The Subcommittee considers that the salary portion of the OOER (i.e. 70% of the OOER) should be adjusted annually based on the civil service pay adjustments as the movement of CPI (C) cannot reflect the rate of salary increase in the labour market. As for the remaining 30% of the OOER, it should be adjusted in accordance with the movement of CPI(C).

Chapter 4   Research services

4.1   Research support for Members has always been considered as an important support service to enable Members to carry out their legislative functions effectively.   At present, the LegCo Secretariat only provided research service to LegCo committees or official meetings with overseas visitors. Members need to utilize their own staff or engage outside parties to carry out public and social policies research.   To understand the difficulties currently encountered by Members and ascertain their research needs, the Subcommittee requested the LegCo Secretariat to conduct a separate study to ascertain the resources needed for the purpose and the options available to address the needs of Members.

Study on the research needs of LegCo Members

4.2   On 26 October 2010, the LegCo Secretariat issued a questionnaire to all LegCo Members to collect information on the sources of research support available to them and their satisfaction level, the extent OER can meet the research needs of Members, the shortfall of resources and possible means to meet the shortfall.   Thirty-three Members responded to the survey [4] and provided information on their research needs.

4.3   It is noted from the survey that Members obtain research service from various sources.   On a simple average of the data collected, about 73% is provided by the in-house staff of Members, 18% by the Members themselves, while 9% by external consultants, affiliated political parties/think tanks and affiliated trade associations/constituency associations, as shown in the table below.

Research services are provided by	Proportion of research work done
Members themselves	18 %
Full-time assistants	54 %
Part-time assistants	4 %
Jointly employed assistants	15 %
External consultants	2 %
Affiliated political party/think tank	5 %
Affiliated trade association/constituency associations	2 %
	100 %

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[4]   34 LegCo Members responded but one LegCo Member did not make any comment.

4.4   According to the average ratings on the performance of each type of researchers, the responding Members are more satisfied with the research work conducted by external consultants, affiliated political parties/think tanks and affiliated trade associations/constituency associations.   Although the service provided by external consultants has the highest rating, only five respondents have used their service.   Based on the figures provided by four respondents, an average of $10,500 per month has been spent on hiring consultants.

4.5   Twenty-six Members have provided information on the expenditure incurred by them on research work.   On average, these Members have spent about $56,400 a month on research support, of which $49,200 (about 87%) is reimbursed out of the OOER.   This is paid through salaries, consultancy fees, etc.   Separately, 29 Members have indicated that if there has not been any financial constraint, they would have conducted more researches to enable them to monitor the work of the Government in a more effective manner.   On average, about 63% of research projects are abandoned due to the lack of financial resources.

4.6   Thirty-one Members have given views on the amount of resources they would like to have for conducting research work.   This ranges from $15,000 to $200,000 a month with a mean of $74,300 a month.   Eighteen Members have also indicated that if the required resources are available, on average, 77% would be allocated for hiring assistants to conduct research, 15% for hiring external consultants and 8% for employing their affiliated political parties/think tanks.

4.7   From the study on the research needs of Members, it is revealed that Members generally consider that they do not have adequate resources to engage staff with the required background to conduct public and social policies research. In order that Members can conduct more professional research studies, the Subcommittee considers that additional financial provision should be provided to Members to enable them to engage experts to undertake ad hoc research projects as and when needed.

4.8   As regards the amount of funding required, the Subcommittee notes that 31 Members have responded to this question in the questionnaire survey and all have confirmed their need for additional funding.   The funding requested ranges from $15,000 to $200,000 per month, with a mean of $74,300. It is also found that on average, 77% (i.e. $57,200) could be absorbed by the staff engaged by Members with the remaining 23% to be provided by outside parties.   In monetary terms, this will amount to $17,000 per month.

4.9   The Subcommittee notes that the outside parties which are most commonly engaged by Members to carry out public and social policies research are external consultants, such as academics, and the political parties, trade unions and constituency associations they are affiliated to.   There is a general comment by Members that the current restriction that Members cannot engage their own political parties or associations to carry out research work is outdated and not conducive to the political and constitutional development in Hong Kong, and should therefore be removed.

4.10   The Subcommittee proposes that a new accountable allowance of $204,000 ($17,000 x 12 months) per annum should be created, to be claimed on a reimbursement basis, to enable Members to engage outside parties to conduct research.   These parties should include the political parties to which they are affiliated.   The additional funding should be kept as a separate fund administered by the LegCo Secretariat and be drawn for research purposes only. To ensure that the fruits of research can be shared by all other Members and also members of the public, all research studies conducted with this funding should be made public on the Members' websites as and when feasible and no later than the end of the relevant LegCo term.

Chapter 5   Reimbursements for office expenses, setting-up costs and procurement of IT and communication equipment

5.1   This chapter analyses Members' needs for operating their offices. The data used in this analysis come from two surveys: one on Members' needs for setting up district offices and one on office furniture and equipment requirements.   As the findings of the surveys relate to both the non-staff portion of the OER and the one-off provisions to LegCo Members for setting up their offices and procurement of IT and communication equipment, the Subcommittee considers it more appropriate to review the resources from the various one-off provisions in the same exercise to optimize the use of resources and avoid duplication.

Background

5.2   As mentioned in Chapter 2, resources are currently available to Members for setting up and operating their offices from three sources:

        (a)   the office expenses of the OOER, which is about 30% of the OOER (i.e. $496,425 per annum or $41,368.7 per month), to cover office accommodation expenses, consultancy service, publicity items, expenses on activities, etc;

        (b)   the Setting Up Expenses Reimbursement ("SUER") of $150,000 for each Member per LegCo term, to be claimed on an reimbursable basis, for setting up the central office and a district office; a re-elected Member may only claim up to 50% for renovation, removal or addition of district offices;

        (c)   the Information Technology and Communication Equipment Expenses Reimbursement ("ITER") of $100,000 for each Member per LegCo term, to be claimed on an reimbursable basis, to acquire the necessary IT equipment for communicating with their constituents.

Provision for office expenses under OER

5.3 According to the utilization rates of OOER by Members in 2007-2008 and 2008-2009 legislative sessions, the expenses claimed by Members can be broken down into the following categories and the average utilization rates are as follows:

	Oct 2007 to Sep 2008		Oct 2008 to Sep 2009	
	$	*%*	**$**	*%*
Reimbursement ceiling (per month per Member)	**127,835**	*100*	**133,588**	*100*
Average reimbursement total	**113,618**	*88.9*	**120,329**	*90.1*
Staff remuneration and expenses	88,937	*69.6*	95,438	*71.4*
Office accommodation	9,427	*7.4*	8,618	*6.5*
Equipment and furniture	379	*0.3*	1,693	*1.3*
Other operating expenses	14,875	*11.6*	14,580	*10.9*

5.4 The amount of reimbursement for staff-related expenses has been on the rise, in particular among Members returned by geographical constituencies, as shown in the tables below:

Geographical Constituencies

	Oct 2007 to Sep 2008		Oct 2008 to Sep 2009	
	$	*%*	**$**	*%*
Reimbursement ceiling (per month per Member)	**127,835**	*100*	**133,588**	*100*
Average reimbursement total	**120,206**	*94.0*	**127,949**	*95.8*
Staff remuneration and expenses	95,341	*74.6*	100,311	*75.1*
Office accommodation	10,529	*8.2*	10,651	*8.0*
Equipment and furniture	558	*0.4*	1,516	*1.1*
Other operating expenses	13,778	*10.8*	15,471	*11.6*

Functional Constituencies

	Oct 2007 to Sep 2008		Oct 2008 to Sep 2009	
	$	%	$	%
Reimbursement ceiling (per month per Member)	127,835	*100*	133,588	*100*
Average reimbursement total	107,030	*83.7*	112,708	*84.4*
Staff remuneration and expenses	82,532	*64.6*	90,564	*67.8*
Office accommodation	8,324	*6.5*	6,586	*4.9*
Equipment and furniture	201	*0.1*	1,870	*1.4*
Other operating expenses	15,973	*12.5*	13,688	*10.3*

5.5   According to the nature of claims, office expenses cover office accommodation (i.e rental and accommodation expenses), procurement of furniture and equipment, and other operating expenses such as publicity items, consultancy fees, and expenses on activities, etc.   For the 2008-2009 legislative year, Members returned by functional and geographical constituencies respectively incur more or less the same level of expenses, i.e. $15,558 to $16,987 for daily operation expenses.   But where rents are incurred, the difference is much greater, from $6,586 to $10,651.   The Subcommittee recognises that the difference is due to difference in the number of district offices operated by Members.   On average, Members returned by geographical constituencies operate 2 to 3 district offices, while Members returned by functional constituencies operate 1 to 2.   Many of the Members returned by geographical constituencies are not claiming rentals from the OOER as their expenses for other office uses have already exceeded the ceiling or approaching the ceiling.   Records show that in 2008-2009, 16 out of 30 Members returned by geographical constituencies had utilized almost 100% of OOER with 24 reaching 90% or above.

5.6   As it has been agreed among Members that for the purpose of this review, resources for Members should be calculated on the basis of 7 full-time staff and 3 offices (the central office and 2 district offices), the current office expenses portion of the OOER, which only caters for 2 offices is obviously insufficient.   However, the Subcommittee considers it prudent to understand the specific needs of Members and explore other means to meet Members' needs before seeking to increase the office expenses portion of the OOER.

5.7   According to the information provided by the 41 Members (21 returned by functional constituencies and 20 by geographical constituencies) who responded to the questionnaire survey on Members' accommodation needs, Members generally consider that their district office should be larger, from the current average size of 34 sq m to 62 sq m. The expenses for renting the larger offices will be increased from the current $8,900 per month to $11,798 per month per office. The Subcommittee therefore considers that a provision of $11,000 should be adopted as the basis for calculating the resources needed for Members to operate the second district office, if there is a need to do so.

Review of the SUER and ITER

5.8   The Subcommittee has reviewed the utilization of SUER and ITER in the past term, i.e. the Third LegCo, from 2004 to 2008 and noticed the following:

	SUER				ITER			
	3rd LegCo 2004-2008		4th LegCo 2008-2009		3rd LegCo 2004-2008		4th LegCo 2008-2009	
	No. of Members	*%*	No. of Members	*%*	No. of Members	*%*	No. of Members	*%*
Percentage of entitlement <u>claimed</u>								
90% or more	27	*44*	3	*5*	24	*39*	2	*3*
Less than 90%	34	*56*	57	*95*	37	*61*	58	*97*
	61[1]	*100*	60	*100*	61[1]	*100*	60	*100*

[1]   A Member passed away in August 2007 and a new Member was elected in the by-election held in December 2007.

5.9   The Subcommittee considers that despite the fact that the full amounts of SUER and ITER had not been fully utilized by Members of the Third LegCo, the same situation may not occur in the Fourth LegCo. Hence, it conducts a survey on the office furniture and equipment required by Members for setting up their central office and 2 district offices to assess if the present levels of SUER and ITER can meet their needs.

LegCo Members' needs for office furniture and equipment

5.10   A questionnaire was sent to all Members on 26 October 2010. Thirty-four of them have responded to the survey.   Against a list of furniture and equipment in the questionnaire, Members are requested to indicate the quantity of each item that they consider as normally needed and they can also add other items not provided on the list.   Based on the quantities indicated by the respondents, an average quantity[5] needed is worked out in respect of each item.   The average quantity needed for each item is then either rounded down or rounded up.   Items rounded to zero are not classified as "standard items" for the purpose of resource calculation.   The standard items so classified are as follows:

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[5]   The average quantity needed for each item was compiled based on valid responses provided by Members.

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| | Standard furniture and equipment required by: | | | | | |
| | District Office | | | Central Office | | |
Item	a full-time assistant Qty	A Member Qty	common area Qty	a full-time assistant Qty	a Member Qty	common area Qty
a. desk	1	1		1	1	
b. side return	1	1		1	1	
c. pedestal	2	2		1	1	
d. chair	1	1		1	1	
e. desktop personal computer with monitor, Windows 7, Office and anti-virus software	1	1	2	1	1	2
f. notebook computer with Windows 7, Office and anti-virus software					1	
g. iPad/portable digital assistant etc					1	
h. printer	1*	1*	1	1*	1	1
i. computer table			2	1		1
j. telephone (fixed line)	1	1		1	1	
k. mobile phone	1			1	1	
l. calculator	1	1		1	1	
m. filing cabinet	2	1		2	2	
n. partition/panel/screen	1	1	2	1	1	1
o. visitor chair			7	1	1	3
p. camera			1			1
q. roller shutter			1			
r. counter			1			1
s. sofa for visitors						
• 2-seater						1
• 3-seater						1
t. wall clock			1			1
u. air-conditioner						
• split-type			1			
• window unit			1			
v. electric fan			1			1
w. computer server			1			1
x. computer network (including modem and router) for						
• wired clients			1			1
• wireless clients			1			1
y. conference table			1			1
z. desk/table			3			2
aa. bench			2			1
ab. television			1			1
ac. DVD player/recorder or VCR			1			1
ad. MP3/cassette player/recorder			1			1
ae. photocopier			1			1
af. scanner			1			1
ag. fax machine			1			1
ah. filing cabinet			4			4
ai. video camera			1			1
aj. public address system (including microphones, speakers, mixer, amplifier etc)			1			1
ak. paper guillotine			1			1
al. paper shredder			1			1
am. water dispenser			1			1
an. microwave oven			1			
ao. refrigerator			1			
ap. kettle			1			
aq. vacuum cleaner			1			
ar. ladder			1			1
as. trolley			2			1
at. folding chair			2			

*   The Secretariat has used the price of a network printer for cost estimation purposes, instead of using the total price of several single-user printers.

Details of the survey results are summarized in **Annex VI**.

Estimation of resources required for procuring the standard items

5.11   On the basis of Members' returns and assuming that Members are operating 3 offices with a staffing complement of 7 full-time staff, the Supplies Office of the LegCo Secretariat has worked out the resources required for procuring the standard items for LegCo Members in the offices from the market. Estimated prices of individual standard items are in **Annex VI**.   Provisions for part-time staff are excluded from the calculation.

5.12   After excluding those standard items that will be provided by the Secretariat for each LegCo Member's central office in the new LegCo Complex, the estimated costs for equipping 3 offices (i.e. 1 central office and 2 district offices) are estimated to be $482,422.   Breakdown of the cost estimates is set out below:

	Estimated provision for 1 central office
1 Member	$24,124
3 x full-time staff ($13,804)	$41,412
Common area	$93,042
Total for 1 central office	**$158,578**

	Estimated provision for 1 district office
1 Member	$16,269
2 x full-time staff ($17,439)	$34,878
Common area	$110,775
Total for 1 district office	**$161,922**
Total for 2 district offices	**$323,844**

Analysis

5.13   The current level of SUER was drawn up in 1993 on the basis of one central office and one district office for a staffing complement of three staff members.   The ITER was made available to each Member per LegCo term in

1999. With the adoption of three offices for 7 staff members as the standard provision, the combined provision of the SUER and the ITER of $250,000 is no longer adequate to meet Members' needs.

5.14   Against the present $150,000 for SUER (for a Member who has not claimed SUER in the previous term) and $100,000 for ITER claimable in a LegCo term, the shortfall for equipping 1 central office and 2 district offices as revealed in the survey on Members' needs for office furniture and equipment is about $232,422.

5.15   The Subcommittee proposes that the one-off provision for setting up offices and procuring IT and communication equipment should be increased by $232,500, and that the SUER and ITER should be merged into one single allowance of $482,500 per tem to allow flexibility.

5.16   With the increase in the combined SUER and ITER provision available for the procurement of office furniture and equipment, the Subcommittee considers that it is currently not necessary to seek for an increase in the office expenses portion of the OOER, and Members should be able to identify savings to pay for the rents of the second district office.

Chapter 6   Summary of Proposals

6.1   The existing level of OER is no longer adequate to meet the needs of Members to set up and operate their own offices for performing their LegCo functions and duties.   LegCo Members today are dealing with a much wider range of complex issues.   They need the support of a team of good quality staff to assist them in their daily work and the resources to carry out research on public and social policies.

6.2   Through the review of Members' needs, the Subcommittee has found that the lack of funding in the OER has created tremendous pressure and difficulties for LegCo Members.   The situation is particularly serious for those Members who need to operate 2 or more district offices.   It has not been possible for Members to pay their staff at a level which is commensurate with those with the same qualifications performing comparable duties in the job market.   Due to poor career prospects, irregular and long working hours, and inadequate fringe benefits, the annual turnover rate of full-time staff in Members' offices is as high as 34%.   To retain experienced staff and maintain a basic service in their offices, quite a number of Members have to pay out of their own pockets to provide increments and gratuities while others who cannot afford to meet the shortfall through their own means will have to tolerate a high turnover of staff.

6.3   In considering whether the current level of the OER is adequate for LegCo Members, the Subcommittee considers it inappropriate to use the average utilization rate of all 60 Members as the only indicator to assess Members' needs.   At present, some Members do not claim up to 100% of their OOER as they do not need to operate more than 1 district office.   In fact, the utilization survey of OER conducted by the Secretariat also reveals that half of the 60 Members operate 1 district office or none at all.   However, for those Members who have a practical need to establish more than 1 district office, the utilization rates are usually up to 100% and even exceeding 100%.   The OER, which is a reimbursement upon claims for actual expenses, should cater for the actual needs of Members and should enable individual LegCo Members to employ and retain a team of good quality staff to support the performance of their LegCo functions and duties.

6.4   The Subcommittee notes that when the allowance system was devised in 1993, it was based on a staffing complement of 3 full-time staff per Member on the basis of running 1 central office and 1 district office.   Since then, no review had been undertaken on the standard of staffing support that should be provided to each Member having regard to the complexity of the Member's work.

6.5   To this end, the Subcommittee has conducted its own surveys with the help of the LegCo Secretariat.   The survey on staff requirements reveals that LegCo Members engage on average 6.3 full-time staff and 1 part-time staff to carry out the full range of duties, with 50% on core and 50% on non-core LegCo duties.   These staff members are required to work in the central office provided by the LegCo Secretariat and also district offices.   The average number of offices operated by LegCo Members is 3 including 1 central office and 2 district offices.   In the survey, both Members returned by functional and geographical constituencies indicated the need to hire more staff.   However, for the purpose of this submission, the Subcommittee adopts the present figures as the standard of provision for seeking a review of the OER.   The Subcommittee adopts the average of 7 full-time staff for each Member to operate a central office and 2 district offices, and on the basis of the duties and responsibilities of these staff, determines the qualifications and experience required and their remuneration package having regard to those with the same qualifications and performing comparable duties in the Civil Service (paragraph 3.25).

6.6   The standard of provision adopted by the Subcommittee has the full support of all Members and Members' staff.   The Subcommittee is aware that some of the Members may not need to hire up to 7 staff members and operate 2 district offices.   Since Members' claims of OOER are processed on the basis of actual amounts of expenditure incurred with documented proof and are open to public scrutiny, there are sufficient safeguards for ensuring the proper and prudent use of public funds.

6.7   Having regard to the nature of core LegCo duties, the Subcommittee *proposes* that there should be at least 1 PA pitched at the level of an EOI to co-ordinate the core support services provided to the Member in the central office.   That PA should be assisted by 2 staff members who are basically ACOs to provide secretarial and clerical support.   As regards the staffing for 2 district offices, the Subcommittee notes that the district staff need to assist a Member in handling complaints from members of the public, conduct site visits, organize activities, prepare reports, draft press releases, etc., and they need to work long hours.   The Subcommittee *proposes* that there should be 2 staff members working in each district office, with at least 1 staff member being a degree-holder.   The Subcommittee considers it appropriate to pitch the 2 posts in each district office at EO II level and ACO level respectively (paragraphs 3.27 and 3.28).

6.8   To allow sufficient provisions for effecting the proposed staffing complement, the Subcommittee *proposes* that the financial provision of the proposed staffing complement should be calculated on the average of the first

four salary points of the comparable ranks in the Civil Service (i.e. to cover a LegCo term of four years) and that the annual accountable allowance for OOER be revised from $1,654,750 to $2,078,613 (+25.6%). Members should be allowed to retain the surplus from the funding for their annual OOER entitlements for roll-over to the next year within the term (paragraph 3.35).

6.9   To ensure continuity of service as well as to attract and retain a pool of high quality staff, the Subcommittee *proposes* that an end-of-service gratuity be provided to full-time staff engaged by LegCo Members, in line with the current arrangement in the Civil Service. The provision for gratuity, which is $210,228 per annum, may form part of the OOER (+12.7%) but will be kept and maintained by the LegCo Secretariat for the sole purpose of paying gratuities to staff members (paragraph 3.37).

6.10   The Subcommittee also *proposes* that annual adjustment of the salary portion of the OOER (i.e. 70% of the OOER) should be based on the Civil Service pay adjustments whereas the remaining 30% should be adjusted in accordance with the movement of CPI(C) (paragraph 3.39).

6.11   The Subcommittee *proposes* that a further review of the salary provision in the OOER should be conducted in two to three years' time to evaluate the effectiveness of the present package of proposals in retaining quality staff. Where there is evidence that the average length of service of Members' staff has reached four years and beyond, there will be strong grounds for adopting mid-point salaries (instead of the average of the first four salary points) in computing the salary portion of the OOER. The Subcommittee also *proposes* that similar reviews should be conducted "once every four years" (paragraph 3.36).

6.12   The Subcommittee *proposes* that in order to cater for the research needs of LegCo Members, a new separate accountable allowance of $204,000 per annum to enable Members to engage outside parties to conduct research. These parties should include the political parties to which they are affiliated to. The Subcommittee also *proposes* that the additional funding should be kept as a separate fund administered by the LegCo Secretariat and be drawn for research purposes only. All research studies conducted with this funding should be made public on the Members' websites as and when feasible and no later than the end of the relevant LegCo term. (paragraphs 4.9 and 4.10).

6.13   On the non-staff portion of the OOER (i.e. about 30% of the OOER), it is mainly used to cover office accommodation expenses, consultancy service, publicity items, expenses on activities. The original sum of this 30%, together with the SUER and ITER were worked out on the basis of one central office and

one district office. Having reviewed the actual needs of Members, the Subcommittee finds that the existing provision is not adequate to cover the resources needed for the operation of the second district office. The survey on the requirement of office furniture and equipment indicates that for setting up 1 central office and 2 district offices, each Member requires a total of $482,500 per term. The Subcommittee *proposes* that to increase flexibility, the SUER and the ITER should be merged into one single allowance, and the total amount should be increased to $482,500 per term to enable LegCo Members to operate the 2 district offices (instead of one) if there is a need to do so (paragraph 5.15).

6.14   As regards the shortfall in the non-staff portion of OOER, the Subcommittee notes that the extra rental incurred for an office of an appropriate size as reflected by Members in a survey is about $11,000 per month. Since a review of the number of district offices which Members may operate is yet to be conducted, there is consensus among Members that additional provision for meeting the shortfall in operating the second district office should not be sought for the time being. Members believe that the current shortfall in meeting the operating cost of the second office may be absorbed if the salary portion of the OOER is enhanced (paragraphs 3.24, 5.7 and 5.16).

6.15   Over the years, the variety and complexity of issues dealt with by Members, and the sizes of constituencies and geographic areas served by Members have increased substantially. These have rendered the present level of resources provided for Members neither sufficient for setting up a reasonable number of offices in the districts they serve nor manning them with the necessary staff with salaries commensurate with their qualification and experience.

6.16   In order to enable Members to recruit and retain a team of good quality staff, to engage external consultants to carry out public and social policies research, to set up district offices, and to procure IT and communication equipment in support of their legislative functions and duties, there is a pressing need to revise the level of the OER to suit the actual needs of Members. The Subcommittee *proposes* that the revised package of the OER as recommended in this submission be implemented as from 1 October 2011.

Financial implications

6.17   The financial implications of the enhanced levels of the OER for 60 LegCo Members are set out below:

	Additional financial provisions for 60 LegCo Members
Enhanced level of OOER (per annum)	
➢ salary portion	$25,431,780
➢ gratuity payment	$12,613,680
Research Fee (per annum)	$12,240,000
ITER and SUER (per LegCo term)	$13,950,000

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

Membership list

Chairman	Hon Emily LAU Wai-hing, JP
Members	Hon LEE Cheuk-yan
	Hon CHEUNG Man-kwong
	Hon Abraham SHEK Lai-him, SBS, JP
	Hon WONG Ting-kwong, BBS, JP
	Hon Ronny TONG Ka-wah, SC
	Prof Hon Patrick LAU Sau-shing, SBS, JP
	Hon IP Kwok-him, GBS, JP
	Hon Mrs Regina IP LAU Suk-yee, GBS, JP
	(Total : 9 members)
Clerk	Mr Andy LAU

Ref: AM 12/01/19 (08-12)

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

Information Note

**Statistics on the utilization of
Members' operating expenses reimbursement**

Purpose

This information note reports on the utilization of the financial provisions for the reimbursement of Legislative Council (LegCo) Members' operating expenses: (a) in respect of reimbursements with an annual ceiling, statistics for the two years ended on 30 September 2008 and 30 September 2009 are reported, and (b) in respect of reimbursements with a ceiling for each 4-year LegCo term, statistics for the LegCo term ended on 30 September 2008 and the year ended on 30 September 2009 are reported.

Statistics

Annual Financial Provisions

Office Operation Expenses Reimbursement (OOER)

2.　　　　The statistics on the utilization of OOER are summarized below, with further breakdowns of major expenses in **Appendix I** and an analysis on the distribution of Members according to their respective utilization rates of OOER in **Appendix II**.

Amounts of OOER claimed

	Oct 2007 to Sep 2008		Oct 2008 to Sep 2009	
	$	%	$	%
Average reimbursable amount per month per Member	127,835	100	133,588	100
Average reimbursement				
Overall average	113,618	88.9	120,329	90.1
FC average	107,030	83.7	112,708	84.4
GC average	120,206	94.0	127,949	95.8

FC = Members returned by Functional Constituencies

GC = Members returned by Geographical Constituencies

Members' utilization rates of OOER

Distribution of Members / Utilization rate	Oct 2007 to Sep 2008			Oct 2008 to Sep 2009		
	Overall %	FC %	GC %	Overall %	FC %	GC %
99% to 100%	43.5	36.6	50.1	36.6	20.0	53.4
90% to < 99%	26.6	16.7	36.6	30.1	33.4	26.6
below 90%	29.9	46.7	13.3	33.3	46.6	20.0
	100	100	100	100	100	100

Entertainment and Travelling Expenses Reimbursement (ETER)

3.   Utilization of ETER is summarised below, with further breakdowns of expenses in **Appendix III** and distribution of Members according to their respective utilization rates in **Appendix IV**.

Amount of ETER claimed

	Oct 2007 to Sep 2008		Oct 2008 to Sep 2009	
	$	%	$	%
Average reimbursable amount per month per Member	13,109	100	13,699	100
Average reimbursement				
Overall average	11,776	89.8	12,356	90.2
FC average	11,621	88.6	11,581	84.5
GC average	11,932	91.0	13,130	95.8

Members' utilization rates of ETER

Distribution of Members / Utilization rate	Oct 2007 to Sep 2008			Oct 2008 to Sep 2009		
	Overall	FC	GC	Overall	FC	GC
	%	%	%	%	%	%
99% to 100%	71.6	63.4	80.1	68.3	50.1	86.7
90% to < 99%	6.7	13.4	—	16.7	26.7	6.7
below 90%	21.7	23.2	19.9	15.0	23.2	6.6
	100	100	100	100	100	100

Staff

4. The following table shows the average numbers of full-time and part-time employees hired by Members, with further details in **Appendices V and VI**:

	Average no. of employees hired	
	Jun 2008	Dec 2009
No. of full-time employees		
Overall average	5.4	5.4
FC average	4.1	4.1
GC average	6.8	6.7

	Average no. of employees hired	
	Jun 2008	Dec 2009
No. of part-time employees		
Overall average	1.7	1.7
FC average	1.4	1.0
GC average	2.1	2.5

5.   Aggregate numbers of part-time and full-time employees hired by Members are set out in **Appendices VII and VIIa**.

6.   Distribution of full-time employees according to their respective salary levels is summarized below:

	Distribution of employees by salary range			
	Jun 2008		Dec 2009	
Full-time employees	No.	%	No.	%
(Salary per month)				
Below $10,000	101	31	73	23
$10,000 to < $15,000	101	31	124	38
$15,000 to < $20,000	56	17	54	17
$20,000 to < $25,000	27	8	26	8
$25,000 to < $30,000	19	6	14	4
$30,000 to < $55,000	21	7	32	10
	325	100	323	100

7.   More detailed breakdowns of salaries offered to full-time and part-time staff of Members are set out in **Appendix VIII**.

Offices

8.   Some Members have not claimed rental reimbursement for their district offices.   One of the reasons is that the OOER is insufficient to cover the rents after other expenses have been claimed.   In view of this, two sets of statistics on the number of district offices operated by Members are compiled, one on offices for which rental reimbursement was claimed (**Appendix IX**) and another on all district offices reported by Members, regardless of whether any rents were reimbursed (**Appendix X**).

9.　　　In calculating the number of district offices funded by OOER, only the portion of a joint office for which rental reimbursement was claimed has been taken into account.　The average numbers of district offices operated by Members with funding from OOER, not including the central office provided by the LegCo Secretariat, are summarized below:

| | No. of district offices (funded by OOER) | | | |
| | Jun 2008 | | Dec 2009 | |
	Average	Range	Average	Range
Overall	1.3	0 – 4	1.4	0 – 5
FC	0.7	0 – 1.5	0.5	0 – 2
GC	1.8	0 – 4	2.3	0 – 5

10.　　　When offices for which no rent was claimed are included, the average numbers of district offices operated by Members are as follows:

| | No. of district offices (operated by Members) | | | |
| | Jun 2008 | | Dec 2009 | |
	Average	Range	Average	Range
Overall	1.8	0 – 7	1.9	0 – 6
FC	1.0	0 – 2	0.9	0 – 2.5
GC	2.5	0 – 7	2.9	0 – 6

11.　　　More detailed analyses on the numbers of district offices, categorized according to the channel through which Members are returned, are set out in **Appendices IXa and Xa**.

Termly Financial Provisions

Setting Up Expenses Reimbursement (SUER), Information Technology & Communication Equipment Expenses Reimbursement (ITER) and Winding Up Expenses Reimbursement (WUER)

12.　　　The following table shows the numbers and percentages of Members who had claimed 90% or more of their respective entitlements to SUER, ITER and WUER in the third LegCo term (four years) and in the year 2008-2009:

	SUER				ITER				WUER			
	3rd LegCo 2004-2008		4th LegCo 2008-2009		3rd LegCo 2004-2008		4th LegCo 2008-2009		3rd LegCo 2004-2008		4th LegCo 2008-2009	
	No. of Members	%	No. of Members	%	No. of Members	%	No. of Members	%	No. of Members	%	No. of Members	%
Percentage of entitlement claimed												
90% or more	27	44	3	5	24	39	2	3	6	29	–	–
Less than 90%	34	56	57	95	37	61	58	97	15	71	–	–
	61[1]	100	60	100	61[1]	100	60	100	21	100	–	–

[1] A Member passed away in August 2007 and a new Member was elected in the by-election held in December 2007.

13.　　　　Further stratification of the above statistics is provided in **Appendix XI**.

Over-ceiling Expenses

14.　　　　Reporting of over-ceiling expenses, which have not been reimbursed, are at the discretion of Members. The following table summarizes the statistics in **Appendix XII**.

	Unclaimed expenses over the OOER ceiling ($'000)			
	Oct 2007 to Sep 2008		Oct 2008 to Sep 2009	
	FC	GC	FC	GC
No. of Members	4	2	—	5
Total over-ceiling expenses reported	482	74	—	159
Average	121	37	—	32

15.   As noted in **Appendix XII**, not all Members who have fully claimed the reimbursable amount under OOER have reported their over-ceiling expenses.   In fact, the statistics on over-ceiling expenses do not fully reflect the level of resources required by Members for carrying out their duties, because of the following reasons:

(a)   lack of manpower rendered it difficult to report on expenses which would not be reimbursed;

(b)   Members might have endeavoured to work within the budget;

(c)   some Members might have refrained from claiming reimbursement for certain shared expenses for the sake of avoiding conflict of interest or saving additional expenditure in relation to the declaration/valuation requirements, such as provision of layout plans and hiring of professional firms for valuation purposes; and

(d)   some Members might not have the financial resources to subsidize their LegCo work.

*   *   *   *   *   *   *   *   *

Accounts Office
Legislative Council Secretariat
February 2010

Utilization rates of
Office Operation Expenses Reimbursement per month per Member

Overall

	Oct 2007 to Sep 2008		Oct 2008 to Sep 2009	
	$	%	$	%
Average reimbursable amount (per month per Member)	127,835	100	133,588	100
Average reimbursement total	113,618	88.9	120,329	90.1
Staff remuneration and expenses	88,937	69.6	95,438	71.4
Office accommodation	9,427	7.4	8,618	6.5
Equipment and furniture	379	0.3	1,693	1.3
Other operating expenses	14,875	11.6	14,580	10.9

Functional Constituencies

	Oct 2007 to Sep 2008		Oct 2008 to Sep 2009	
	$	%	$	%
Average reimbursable amount (per month per Member)	127,835	100	133,588	100
Average reimbursement total	107,030	83.7	112,708	84.4
Staff remuneration and expenses	82,532	64.6	90,564	67.8
Office accommodation	8,324	6.5	6,586	4.9
Equipment and furniture	201	0.1	1,870	1.4
Other operating expenses	15,973	12.5	13,688	10.3

Geographical Constituencies

	Oct 2007 to Sep 2008		Oct 2008 to Sep 2009	
	$	%	$	%
Average reimbursable amount (per month per Member)	127,835	100	133,588	100
Average reimbursement total	120,206	94.0	127,949	95.8
Staff remuneration and expenses	95,341	74.6	100,311	75.1
Office accommodation	10,529	8.2	10,651	8.0
Equipment and furniture	558	0.4	1,516	1.1
Other operating expenses	13,778	10.8	15,471	11.6

Distribution of Members according to their respective utilization rates of Office Operation Expenses Reimbursement

No. of Members / Utilization rate (%)	2007/08						2008/09					
	Overall		FC		GC		Overall		FC		GC	
	No.	%	No.	%	No.	%	No.	%	No.	%	No.	%
100	18	30.1	7	23.3	11	36.7	11	18.3	1	3.3	10	33.4
99 to <100	8	13.4	4	13.3	4	13.4	11	18.3	5	16.7	6	20.0
90 to <99	16	26.6	5	16.7	11	36.6	18	30.1	10	33.4	8	26.6
80 to <90	3	5.0	2	6.7	1	3.3	10	16.7	5	16.7	5	16.7
70 to <80	5	8.4	3	10.0	2	6.7	4	6.6	3	10.0	1	3.3
60 to <70	6	9.9	6	20.0	0	—	4	6.6	4	13.3	0	—
50 to <60	2	3.3	2	6.7	0	—	1	1.7	1	3.3	0	—
40 to <50	2	3.3	1	3.3	1	3.3	0	—	0	—	0	—
30 to <40	0	—	0	—	0	—	1	1.7	1	3.3	0	—
Total no. of Members	60	100	30	100	30	100	60	100	30	100	30	100

FC = Functional Constituencies

GC = Geographical Constituencies

Utilization rates of
Entertainment and Travelling Expenses Reimbursement per month per Member

Overall

	Oct 2007 to Sep-2008		Oct 2008 to Sep-2009	
	$	%	$	%
Average reimbursable amount (per month per Member)	13,109	100	13,699	100
Average reimbursement total	11,776	89.8	12,356	90.2
Entertainment and travelling expenses	11,130	84.9	12,036	87.9
Staff remuneration [1]	646	4.9	320	2.3

Functional Constituencies

	Oct 2007 to Sep 2008		Oct 2008 to Sep-2009	
	$	%	$	%
Average reimbursable amount (per month per Member)	13,109	100	13,699	100
Average reimbursement total	11,621	88.6	11,581	84.5
Entertainment and travelling expenses	11,119	84.8	11,367	83.0
Staff remuneration [1]	502	3.8	214	1.5

Geographical Constituencies

	Oct 2007 to Sep 2008		Oct 2008 to Sep-2009	
	$	%	$	%
Average reimbursable amount (per month per Member)	13,109	100	13,699	100
Average reimbursement total	11,932	91.0	13,130	95.8
Entertainment and travelling expenses	11,141	85.0	12,705	92.7
Staff remuneration [1]	791	6.0	425	3.1

[1] For flexibility in the deployment of resources, 50% of the Entertainment and Travelling Expenses Reimbursement can be used for employment of staff.

Distribution of Members according to their respective utilization rates of Entertainment and Travelling Expenses Reimbursement

No. of Members / Utilization rate (%)	2007/08						2008/09					
	Overall		FC		GC		Overall		FC		GC	
	No.	%	No.	%	No.	%	No.	%	No.	%	No.	%
100	39	64.9	15	50.0	24	80.1	33	55.0	11	36.7	22	73.3
99 to <100	4	6.7	4	13.4	0	—	8	13.3	4	13.4	4	13.4
90 to <99	4	6.7	4	13.4	0	—	10	16.7	8	26.7	2	6.7
80 to <90	3	5.0	1	3.3	2	6.7	1	1.7	1	3.3	0	—
70 to <80	4	6.7	3	10.0	1	3.3	2	3.3	1	3.3	1	3.3
60 to <70	1	1.7	0	—	1	3.3	0	—	0	—	0	—
50 to <60	0	—	0	—	0	—	0	—	0	—	0	—
40 to <50	1	1.7	1	3.3	0	—	0	—	0	—	0	—
30 to <40	0	—	0	—	0	—	1	1.7	1	3.3	0	—
20 to <30	0	—	0	—	0	—	2	3.3	2	6.7	0	—
10 to <20	2	3.3	1	3.3	1	3.3	2	3.3	1	3.3	1	3.3
0 to <10	2	3.3	1	3.3	1	3.3	1	1.7	1	3.3	0	—
Total no. of Members	60	100	30	100	30	100	60	100	30	100	30	100

FC = Functional Constituencies
GC = Geographical Constituencies

Number of full-time staff hired by LegCo Members

(i) Functional Constituencies

No. of full-time employees \ No. of Members	Jun 2008	Dec 2009
0	1	1
1	1	0
1.5	1	0
2	1	2
2.5	1	0
3	9	8
3.5	1	0
4	4	8
5	5	7
5.5	1	0
6	1	2
7	2	1
8	0	1
9	2	0
No. of Members	30	30
Total no. of staff employed	122	122

(ii) Geographical Constituencies

No. of full-time employees \ No. of Members	Jun 2008	Dec 2009
3	2	0
4	2	2
4.5	1	1
5	7	7
6	5	3
6.5	0	1
7	3	8
8	2	4
9	4	2
10	0	1
11	2	1
12	2	0
No. of Members	30	30
Total no. of staff employed	203	201

Staff jointly employed by Members are counted in proportion to the remuneration shared.

Number of part-time employees hired by LegCo Members

(i) Functional Constituencies

No. of part-time employees \ No. of Members	June 2008	Dec 2009
0	17	19
1	4	7
2	5	3
3	2	0
5	1	0
16	1	1
No. of Members	30	30
Total no. of employees hired	41	29

(ii) Geographical Constituencies

No. of part-time employees \ No. of Members	June 2008	Dec 2009
0	8	7
1	12	4
1.5	0	1
2	4	6
3	2	4
4	0	2
4.5	0	1
5	0	1
6	1	2
7	0	1
8	1	1
9	1	0
13	1	0
No. of Members	30	30
Total no. of employees hired	62	74

Number of employees hired by LegCo Members
(including full-time and part-time employees)

No. of employees hired \ No. of Members	Jun 2008	Dec 2009
1	1	0
2	0	1
2.5	2	0
3	8	5
3.5	1	0
4	3	9
5	9	12
5.5	2	0
6	5	4
7	7	3
8	3	7
9	6	6
10	4	4
11	0	2
12	2	3
13	3	1
14	0	1
15	1	1
16	1	1
17	1	0
18	1	0
No. of Members	60	60
Total no. of employees hired	428	426

Staff jointly employed by Members are counted in proportion to the remuneration shared.

Number of employees hired by LegCo Members

Full-time employees

No. of full-time employees hired \ No. of Members	Jun 2008	Dec 2009
0	1	1
1	1	0
1.5	1	0
2	1	2
2.5	1	0
3	11	8
3.5	1	0
4	6	10
4.5	1	1
5	12	14
5.5	1	0
6	6	5
6.5	0	1
7	5	9
8	2	5
9	6	2
10	0	1
11	2	1
12	2	0
No. of Members	**60**	**60**
Total no. of full-time employees hired	325	323

Part-time employees

No. of part-time employees hired \ No. of Members	Jun 2008	Dec 2009
0	25	26
1	16	11
1.5	0	1
2	9	9
3	4	4
4	0	2
4.5	0	1
5	1	1
6	1	2
7	0	1
8	1	1
9	1	0
13	1	0
16	1	1
No. of Members	**60**	**60**
Total no. of part-time employees hired	103	103

Staff jointly employed by Members are counted in proportion to the remuneration shared.

Salary level of employees hired by LegCo Members

Full-time employees

Salary range ($)	No. of full-time employees	
	Jun 2008	**Dec 2009**
0 to <5,000	5	2
5,000 to <10,000	96	71
10,000 to <15,000	101	124
15,000 to <20,000	56	54
20,000 to <25,000	27	26
25,000 to <30,000	19	14
30,000 to <35,000	11	19
35,000 to <40,000	6	7
40,000 to <45,000	3	3
45,000 to <50,000	0	2
50,000 to <55,000	1	1
Total	**325**	**323**

Part-time employees

Salary range ($)	No. of part-time employees	
	Jun 2008	**Dec 2009**
0 to <1,000	13	11
1,000 to <2,000	10	8
2,000 to <3,000	11	9
3,000 to <4,000	18	13
4,000 to <5,000	19	13
5,000 to <6,000	8	12
6,000 to <7,000	8	12
7,000 to <8,000	4	5
8,000 to <9,000	2	2
9,000 to <10,000	1	2
10,000 to <11,000	3	8
11,000 to <12,000	0	2
12,000 to <13,000	0	0
13,000 to <14,000	1	1
14,000 to <15,000	2	0
15,000 to <16,000	0	1
⋮	⋮	⋮
20,000 to <21,000	3	2
⋮	⋮	⋮
25,000 to <26,000	0	2
Total	**103**	**103**

Number of district offices operated by LegCo Members
(excluding district offices for which no rental reimbursement was claimed)

No. of district offices[1] & [2]	No. of Members	
	Jun 2008	**Dec 2009**
0	11	18
0.5	7	6
1	20	13
1.5	2	2
2	10	6
2.5	4	2
3	4	7
3.5	–	2
4	2	1
4.5	–	2
5	–	1
No. of Members	60	60
Total no. of district offices operated by 60 Members [3]	75.40	81.70

[1] For an office shared by two or more LegCo/District Council Members, only the shared portion of the office is counted.

[2] Only district offices for which rents have been reimbursed are counted in the statistics —— the central office ($40m^2$) provided free-of-charge by the LegCo Secretariat for each Member and district offices for which no rental reimbursement has been claimed are excluded.

[3] The number of offices calculated from figures in the table may not add up to the total stated at the bottom because of rounding differences.

Number of district offices operated by LegCo Members
(<u>excluding</u> district offices for which no rental reimbursement was claimed)

i) Functional Constituencies (FC)

No. of district offices [1] & [2]	No. of Members	
	Jun 2008	Dec 2009
0	7	15
0.5	6	4
1	16	10
1.5	1	—
2	—	1
No. of Members	30	30
Total no. of district offices operated by Members returned from FC [3]	20.16	14.12

ii) Geographical Constituencies (GC)

No. of district offices [1] & [2]	No. of Members	
	Jun 2008	Dec 2009
0	4	3
0.5	1	2
1	4	3
1.5	1	2
2	10	5
2.5	4	2
3	4	7
3.5	—	2
4	2	1
4.5	—	2
5	—	1
No. of Members	30	30
Total no. of district offices operated by Members returned from GC [3]	55.24	67.58

[1] For an office shared by two or more LegCo/District Council Members, only the shared portion of the office is counted.

[2] Only district offices for which rents have been reimbursed are counted in the statistics — the central office (40m2) provided free-of-charge by the LegCo Secretariat for each Member and district offices for which no rental reimbursement has been claimed

[3] The number of offices calculated from figures in the table may not add up to the total stated at the bottom because of rounding differences.

Number of district offices operated by LegCo Members
(including district offices for which no rental reimbursement was claimed)

No. of district offices[1] & [2]	No. of Members	
	Jun 2008	**Dec 2009**
0	5	10
0.5	4	2
1	21	18
1.5	4	2
2	11	9
2.5	1	1
3	6	7
3.5	3	2
4	3	3
4.5	1	3
5	–	2
6	–	1
7	1	–
No. of Members	60	60
Total no. of district offices operated by 60 Members [3]	104.90	111.20

[1]   For an office shared by two or more LegCo/District Council Members, only the shared portion of the office is counted.

[2]   District offices reported by Members are counted in these statistics, regardless of whether rents were claimed. The central offices ($40m^2$ per Member) provided free-of-charge by the LegCo Secretariat for Members are excluded from the statistics.

[3]   The number of offices calculated from figures in the table may not add up to the total stated at the bottom because of rounding differences.

Number of district offices operated by LegCo Members
(**including** district offices for which no rental reimbursement was claimed)

i) Functional Constituencies (FC)

No. of district offices [1] & [2]	No. of Members	
	Jun 2008	Dec 2009
0	3	9
0.5	4	–
1	17	16
1.5	4	1
2	2	3
2.5	–	1
No. of Members	30	30
Total no. of district offices operated by Members returned from FC [3]	28.82	25.62

ii) Geographical Constituencies (GC)

No. of district offices [1] & [2]	No. of Members	
	Jun 2008	Dec 2009
0	2	1
0.5	–	2
1	4	2
1.5	–	1
2	9	6
2.5	1	–
3	6	7
3.5	3	2
4	3	3
4.5	1	3
5	–	2
6	–	1
7	1	–
No. of Members	30	30
Total no. of district offices operated by Members returned from GC [3]	76.08	85.58

[1] For an office shared by two or more LegCo/District Council Members, only the shared portion of the office is counted.

[2] District offices reported by Members are counted in these statistics, regardless of whether rents were claimed. The central offices ($40m^2$ per Member) provided free-of-charge by the LegCo Secretariat for Members are excluded from the statistics.

[3] The number of offices calculated from figures in the table may not add up to the total stated at the bottom because of rounding differences.

Statistics on LegCo Members' Utilization of Termly Provisions

[i.e. Setting Up Expenses Reimbursement (SUER), Information Technology &

Communication Equipment Expenses Reimbursement (ITER) and Winding Up Expenses Reimbursement (WUER)]

No. of Members ⟍ Utilization rate	SUER		ITER		WUER [2]	
	3rd LegCo (Oct 2004 – Sept 2008)	4th LegCo (Oct 2008 – Sept 2009)	3rd LegCo (Oct 2004 – Sept 2008)	4th LegCo (Oct 2008 – Sept 2009)	3rd LegCo (Oct 2004 – Sept 2008)	4th LegCo (Oct 2008 – Sept 2009)
100%	8	1	8	0	3	-
90% to <100%	19	2	16	2	3	-
80% to <90%	2	1	2	0	2	-
70% to <80%	1	3	10	2	3	-
60% to <70%	6	4	2	4	0	-
50% to <60%	2	6	4	5	0	-
40% to <50%	4	5	2	4	1	-
30% to <40%	2	2	4	10	2	-
20% to <30%	2	8	2	9	0	-
10% to <20%	3	3	3	8	2	-
>0% to <10%	3	7	0	5	5	-
0%	9	18	8	11	-	-
TOTAL	61[1]	60	61[1]	60	21	-

[1]   A Member passed away in August 2007 and a new Member was elected in the by-election held in December 2007.

[2]   Only outgoing Members can claim WUER.   As severance payments are reimbursed on actual basis without a ceiling, the utilization rates here reflect the reimbursement of other winding up expenses under the fixed-ceiling portion.

Over-ceiling expenses not reimbursed

Oct 2008 to Sep 2009

Member	Expenses in excess of the ceiling for							
	OOER						ETER	
	Staff remuneration and expenses $'000	Equipment and furniture $'000	Office accommodation $'000	Other operating expenses $'000	Annual total $'000	Over-ceiling %	Entertainment expenses $'000	Over-ceiling %
Geographical Constituencies								
A	98		9	8	115	7.2		
B	8		2	13	23	1.4		
K			9	8	17	1.1		
Q					*			
R			4		4	0.3		
Toal	106	0	24	29	159	2.0	0	0.0

* = $260.62

Out of the 11 Members who fully claimed the reimbursable amount under OOER, only 5 reported their over-ceiling expenses to the Secretariat.

Oct 2007 to Sep 2008

Member	Expenses in excess of the ceiling for							
	OOER						ETER	
	Staff remuneration and expenses $'000	Equipment and furniture $'000	Office accommodation $'000	Other operating expenses $'000	Annual total $'000	Over-ceiling %	Entertainment expenses $'000	Over-ceiling %
Functional Constituencies								
L			36	17	53	3.5		
O				133	133	8.7		
P	7		5	59	71	4.6		
K	130		64	31	225	14.7		
Sub-total	137	0	105	240	482	7.9	0	0.0
Geographical Constituencies								
G			22	20	42	2.7		
N	23		2	7	32	2.1		
Sub-total	23	0	24	27	74	2.4	0	0.0
Total	160	0	129	267	556	6.0	0	0.0

Out of the 18 Members who fully claimed the reimbursable amount under OOER, only 5 reported their over-ceiling expenses to the Secretariat. On the other hand, while with a small unclaimed balance under OOER, Member G has reported her unclaimed expenses to the Secretariat. In total, her expenses were over the OOER ceiling.

**Brief summary of essential information from the Survey on
the staffing complement in Members' offices**

Survey findings

According to the survey data, each Member operates an average of 3 offices, including the Central Office provided by the LegCo Secretariat. The average number of staff employed by each Member is around 7, including full-time and part-time staff.

Job duties of staff

2.   Members' staff, including both full-time staff and part-time staff, can be categorized into three groups based on their duties. The proportion of staff in different groups and the major three duties of each group are listed below:

> Group A (4%): Staff who perform core LegCo duties only –
> -   providing research support;
> -   going through committee papers and providing summaries, highlighting areas of concern and preparing questions for meetings; and
> -   drafting of speeches and articles;
>
> Group B (39%): Staff who perform other LegCo-related duties only –
> -   meeting the public/constituents and handling enquiries and complaints;
> -   preparing publications, newsletters, work reports, publicity materials; and
> -   handling accounting matters; and
>
> Group C (57%): Staff who perform both core LegCo and other LegCo-related duties –
> -   meeting the public/constituents and handling enquiries and complaints;
> -   preparing publications, newsletters, work reports, publicity materials; and
> -   providing research support.

3.   The average number of full-time and part-time staff employed by each Member in the three groups is as follow:

	No of staff employed by each Member			
	Group A	Group B	Group C	Total
Full-time staff	0.3	2.3	3.7	6.3
Part-time staff	-	0.6	0.4	1

Qualifications of staff

4.   Compared to the other two groups of staff, the qualifications of staff members who handle other LegCo-related duties only (Group B) tend to be lower.   Details of their qualifications are as follow[1]:

Qualifications	Group A	Group B	Group C
Primary or below	-	10%	-
Secondary	-	55%	12%
Tertiary or above	60%	36%	86%
Professional	40%	-	1%

Working experience of staff

5.   Staff members who need to handle both core and other LegCo-related duties (Group C) have more relevant working experience than the other two groups of staff.   The years of relevant working experience of the three groups are as follow:

Years of relevant working experience	Group A	Group B	Group C
Less than 1 year	25%	24%	13%
1 year to less than 3 years	50%	21%	18%
3 years to less than 5 years	25%	10%	11%
5 years or above	-	46%	59%

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[1]   As a result of the rounding effect, the sum of the percentage ranges from 99% - 102% in all tables in this Annex.

Length of service in Members' office

6.　　The majority of staff members in all the three groups have been working in the current Members' office for less than three years.

Length of service in Members' office	Group A	Group B	Group C
Less than 3 years	60%	56%	59%
3 years to less than 5 years	20%	26%	16%
5 years or above	20%	17%	25%

Salary levels of staff

7.　　Full-time staff members who handle both core and other LegCo-related duties (Group C) have the highest salary level amongst the three groups.　　The ranges of salary and the average salaries of the three groups are as follow:

Monthly salary	Group A	Group B	Group C
$5,000 - $9,999	-	62%	19%
$10,000 - $14,999	60%	35%	30%
$15,000 – $19,999	20%	-	25%
$20,000 or above	20%	3%	28%
Average monthly salary	$15,500	$9,662	$16,797

8.　　The hourly rate of part-time staff of Group C tends to be higher than the other two groups.　　Details as follow:

Hourly rate	Group A	Group B	Group C
$40 - $49	-	50%	14%
$50 - $59	-	-	29%
$60 - $69	-	50%	-
$70 or above	-	-	57%

Fringe benefits

9. On top of the basic salary, all staff members enjoy MPF benefit and more than half of the staff members enjoy medical allowance. A small proportion of staff have dental, education and double-pay benefits.

Benefits	Group A	Group B	Group C
MPF	100%	100%	100%
Medical	60%	62%	80%
Dental	40%	19%	20%
Education	-	14%	17%
Double-pay	-	-	7%

Members' aspirations for a team of good quality staff

10. To effectively support their work, Members have expressed the view that they would like to have an average of 9.4 staff members to assist them in carrying out the work of the Council. In addition, Members expect to employ mainly full-time staff with relevant qualifications to support their work. The following tables illustrate the distribution of full-time and part-time staff in the three groups and their qualification requirements according to Members' aspirations:

	No of staff required by Members			
	Group A	**Group B**	**Group C**	**Total**
Full-time staff	1.7	3.2	4.1	**9.0**
Part-time staff	0.1	0.2	0.1	**0.4**

	Qualifications required by Members		
	Group A	**Group B**	**Group C**
Secondary	-	42%	4%
Tertiary	73%	55%	82%
Professional	27%	4%	13%

11.   In addition to inadequate manpower, the turnover rate of Members' staff is high.   Over 60% of Members claim that their staff turnover rate is over 25%.   The average turnover rate of full-time staff is 34%.   The majority of Members encounter difficulties in recruiting and retaining staff to support their core LegCo work and district business.   Over half of Members think that a lack of career prospect (92%), low salary level (75%), irregular/long working hours (74%) and inadequate fringe benefits (66%) contribute to their difficulties in recruiting and retaining staff.

12.   On the other hand, 62% of Members' staff are dissatisfied with their level of salary.   74% of staff tend to disagree that their current remuneration package is attractive enough for them to stay in the same Members' office for the whole term.

Survey on LegCo Members' needs for setting up district offices

  LegCo Members were invited on 20 October 2010 to participate in a survey conducted by the LegCo Secretariat on LegCo Members' needs for setting up district offices to service their constituents. The survey is part of the study conducted by the LegCo Secretariat on the necessary resources required by individual LegCo Members to carry out their LegCo duties. The survey aims to further ascertain the requirement in the number of district offices, analyze the operating characteristics of district offices, assess the resources required for the operation of district offices, and understand LegCo Members' aspirations in setting up district offices to discharge their work. Opportunity is also taken to gauge LegCo Members' views on the central office to be provided in the new LegCo Complex at Tamar.

The survey

2. Forty-one LegCo Members, including 21 returned by functional constituencies and 20 returned by geographical constituencies, responded to the survey. The information presented below is prepared on the basis of the valid responses from LegCo Members.

<u>District offices</u>

Purposes of maintaining a district office

3. The responding LegCo Members largely agree that the setting up of a district office can enable them to stay in easy contact with their constituents, keep in touch with local affairs, and provide a working place for their staff.

Purposes / Average rating	To stay in easy contact with the public/ constituents	To keep in touch with local affairs	To provide a working place for staff	Others
	From "1" (strongly disagree) to "6" (strongly agree)			
Functional Constituencies (13 respondents)	5.08	4.38	5.00	0.46[1]
Geographical Constituencies (19 respondents)	5.84	5.68	4.89	0.63[2]
Weighted average	5.53	5.16	4.94	0.56

Remarks:
1   to maintain a district office to organize gatherings and activities (1 respondent)
2   to maintain a district office to liaise with local government offices and organizations; to maintain relationship with volunteer workers; and to provide services to citizens (2 respondents)

Existing accommodation and manning expenses per district office

4.   The survey reveals that on average, the recurrent expense for running a district office is about $45,000 per month, which includes office operating expenses ($8,900) such as rent, management fee, rates, government rent, utility charges, communication charges, etc., and staff remuneration ($34,900).   The average accommodation and staff expenses per district office as revealed in the survey are as follows:

	Accommodation expenses* $	Staff remuneration $	Total per office $
Functional Constituencies	15,400 (10 offices)	55,400 (15 offices)	87,100 (9 offices)[#]
Geographical Constituencies	7,500 (48 offices)	28,200 (46 offices)	36,500 (44 offices)[#]
Average	8,900 (58 offices)	34,900 (61 offices)	45,000 (53 offices)

*   inclusive of rent, management fee, rates, government rent, water, electricity, telephone lines, fax lines and broadband service
[#]   based on those offices for which both figures for rent and staff remuneration are provided

Utilization of district offices

5.   On average, district offices are opened **5.39 days** a week.   The average manpower required to run a district office is 190.56 man-hour in a month.   This is equivalent to about having **3.16 staff members** (including full-time and part-time staff and volunteers) stationed in each office during the operating hours.

	No. of days operated in a normal week	Average no. of hours operated in a normal month	Average no. of assistants stationed in the office during operating hours
Functional Constituencies (16 offices)	5.66	207.81	3
Geographical Constituencies (50 offices)	5.31	185.04	3.21
Weighted average	5.39	190.56	3.16

6.   District offices can serve as information dissemination centres.   They also enable LegCo Members to have face-to-face contact with their constituents. The survey reveals that on average, the number of visits paid by constituents to a district office amounts to some 250 per month:

	Number of visits by members of the public in a month (per office)
Functional Constituencies (9 offices)	141
Geographical Constituencies (42 offices)	275
Weighted average	251

7.   It is noted from the survey that through district offices, the following LegCo-related services can be provided to members of the public:

- receive residents/complaints

- collect public views

- provide legal consultation

- organize activities

- provide public information

- conduct research

- provide job information

- handle council and committee meetings related businesses

- liaise with local government offices and other organizations

Optimum number of district offices

8. On average, the optimum number of district offices suggested by the responding LegCo Members is **3.84 offices**, whereas the present average number of district offices operated by them is **2.2 offices**:

	Average optimum number of district office as suggested by respondents	Actual number of district offices operated by respondents
Functional Constituencies	2.31 (13 respondents)	1.33 (12 respondents)
Geographical Constituencies	4.89 (19 respondents)	2.78 (18 respondents)
Overall	3.84 (32 respondents)	2.20 (30 respondents)

Preferred size of a district office

9. The survey reveals that on average, the preferred size of a district office indicated by respondents is **62 sq m** whereas the present average is only **34 sq m**:

	Preferred size of a district office (sq m)				Actual size of district office (sq m)
	Range		Median (middle value)	Average	Average
	Max	Min			
Functional Constituencies (13 respondents)	250	30	50	70	39 (12 respondents)
Geographical Constituencies (19 respondents)	200	40	50	57	33 (18 respondents)
Weighted average (32 respondents)	250	30	50	62	34 (30 respondents)

Preferred locations (by property type) of district offices

10.   The most preferred location of a district office indicated by the responding LegCo Members is in a **public housing estate** (**39%**), followed by **shopping arcades** in public housing areas (**16%**) or in private properties (**12%**). Breakdown of the 32 respondents' preferences in the distribution of their district offices is as follows:

	Office building	Shopping arcade		Private residential area	Public housing estate	Tenement building	Respondent's suggestions	
	(private sector)	(private sector)	(public housing)				Village house	Premises provided by Gov't
Functional Constituencies (13 respondents)	33%	10%	13%	3%	38%	–	–	3%
Geographical Constituencies (19 respondents)	8%	13%	17%	14%	40%	6%	2%	–
Weighted average	14%	12%	16%	11%	39%	5%	2%	1%

Estimated rental expenses per district office under the optimum situation

11.   LegCo Members were also invited to estimate the rental expenses for maintaining the optimum number of district offices they wish to operate.   On average, the estimated rental expenses for each district office amounts to some **$11,798 per month:**

Functional Constituencies	$13,541
Geographical Constituencies	$11,248
Weighted average	$11,798

*   inclusive of rent, management fee, rates and government rent

Manning scale

12.   Based on the responses from 32 responding LegCo Members, **2 staff members** are required to man a district office.

Alternative means of achieving the purposes of a district office

13.　　LegCo Members were also invited to indicate whether other alternatives are available instead of setting up district offices to receive their constituents and to perform other LegCo duties.　The respondents' ratings for these alternatives are as follows:

Average rating / Alternative means	Via telecommunication systems such as telephone, fax, video conferencing and Internet	Through newsletters	Shared use of out-stations to be set up by the LegCo Secretariat in response to Members' requests	Use of government offices/District Council offices to meet constituents/ residents
	From "1" (strongly disagree) to "6" (strongly agree)			
Functional Constituencies (13 respondents)	3.38	3.15	3.08	3.08
Geographical Constituencies (19 respondents)	3.84	3.37	3.11	2.95
Weighted average	3.66	3.28	3.09	3.00

14.　　The reasons behind the ratings shown in the preceding paragraph were also rated by the responding Members:

Average rating / Reasons	An office within walking distance is the only feasible option for maintaining contact with the residents in view of their age, economic condition	Constituents/ residents prefer face-to-face personal contact at times convenient to them	Trust could be more easily built up through immersing in the local community	More out-reaching work has to be done through a base close to the constituents/ residents	Other means of communication could only take a supplementary role	Others
	From "1" (strongly disagree) to "6" (strongly agree)					
Functional Constituencies (13 respondents)	2.85	3.46	3.31	3.46	3.23	0.46[1]
Geographical Constituencies (19 respondents)	4.11	4.42	4.53	4.95	4.47	0.32[2]
Weighted average	3.59	4.03	4.03	4.34	3.97	0.38

Remarks:
1　to liaise with constituents (1 respondent)
2　to strengthen the understanding of the needs of the local people (1 respondent)

Major functions of the central office

15.   Members were invited to rate the major functions of the central office, which will be located at the new LegCo Complex. The results, based on returns from 39 responding LegCo Members, are set out below:

	Working place for the Member and his/her core support team	Meeting with constituents/ the public	Research centre	Repository for LegCo documents	Planning and coordination centre for district offices
Functional Constituencies (19 respondents)	5.37	4.47	5.21	4.95	3.32
Geographical Constituencies (20 respondents)	5.55	4.60	5.15	5.05	3.90
Weighted average	5.46	4.54	5.18	5.00	3.62

No. of staff to be stationed in the central office

16.   To fulfil the functions of the central office, **60%** of the responding LegCo Members indicate that they would need to station **three to four staff members** in the central office:

	No. of staff members			
	0	1-2	3-4	5-6
Functional Constituencies (19 respondents)	–	17%	66%	17%
Geographical Constituencies (20 respondents)	5%	10%	55%	30%
Weighted average	3%	13%	60%	24%

Insufficient office space

17.   In view of the number of staff to be housed in the central office and the other functions to be carried out in the office, the 60 sq m central office only barely meets the respondents' space requirement:

	Adequate in size
	From "1" (strongly disagree) to "6" (strongly agree)
Functional Constituencies (19 respondents)	2.89
Geographical Constituencies (20 respondents)	3.25
Weighted average	3.00

Additional space for the central office

18.   The responding LegCo Members also indicate that they would need, on average, an additional space of **23.85 sq m**:

	Preferred increase in size (sq m)
Functional Constituencies (19 respondents)	24.74
Geographical Constituencies (20 respondents)	23.00
Weighted average	23.85

Comparison of Civil Service Pay Adjustment (Middle Salary Band) and Consumer Price Index (C)

Year		2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
Middle Salary Band	Effective mth	Apr	Apr	Oct	Apr	Jan	Jan	Apr	Apr	Apr	Apr	Apr
- (MPS11 to 33)	(1)	0%	2.38%	-1.64%	0%	-3.07%	-3.17%	0%	4.62%	5.29%	0%	0.56%
Compared with base year 1999	(2)	100.00%	102.38%	100.70%	100.70%	97.61%	94.52%	94.52%	98.88%	104.11%	104.11%	104.70%
Consumer Price Index (C)												
With effect from October each year	(3)	-5.10%	-2.00%	-2.30%	-2.90%	-1.90%	0.40%	1.90%	2.40%	4.50%	1.80%	1.40%
Compared with base year 1999	(4)	94.90%	93.00%	90.86%	88.23%	86.55%	86.90%	88.55%	90.67%	94.75%	96.46%	97.81%
Difference	(5)=(1)-(3)	5.10%	4.38%	0.66%	2.90%	-1.17%	-3.57%	-1.90%	2.22%	0.79%	-1.80%	-0.84%
Cumulative difference	(6)=(2)-(4)	5.10%	9.38%	9.84%	12.47%	11.06%	7.62%	5.97%	8.21%	9.36%	7.65%	6.89%

Office furniture and equipment requested by respondents

Central Office

(A) office furniture and equipment for a full-time assistant

			Requested by respondents			
			On average		In round figures	
Item	Unit price	No. of respondents requesting the item	Average quantity	Amount $	Quantity rounded to the nearest unit	Amount $
Items on the questionnaire						
(a) desk	410.00	34	1.00	410.00	1	410.00 △
(b) side return	350.00	33	0.97	339.50	1	350.00 △
(c) pedestal	430.00	34	1.29	554.70	1	430.00 △
(d) chair	580.00	34	1.00	580.00	1	580.00 △
(e) desktop personal computer with monitor, Windows 7, Office and anti-virus software	10,954.00	34	1.00	10,954.00	1	10,954.00
(f) notebook computer with Windows 7, Office and anti-virus software	12,236.00	15	0.43	5,261.48	0	0.00
(g) netbook computer with Windows 7, Office and anti-virus software	10,236.00	13	0.38	3,889.68	0	0.00
(h) iPad/portable digital assistant etc	4,688.00	16	0.47	2,203.36	0	0.00
(i) printer	2,400.00	29	0.85	2,040.00	0	0.00 θ
(j) computer table	450.00	17	0.50	225.00	1	450.00
(k) telephone (fixed line)	85.00	32	0.94	79.90	1	85.00 △
(l) mobile phone	2,000.00	21	0.62	1,240.00	1	2,000.00
(m) calculator	50.00	32	0.94	47.00	1	50.00
(n) filing cabinet	900.00	31	1.90	1,710.00	2	1,800.00 △
(o) partition/panel/screen	350.00	29	1.15	402.50	1	350.00
(p) visitor chair	230.00	15	0.66	151.80	1	230.00 △

34 respondents to this question   Subtotal 30,088.92   Subtotal 17,689.00

Less: items provided by the Secretariat △   3,885.00

13,804.00

θ   to share a network printer

(B) office furniture and equipment for a part-time assistant

			Requested by respondents			
			On average		In round figures	
Item	Unit price	No. of respondents requesting the item	Average quantity	Amount $	Quantity rounded to the nearest unit	Amount $
Items on the questionnaire						
(a) desk	410.00	19	0.95	389.50	1	410.00 △
(b) side return	350.00	17	0.85	297.50	1	350.00 △
(c) pedestal	430.00	19	1.10	473.00	1	430.00 △
(d) chair	580.00	20	1.00	580.00	1	580.00 △
(e) desktop personal computer with monitor, Windows 7, Office and anti-virus software	10,954.00	17	0.85	9,310.90	1	10,954.00
(f) notebook computer with Windows 7, Office and anti-virus software	12,236.00	7	0.35	4,282.60	0	0.00
(g) netbook computer with Windows 7, Office and anti-virus software	10,236.00	3	0.15	1,535.40	0	0.00
(h) iPad/portable digital assistant etc	4,688.00	3	0.15	703.20	0	0.00
(i) printer	2,400.00	5	0.23	552.00	0	0.00
(j) computer table	450.00	8	0.40	180.00	0	0.00
(k) telephone (fixed line)	85.00	15	0.73	62.05	1	85.00
(l) mobile phone	2,000.00	2	0.10	200.00	0	0.00
(m) calculator	50.00	12	0.58	29.00	1	50.00
(n) filing cabinet	900.00	17	1.10	990.00	1	900.00
(o) partition/panel/screen	350.00	15	0.80	280.00	1	350.00
(p) visitor chair	230.00	5	0.40	92.00	0	0.00

20 respondents to this question   Subtotal 19,957.15   Subtotal 14,109.00

Less: items provided by the Secretariat △   1,770.00

12,339.00 Ω

Ω   On the assumption that only standard items for three full-time assistants would be provided for each central office, the estimated resources for equipping/furnishing a central office have not included those for a part-time assistant. The estimate here will be used for future reference.

(C) office furniture and equipment for a Member

Item	Unit price	No. of respondents requesting the item	Requested by respondents			
			On average		In round figures	
			Average quantity	Amount $	Quantity rounded to the nearest unit	Amount $
Items on the questionnaire						
(a) desk	1,750.00	31	1.00	1,750.00	1	1,750.00 △
(b) side return	740.00	28	0.90	666.00	1	740.00 △
(c) pedestal	430.00	30	1.29	554.70	1	430.00 △
(d) chair	580.00	31	1.00	580.00	1	580.00 △
(e) desktop personal computer with monitor, Windows 7, Office and anti-virus software	10,954.00	24	0.77	8,434.58	1	10,954.00 △
(f) notebook computer with Windows 7, Office and anti-virus software	12,236.00	26	0.84	10,278.24	1	12,236.00
(g) netbook computer with Windows 7, Office and anti-virus software	10,236.00	8	0.26	2,661.36	0	0.00
(h) iPad/portable digital assistant etc	4,688.00	21	0.68	3,187.84	1	4,688.00
(i) printer	2,400.00	21	0.68	1,632.00	1	2,400.00 △
(j) computer table	450.00	13	0.42	189.00	0	0.00
(k) telephone (fixed line)	85.00	31	1.03	87.55	1	85.00 △
(l) mobile phone	5,000.00	21	0.68	3,400.00	1	5,000.00
(m) calculator	50.00	24	0.77	38.50	1	50.00
(n) filing cabinet	900.00	27	1.63	1,467.00	2	1,800.00
(o) partition/panel/screen	350.00	18	0.61	213.50	1	350.00
(p) visitor chair	230.00	21	1.35	310.50	1	230.00 △
Item(s) suggested by respondents						
(a) wardrobe	1,200.00	4	0.13	156.00	0	0.00
31 respondents to this question			Subtotal	35,606.77	Subtotal	41,293.00
					Less: items provided by the Secretariat △	17,169.00
						24,124.00

(D) office furniture and equipment for common area

| | | | Requested by respondents | | | |
| | | | On average | | In round figures | |
Item	Unit price	No. of respondents requesting the item	Average quantity	Amount $	Quantity rounded to the nearest unit	Amount $
Items on the questionnaire						
(a) counter	2,000.00	19	0.73	1,460.00	1	2,000.00
(b) sofa for visitors						
• 1-seater	2,100.00	11	0.47	987.00	0	0.00
• 2-seater	2,800.00	20	0.78	2,184.00	1	2,800.00 △
• 3-seater	3,400.00	17	0.69	2,346.00	1	3,400.00
(c) visitor chairs	230.00	22	3.36	772.80	3	690.00
(d) wall clock	100.00	25	0.88	88.00	1	100.00
(e) electric fan	598.00	24	1.16	693.68	1	598.00
(f) computer server	3,070.00	23	0.72	2,210.40	1	3,070.00
(g) computer network (including modem and router) for						
• wired clients	1,190.00	22	0.69	821.10	1	1,190.00
• wireless clients	1,190.00	23	0.72	856.80	1	1,190.00
(h) desktop personal computer with monitor, Windows 7, Office and anti-virus software	10,954.00	24	1.89	20,703.06	2	21,908.00
(i) computer table	450.00	18	1.09	490.50	1	450.00
(j) conference table	2,500.00	28	1.03	2,575.00	1	2,500.00
(k) desk/table	410.00	21	1.89	774.90	2	820.00
(l) bench	950.00	14	1.31	1,244.50	1	950.00
(m) television	1,900.00	29	0.94	1,786.00	1	1,900.00
(n) DVD player/recorder or VCR	2,300.00	23	0.72	1,656.00	1	2,300.00
(o) MP3/cassette player/recorder	260.00	25	0.78	202.80	1	260.00
(p) photocopier	10,800.00	29	0.94	10,152.00	1	10,800.00
(q) printer	4,288.00	26	0.84	3,601.92	1	4,288.00
(r) scanner	2,620.00	28	0.91	2,384.20	1	2,620.00
(s) fax machine	1,000.00	29	0.91	910.00	1	1,000.00
(t) filing cabinet	900.00	29	4.45	4,005.00	4	3,600.00
(u) partition/panel/screen	350.00	15	1.44	504.00	1	350.00
(v) camera	2,580.00	26	1.06	2,734.80	1	2,580.00
(w) video camera	9,980.00	21	0.66	6,586.80	1	9,980.00
(x) public address system (including microphones, speakers, mixer, amplifier etc)	7,000.00	24	0.91	6,370.00	1	7,000.00
(y) overhead projector	4,485.00	9	0.28	1,255.80	0	0.00
(z) projector screen	900.00	10	0.31	279.00	0	0.00
(aa) paper guillotine	2,200.00	20	0.63	1,386.00	1	2,200.00
(ab) paper shredder	2,080.00	30	0.94	1,955.20	1	2,080.00
(ac) water dispenser	2,500.00	28	0.88	2,200.00	1	2,500.00
(ad) ladder	338.00	22	0.75	253.50	1	338.00
(ae) trolley	380.00	25	0.97	368.60	1	380.00
Item(s) suggested by respondents						
(a) white board	290.00	5	0.19	55.10	0	0.00
(b) coffee table	1,030.00	4	0.13	133.90	0	0.00
(c) speed printing machine	32,800.00	1	0.03	984.00	0	0.00
(d) loudhailer	1,995.00	1	0.25	498.75	0	0.00
(e) first aid kit	71.00	1	0.03	2.13	0	0.00
(f) fire extinguisher	100.00	1	(Note)	0.00	0	0.00
(g) keyboard drawer	400.00	1	0.03	12.00	0	0.00
32 respondents to this question			Subtotal	88,485.24	Subtotal	95,842.00
				Less: items provided by the Secretariat △		2,800.00
						93,042.00

(Note) as required by law

Office furniture and equipment requested by respondents

District Office

(A) office furniture and equipment for a full-time assistant

Item	Unit price	No. of respondents requesting the item	Requested by respondents — On average — Average quantity	Requested by respondents — On average — Amount $	Requested by respondents — In round figures — Quantity rounded to the nearest unit	Requested by respondents — In round figures — Amount $
Items on the questionnaire						
(a) desk	410.00	27	1.04	426.40	1	410.00
(b) side return	350.00	22	0.81	283.50	1	350.00
(c) pedestal	430.00	27	1.52	653.60	2	860.00
(d) chair	580.00	27	1.04	603.20	1	580.00
(e) desktop personal computer with monitor, Windows 7, Office and anti-virus software	10,954.00	27	1.04	11,392.16	1	10,954.00
(f) notebook computer with Windows 7, Office and anti-virus software	12,236.00	12	0.43	5,261.48	0	0.00
(g) netbook computer with Windows 7, Office and anti-virus software	10,236.00	7	0.26	2,661.36	0	0.00
(h) iPad/portable digital assistant etc	4,688.00	8	0.30	1,406.40	0	0.00
(i) printer	2,400.00	20	0.73	1,752.00	1	- θ
(j) computer table	450.00	13	0.48	216.00	0	0.00
(k) telephone (fixed line)	85.00	27	1.04	88.40	1	85.00
(l) mobile phone	2,000.00	15	0.56	1,120.00	1	2,000.00
(m) calculator	50.00	26	1.00	50.00	1	50.00
(n) filing cabinet	900.00	26	1.85	1,665.00	2	1,800.00
(o) partition/panel/screen	350.00	21	0.93	325.50	1	350.00
Item(s) suggested by respondents						
(a) camera	2,580.00	1	0.04	103.20	0	0.00
27 respondents to this question			Subtotal	28,008.20	Subtotal	17,439.00

θ   to share a network printer

(B) office furniture and equipment for a part-time assistant

Item	Unit price	No. of respondents requesting the item	Requested by respondents — On average — Average quantity	Requested by respondents — On average — Amount $	Requested by respondents — In round figures — Quantity rounded to the nearest unit	Requested by respondents — In round figures — Amount $
Items on the questionnaire						
(a) desk	410.00	22	0.81	332.10	1	410.00
(b) side return	350.00	15	0.56	196.00	1	350.00
(c) pedestal	430.00	21	0.96	412.80	1	430.00
(d) chair	580.00	22	0.81	469.80	1	580.00
(e) desktop personal computer with monitor, Windows 7, Office and anti-virus software	10,954.00	19	0.70	7,667.80	1	10,954.00
(f) notebook computer with Windows 7, Office and anti-virus software	12,236.00	6	0.22	2,691.92	0	0.00
(g) netbook computer with Windows 7, Office and anti-virus software	10,236.00	3	0.11	1,125.96	0	0.00
(h) iPad/portable digital assistant etc	4,688.00	3	0.11	515.68	0	0.00
(i) printer	2,400.00	5	0.16	384.00	0	0.00
(j) computer table	450.00	10	0.37	166.50	0	0.00
(k) telephone (fixed line)	85.00	12	0.43	36.55	0	0.00
(l) mobile phone	2,000.00	5	0.19	380.00	0	0.00
(m) calculator	50.00	14	0.52	26.00	1	50.00
(n) filing cabinet	900.00	19	0.78	702.00	1	900.00
(o) partition/panel/screen	350.00	15	0.67	234.50	1	350.00
27 respondents to this question			Subtotal	15,341.61	Subtotal	14,024.00 Ω

Ω   On the assumption that only standard items for two full-time assistants would be provided for each district office, the estimated resources for equipping/furnishing a district office have not included those for a part-time assistant. The estimate here will be used for future reference.

(C) office furniture and equipment for a Member

| Item | Unit price | No. of respondents requesting the item | Requested by respondents | | | |
| | | | On average | | In round figures | |
			Average quantity	Amount $	Quantity rounded to the nearest unit	Amount $
Items on the questionnaire						
(a) desk	1,750.00	27	1.04	1,820.00	1	1,750.00
(b) side return	740.00	23	0.89	658.60	1	740.00
(c) pedestal	430.00	26	1.67	718.10	2	860.00
(d) chair	580.00	27	1.04	603.20	1	580.00
(e) desktop personal computer with monitor, Windows 7, Office and anti-virus software	10,954.00	24	0.89	9,749.06	1	10,954.00
(f) notebook computer with Windows 7, Office and anti-virus software	12,236.00	21	0.78	-	1	- #
(g) netbook computer with Windows 7, Office and anti-virus software	10,236.00	10	0.37	-	0	- #
(h) iPad/portable digital assistant etc	4,688.00	20	0.74	-	1	- #
(i) printer	2,400.00	16	0.56	1,344.00	1	- θ
(j) computer table	450.00	12	0.44	198.00	0	0.00
(k) telephone (fixed line)	85.00	23	0.89	75.65	1	85.00
(l) mobile phone	5,000.00	24	0.93	-	1	- #
(m) calculator	50.00	21	0.81	40.50	1	50.00
(n) filing cabinet	900.00	23	1.33	1,197.00	1	900.00
(o) partition/panel/screen	350.00	17	0.78	273.00	1	350.00
Item(s) suggested by respondents						
(a) camera	2,580.00	1	0.04	103.20	0	0.00
27 respondents to this question			Subtotal	16,780.31	Subtotal	16,269.00

\#   mobile items included on the Central Office's list of office furniture and equipment for a Member

θ   to share a network printer

(D) office furniture and equipment for common area

Item	Unit price	No. of respondents requesting the item	Requested by respondents			
			On average		In round figures	
			Average quantity	Amount $	Quantity rounded to the nearest unit	Amount $
Items on the questionnaire						
(a) roller shutter	2,650.00	21	0.78	2,067.00	1	2,650.00
(b) counter	2,000.00	21	1.04	2,080.00	1	2,000.00
(c) sofa for visitors						
• 1-seater	2,100.00	5	0.19	399.00	0	0.00
• 2-seater	2,800.00	13	0.48	1,344.00	0	0.00
• 3-seater	3,400.00	12	0.48	1,632.00	0	0.00
(d) visitor chairs	230.00	26	6.93	1,593.90	7	1,610.00
(e) wall clock	100.00	26	1.00	100.00	1	100.00
(f) air-conditioner						
• split-type	5,780.00	20	1.04	6,011.20	1	5,780.00
• window unit	4,480.00	12	0.70	3,136.00	1	4,480.00
(g) electric fan	598.00	22	1.19	711.62	1	598.00
(h) computer server	3,070.00	19	0.78	2,394.60	1	3,070.00
(i) computer network (including modem and router) for						
• wired clients	1,190.00	20	0.74	880.60	1	1,190.00
• wireless clients	1,190.00	19	0.70	833.00	1	1,190.00
(j) desktop personal computer with monitor, Windows 7, Office and anti-virus software	10,954.00	20	1.93	21,141.22	2	21,908.00
(k) computer table	450.00	17	1.56	702.00	2	900.00
(l) conference table	2,500.00	23	1.07	2,675.00	1	2,500.00
(m) desk/table	410.00	21	2.57	1,053.70	3	1,230.00
(n) bench	950.00	14	1.63	1,548.50	2	1,900.00
(o) television	1,900.00	23	0.85	1,615.00	1	1,900.00
(p) DVD player/recorder or VCR	2,300.00	18	0.67	1,541.00	1	2,300.00
(q) MP3/cassette player/recorder	260.00	22	0.93	241.80	1	260.00
(r) photocopier	10,800.00	26	1.04	11,232.00	1	10,800.00
(s) printer	4,288.00	23	1.00	4,288.00	1	4,288.00
(t) scanner	2,620.00	23	0.93	2,436.60	1	2,620.00
(u) fax machine	1,000.00	26	0.96	960.00	1	1,000.00
(v) filing cabinet	900.00	24	4.00	3,600.00	4	3,600.00
(w) partition/panel/screen	350.00	20	1.96	686.00	2	700.00
(x) camera	2,580.00	21	0.89	2,296.20	1	2,580.00
(y) video camera	9,980.00	20	0.74	7,385.20	1	9,980.00
(z) public address system (including microphones, speakers, mixer, amplifier etc)	7,000.00	21	1.43	10,010.00	1	7,000.00
(aa) overhead projector	4,485.00	10	0.37	1,659.45	0	0.00
(ab) projector screen	900.00	11	0.41	369.00	0	0.00
(ac) paper guillotine	2,200.00	20	0.81	1,782.00	1	2,200.00
(ad) paper shredder	2,080.00	27	1.00	2,080.00	1	2,080.00
(ae) water dispenser	2,500.00	26	0.96	2,400.00	1	2,500.00
(af) microwave oven	570.00	27	1.00	570.00	1	570.00
(ag) refrigerator	2,780.00	27	1.00	2,780.00	1	2,780.00
(ah) kettle	585.00	22	0.81	473.85	1	585.00
(ai) vacuum cleaner	628.00	23	0.85	533.80	1	628.00
(aj) ladder	338.00	23	1.04	351.52	1	338.00
(ak) trolley	380.00	24	1.63	619.40	2	760.00
(al) power generator (for outdoor activities)	4,100.00	9	0.33	1,353.00	0	0.00
(am) car battery (for outdoor activities)	1,306.00	6	0.22	287.32	0	0.00
Item(s) suggested by respondents						
(a) CCTV	2,000.00	3	0.11	220.00	0	0.00
(b) air purifier	3,500.00	2	0.07	245.00	0	0.00
(c) speed printing machine	32,800.00	1	0.04	1,312.00	0	0.00
(d) first aid kit	71.00	2	0.07	4.97	0	0.00
(e) white board	290.00	2	0.07	20.30	0	0.00
(f) fire extinguisher	100.00	1	(Note)	0.00	0	0.00
(h) keyboard drawer	350.00	1	0.11	38.50	0	0.00
(i) folding chair	100.00	1	1.85	185.00	2	200.00
(j) folding table	600.00	1	0.15	90.00	0	0.00
27 respondents to this question			Subtotal	113,970.25	Subtotal	110,775.00

(Note) as required by law