

Constitution and Administration

The Hong Kong Special Administrative Region (HKSAR), established in 1997, operates under the unique 'one country, two systems' principle. Under the Basic Law, Hong Kong people continue to administer the city and enjoy a high degree of autonomy.

On 1 July 1997, Hong Kong became a Special Administrative Region of the People's Republic of China (PRC) and the Basic Law came into effect. The Basic Law prescribes the systems to be practised in the HKSAR. The HKSAR enjoys a high degree of autonomy in accordance with the principle of 'one country, two systems' and the Basic Law. The HKSAR exercises executive, legislative and independent judicial power, including that of final adjudication.

The HKSAR's executive authorities and legislature are composed of permanent residents of Hong Kong. The HKSAR remains a free port, a separate customs territory and an international financial centre and may, on its own, using the name 'Hong Kong, China', maintain and develop relations, and conclude and implement agreements with foreign states and regions and relevant international organisations in the appropriate fields, including the economic, trade, financial and monetary, shipping, communications, tourism, cultural and sports fields.

Chief Executive

The Chief Executive, who is the head of the HKSAR and the HKSAR Government, leads the government. He is responsible for implementing the Basic Law, signing bills and budgets passed by the Legislative Council, promulgating laws, making decisions on government policies and issuing executive orders, among other duties. He is assisted by the Executive Council in policymaking.

Executive Council

The Basic Law requires the Chief Executive to consult the Executive Council before making important policy decisions (except for the appointment, removal and disciplining of officials and the adoption of measures in emergencies), introducing bills to the Legislative Council, making subordinate legislation, or dissolving the Legislative Council. The Chief Executive in

Council also determines appeals, petitions and objections under those ordinances which confer a statutory right of appeal. If the Chief Executive does not accept a majority opinion of the Executive Council, he shall put the specific reasons on record.

As at 31 December, the Executive Council had 30 members, comprising 16 Principal Officials and 14 Non-Officials. As provided for in the Basic Law, the Chief Executive appoints members of the Executive Council from among the principal officials of the executive authorities, members of the Legislative Council and public figures. They must be Chinese citizens who are permanent residents of the HKSAR with no right of abode in any foreign country. The Chief Executive decides on the appointment or removal of Executive Council members, whose term of office shall not extend beyond the expiry of the term of office of the Chief Executive who appoints them.

The Chief Executive presides at Executive Council meetings, which are normally held once a week. Its proceedings are confidential, although many of its decisions are made public. The Executive Council held 46 meetings during 2015.

Legislative Council

Powers and Functions

Under the Basic Law, the Legislative Council of the HKSAR shall exercise the following powers and functions:

- To enact, amend or repeal laws in accordance with the provisions of the Basic Law and legal procedures;
- To examine and approve budgets introduced by the government;
- To approve taxation and public expenditure;
- To receive and debate the policy addresses of the Chief Executive;
- To raise questions on the work of the government;
- To debate any issue concerning public interests;
- To endorse the appointment and removal of the judges of the Court of Final Appeal and the Chief Judge of the High Court;
- To receive and handle complaints from Hong Kong residents;
- If a motion initiated jointly by one-fourth of all the members of the Legislative Council charges the Chief Executive with serious breach of law or dereliction of duty and if he or she refuses to resign, the Legislative Council may, after passing a motion for investigation, give a mandate to the Chief Justice of the Court of Final Appeal to form and chair an independent investigation committee. The committee shall be responsible for carrying out the investigation and reporting its findings to the Legislative Council. If the

committee considers the evidence sufficient to substantiate such charges, the Legislative Council may pass a motion of impeachment by a two-thirds majority of all its members and report it to the Central People's Government (CPG) for decision; and

- To summon, as required when exercising the above-mentioned powers and functions, persons concerned to testify or give evidence.

Composition

According to the Basic Law, the Legislative Council of the HKSAR shall be constituted by election. The Fifth Legislative Council comprises 70 members, of whom 35 were returned by geographical constituencies through direct elections and 35 were returned by functional constituencies. The Fifth Legislative Council's term of office is four years from 1 October 2012 to 30 September 2016. The President of the Legislative Council is elected by and from among the council's members.

Meetings of the Legislative Council

The Legislative Council normally meets on Wednesdays. The business at its regular meetings includes introducing and considering bills and proposed resolutions; tabling subsidiary legislation, papers and reports for the council's consideration; asking the government questions; and debating motions concerning matters of public interest. All council meetings are open to the public. Members may address the council in Cantonese, English or Putonghua. With simultaneous interpretation provided, members of the public have the option of listening in any of these three language forms and can also watch the accompanying sign language. The proceedings are recorded verbatim in the Official Record of Proceedings of the Legislative Council.

During the 2014-15 legislative session from October 2014 to July 2015, the council held 35 meetings, four of which were the Chief Executive's Question and Answer Sessions. Members asked 140 oral questions on the work of the government with 797 supplementary questions, and another 504 written questions. The council passed 23 bills and negatived one. It also passed 16 motions moved by the government under the positive vetting procedure to seek the council's approval to either make or amend subsidiary legislation. In addition, it negatived the motion concerning the Amendment to the Method for the Selection of the Chief Executive of the Hong Kong Special Administrative Region. On subsidiary legislation subject to the negative vetting procedure, the council completed the scrutiny of 20 items which had been tabled during the 2013-14 session. It also finished scrutinising one technical memorandum and 115 out of the 150 items of subsidiary legislation tabled in the 2014-15 session, with two of them amended by resolutions of the council. Members will continue scrutinising the remaining 35 items in the 2015-16 session.

Finance Committee

The Finance Committee consists of all council members except the President. The committee's Chairman and Deputy Chairman are elected from among its members. It normally meets in public on Friday afternoons to scrutinise and approve public expenditure proposals put forward by the government to change approved Estimates of Expenditure. The committee also holds

special meetings to examine annual Estimates of Expenditure presented by the Financial Secretary to the council during proceedings relating to the Appropriation Bill, which sets out the government's expenditure proposals for the following financial year.

The committee's two subcommittees, the Establishment Subcommittee and the Public Works Subcommittee, also meet in public. Membership of both is open to all members of the Finance Committee.

The Establishment Subcommittee examines and makes recommendations to the Finance Committee on the government's proposals to create, redeploy and delete directorate posts, and to change the structure of civil service grades and ranks.

The Public Works Subcommittee examines and makes recommendations to the Finance Committee on the government's proposals to upgrade capital works projects to, or downgrade them from, Category A of the Public Works Programme, or concerning changes to the scope of, and approved estimates for, Category A projects.

During the 2014-15 session, the Finance Committee held 74 regular meetings, and eight special meetings comprising 20 sessions to examine the Estimates of Expenditure. The committee approved 98 financial proposals, including 10 establishment proposals, and 63 public works projects recommended by its two subcommittees.

Public Accounts Committee

The Public Accounts Committee considers the Director of Audit's reports on the government's accounts and the results of the director's value-for-money audits of government departments and other organisations that are within the purview of public audit. It may invite government officials, representatives of public organisations or any other persons to attend public hearings to give explanations, evidence or information. The seven members of the committee are appointed by the President of the Legislative Council according to the election procedure determined by the House Committee.

During the 2014-15 session, the committee held 15 public hearings and 21 closed meetings. It examined the Director of Audit's report on the government's accounts for the year ended 31 March 2014 and the reports on the value-for-money audits (reports 63 and 64). The committee's conclusions and recommendations are contained in its reports 63, 63A and 64, which were tabled in the council on 11 February, 3 June and 8 July 2015 respectively. The Government Minutes in response to the three reports were tabled in the council on 20 May and 28 October 2015.

Committee on Members' Interests

The Committee on Members' Interests consists of seven members who are appointed by the President of the Legislative Council according to the election procedure determined by the House Committee. It considers complaints made in relation to council members' registrations, declarations of interests, claims for the reimbursement of operating expenses and applications for advances of operating funds. It also examines arrangements for the compilation,

maintenance and accessibility of the Register of Members' Interests, considers matters of ethics related to members' conduct, and provides advice and issues guidelines on such matters.

During the 2014-15 session, the committee held one open meeting and 10 closed meetings, the latter to consider complaints against five members in relation to allegations of failure to register interests.

Committee on Rules of Procedure

The Committee on Rules of Procedure reviews the Rules of Procedure of the Legislative Council and its committee system, and proposes to the council any changes considered necessary. The committee consists of 12 members who are appointed by the President of the Legislative Council according to an election procedure determined by the House Committee.

During the 2014-15 session, the committee held four meetings.

Committee on Access to the Legislature's Documents and Records

The Committee on Access to the Legislature's Documents and Records determines whether a document or record should be released for access earlier than the expiry of the closure period specified in the policy on access to the legislature's documents and records. The committee also sets guidelines for implementing the policy; considers any objection against the denial of access to a document or record by the Clerk to the Legislative Council; and considers any other matters relating to the policy.

During the 2014-15 session, the committee held two closed meetings. It approved nine requests and denied one for the disclosure of documents and records. Approved and denied access requests are listed on the Legislative Council website.

House Committee

The House Committee consists of all council members except the President and normally meets on Friday afternoons. It deals with matters related to the work of the council and prepares for council meetings. It decides whether bills committees or subcommittees should be formed to scrutinise bills, subsidiary legislation and other instruments made under an ordinance. During the 2014-15 session, the House Committee held 35 meetings, including three special meetings with the Chief Secretary for Administration and senior government officials to discuss issues of public concern.

Bills Committees

Any member, other than the President, may join a bills committee formed by the House Committee to consider the general merits and principles of a bill allocated for scrutiny. A bills committee may also consider the detailed provisions of, and amendments to, the bill. It usually tables a report in the council and is dissolved on the passage of the bill or when the House Committee so decides.

During the 2014-15 session, the House Committee set up 18 bills committees, in addition to 16 set up in the previous sessions which continued in operation during the 2014-15 session.

Subcommittees on Subsidiary Legislation

During the 2014-15 session, the House Committee formed 36 subcommittees to consider 78 items of subsidiary legislation/draft subsidiary legislation, one Technical Memorandum and three proposed resolutions presented by the government for the council's approval.

Other Subcommittees

The House Committee may also appoint subcommittees to assist its consideration of policy issues and any other council-related matters. During the 2014-15 session, it appointed three such subcommittees. Another three subcommittees appointed in the previous sessions continued in operation during the 2014-15 session.

Panels

The council has 18 panels to monitor and examine the government's policies and issues of public concern. These panels also give views on major legislative or financial proposals before their introduction into the council or its Finance Committee and examine relevant policy matters. Panels may appoint subcommittees or joint subcommittees to study specific issues. During the 2014-15 session, two such subcommittees completed their work while seven such subcommittees were still in operation by the end of the session. Three such subcommittees were set up and placed on the waiting list.

Select Committees

The council may appoint select committees to enable members to consider matters or bills. Select committees report to the council after they have completed their work. Based on the referral of a petition at the 25 June 2014 council meeting, a select committee was formed to inquire into a construction delay in the Hong Kong section of the Guangzhou-Shenzhen-Hong Kong Express Rail Link. During the 2014-15 session, the committee held one open meeting, three closed meetings and six public hearings.

Redress System

The council operates a system which enables members of the public to seek help for redress of grievances resulting from government actions or policies. The redress system also deals with public representations on government policies and legislation as well as other matters of public concern. Members take turns, in groups of seven, to be on duty each week to oversee the redress system and to receive representations and complaints made by deputations. They also take turns to be on 'ward duty' at the Public Complaints Office during their duty week to meet individual complainants and give guidance to the office on the processing of cases.

The Legislative Council Commission and Legislative Council Secretariat

The Legislative Council Commission is a 13-member independent statutory body chaired by the President of the Legislative Council. Its main function is to provide administrative support and services to the council through the Legislative Council Secretariat. It employs the secretariat's staff and oversees its work, determines the organisation and administration of support services and facilities, formulates and executes policies on their effective operation, and expends funds in ways it sees fit to support these activities. The secretariat is headed by the Secretary General. Its mission is to provide the council and its committees with professional and

efficient support and services, enhance public understanding of the council's work and ensure the effective operation of its redress system.

District Administration

Hong Kong comprises 18 districts, each with a District Office, a District Council and a District Management Committee (DMC). Each district office is headed by a District Officer, who represents the HKSAR Government at the local level in overseeing district administration.

The 18 District Councils of the fourth term (2012-2015) have 507 seats in all, comprising 412 elected seats, 68 appointed seats and 27 ex-officio seats whose members are the chairmen of the New Territories rural committees. All appointed seats will be abolished in the fifth term (2016-2019) while 19 elected seats will be added, yielding a total of 458 seats filled by 431 elected members and 27 ex-officio members.

The councils' main function is to advise the government on matters affecting the well-being of their local residents, and on the provision and use of the respective public facilities and services. The government consults the councils on a wide range of issues. The councils carry out district minor works and community involvement projects, for which the government allocated \$340 million and \$361.6 million, respectively, in the 2015-16 financial year. The government has undertaken to increase the annual provision for district minor works progressively to \$400 million within the two council terms from 2012 to 2019.

The DMCs are government bodies chaired by the district officers. Each DMC comprises the chairman, vice-chairman and committee chairmen of the council and representatives of government departments providing essential services in the district. It serves as a forum for consultation and co-ordination between various departments and the council to resolve inter-departmental district issues and to ensure district needs are met promptly.

In 2014, the government introduced a pilot scheme in Sham Shui Po and Yuen Long, empowering the DMCs to decide on and co-ordinate work to address certain management and environmental hygiene problems of some public areas, with the councils' advice on the work priorities. The scheme ended in August 2015 and proved highly successful as it responded actively to the public's wishes. The government will consider extending the scheme to all 18 districts.

There are also 63 Area Committees – district-based advisory bodies which help organise community involvement activities, advise on local issues and promote public participation in district affairs. Their members are drawn from a wide spectrum of the community, including council members.

Twenty Home Affairs Enquiry Centres, attached to the district offices, provide a wide range of free services to the public, including answering general enquiries about government services, distributing government forms, disseminating information and administering declarations and oaths (including affirmations in lieu of oaths) for private use. Members of the public seeking legal advice can make appointments at the centres to see volunteer lawyers under a Free Legal Advice Scheme administered by the Duty Lawyer Service. Rating and Valuation Department

representatives are also available at five designated centres on specified days to advise on tenancy matters. The service centres and the Home Affairs Department's Central Telephone Enquiry Centre together served 2.1 million people in 2015.

The Electoral System

Electoral System for the Legislative Council

The composition of the first to fifth terms of the Legislative Council is as follows:

Membership	First term (1998-2000)	Second term (2000-2004)	Third & Fourth terms (2004-2008 and 2008-2012)	Fifth term (2012-2016)
• elected by geographical constituencies through direct elections	20	24	30	35
• elected by functional constituencies	30	30	30	35
• elected by an election committee	10	6	—	—
Total	60	60	60	70

Geographical Constituencies

All eligible persons aged 18 or above have the right to be registered as electors and to vote in geographical constituency elections, which are held on the basis of universal suffrage. There are about 3.69 million registered electors.

The HKSAR is divided into five geographical constituencies, with each returning five to nine seats in the fifth-term Legislative Council. Electors choose lists of candidates using the List Voting System, which operates under the Largest Remainder formula, a form of proportional representation.

Any permanent resident of the HKSAR who is a Chinese citizen with no right of abode in any foreign country may stand for election in any geographical constituency, provided this person is a registered elector, has attained the age of 21, and has ordinarily resided in Hong Kong for the preceding three years.

Functional Constituencies

For the fifth-term Legislative Council, the functional constituencies are: (1) Heung Yee Kuk¹; (2) agriculture and fisheries; (3) insurance; (4) transport; (5) education; (6) legal; (7) accountancy; (8) medical; (9) health services; (10) engineering; (11) architectural, surveying, planning and

¹ Heung Yee Kuk is a statutory advisory body on New Territories affairs.

landscape²; (12) labour; (13) social welfare; (14) real estate and construction; (15) tourism; (16) commercial (first); (17) commercial (second); (18) industrial (first); (19) industrial (second); (20) finance; (21) financial services; (22) sports, performing arts, culture and publication; (23) import and export; (24) textiles and garment; (25) wholesale and retail; (26) information technology; (27) catering; (28) District Council (first) and (29) District Council (second). The labour functional constituency returns three LegCo members and the District Council (second) functional constituency returns five LegCo members, while the other 27 functional constituencies return one member each.

The five seats of the District Council (second) functional constituency are returned with the whole of Hong Kong as a single constituency in accordance with the proportional representation list system. Candidates must be elected District Council members who are nominated by no less than 15 other elected District Council members; and electors must be registered geographical constituency electors who are not registered in other functional constituencies.

The electorate of functional constituencies representing professional groups is generally based on membership of professions with recognised qualifications, including statutory qualifications. The electorate of functional constituencies representing economic or social groups is generally made up of corporate members of major organisations representative of the relevant sectors.

A candidate in a functional constituency must satisfy the same age and residential requirements as for a geographical constituency election, be a registered elector, and be a registered elector of, or have a substantial connection with, the relevant functional constituency. To give due recognition to the significant contribution made by foreign nationals and the fact that Hong Kong is an international city, HKSAR permanent residents who are not of Chinese nationality or who have the right of abode in foreign countries may stand for election in 12 designated functional constituencies (numbered 3, 6, 7, 10, 11, 14, 15, 16, 18, 20, 21 and 23 above).

More than 1.83 million registered electors cast their votes at the election for the fifth-term Legislative Council on 9 September 2012, representing a turnout rate of 53 per cent.

Electoral System for Chief Executive

In accordance with the Basic Law, the Chief Executive is elected by an Election Committee. The Election Committee for the term up to January 2017 consists of 1,200 members from four sectors comprising 38 subsectors:

- 1,034 members from 35 subsectors who are returned through elections;
- 106 ex-officio members who are Hong Kong deputies to the National People's Congress (NPC) and members of the Legislative Council under the NPC subsector and the LegCo subsector respectively; and
- 60 members under the religious subsector who are nominated by six designated bodies.

² The architectural, surveying and planning functional constituency was renamed the 'architectural, surveying, planning and landscape functional constituency' on 17 July 2015.

The election of the fourth-term Chief Executive by the Election Committee was held on 25 March 2012. Mr Leung Chun-ying was declared as returned at the election. On 28 March 2012, in accordance with the provisions of the Basic Law and the outcome of the election, the State Council of the PRC appointed Mr Leung as the fourth-term Chief Executive, with his term of office starting on 1 July 2012.

Method for Selecting Chief Executive by Universal Suffrage

To attain the ultimate aim of selecting the Chief Executive by universal suffrage provided for in Article 45 of the Basic Law, the HKSAR Government conducted two rounds of extensive and systematic public consultation which lasted for a total of seven months. Following the consultation, the government put forward a package of proposals on the method for selecting the Chief Executive by universal suffrage that were in compliance with the Basic Law and the Decision of the Standing Committee of the National People's Congress on Issues Relating to the Selection of the Chief Executive of the Hong Kong Special Administrative Region by Universal Suffrage and on the Method for Forming the Legislative Council of the Hong Kong Special Administrative Region adopted on 31 August 2014. However, the proposals were voted down at a Legislative Council meeting on 18 June 2015. Therefore, according to the Decision, the method for selecting the fourth-term Chief Executive in 2012 will continue to be adopted to select the fifth-term Chief Executive in 2017, that is, the Chief Executive is to be elected by a 1,200-member Election Committee.

Electoral System for District Councils

The 18 District Councils advise the government on district affairs, and promote recreational and cultural activities and environmental improvements within the districts. A DC used to comprise elected members, appointed members and, in the case of the New Territories, the chairmen of rural committees as ex-officio members. With effect from the start of the fifth-term DCs on 1 January 2016, the system of appointed members has been abolished and the number of elected seats has been increased by 19 to 431.

The simple majority voting system is adopted for the DC elections. Each DC constituency returns one elected member. More than 1.46 million registered electors cast their votes at the election for the fifth-term DC on 22 November 2015, representing a turnout rate of 47 per cent.

Electoral Affairs Commission

The Electoral Affairs Commission, an independent statutory body, is responsible for ensuring elections in the HKSAR are conducted in an open, fair and honest manner and in accordance with the law. It comprises three politically neutral people appointed by the Chief Executive. Headed by a High Court Judge, the commission makes recommendations to the Chief Executive on the delineation of Legislative Council geographical constituencies and District Council constituencies, makes regulations on practical arrangements for the Chief Executive election, the Legislative Council election, the District Council election and the Rural Representative election, and handles complaints relating to these elections. The Registration and Electoral Office, a government department headed by the Chief Electoral Officer, works under the commission's direction and carries out its decisions.

Structure of Administration

The Chief Executive is the head of the HKSAR Government. The Chief Secretary for Administration, the Financial Secretary or the Secretary for Justice deputises for the Chief Executive during any temporary absence.

The Chief Secretary for Administration and the Financial Secretary together supervise the work of 13 policy bureaux, each headed by a Director of Bureau, usually referred to as the bureau's 'Secretary'. Together, they form the Government Secretariat. There are 56 departments. The Audit Commission reports to the Chief Executive, the Hong Kong Monetary Authority reports to the Financial Secretary while the Department of Justice reports to the Secretary for Justice. The remaining 53 departments are responsible to their relevant bureau secretaries for the efficient implementation of approved policies.

In addition, the Independent Commission Against Corruption, the Office of The Ombudsman and the Public Service Commission report directly to the Chief Executive.

The Chief Secretary for Administration, the Financial Secretary, the Secretary for Justice and the 13 Directors of Bureaus are politically appointed and defined as 'principal officials' in the Basic Law. They are appointed by the Central People's Government on the nomination of the Chief Executive for a five-year term, which will not exceed the term of the Chief Executive who nominates them. They are all members of the Executive Council – Hong Kong's equivalent of the Cabinet – and are accountable for matters falling within their respective portfolios. The Director of the Chief Executive's Office is also a politically appointed official, with the same terms of employment as those of a Director of Bureau.

There are two more layers of politically appointed officials (Under Secretaries and Political Assistants) to support the principal officials in carrying out political work.

Role of Chief Secretary for Administration

The Chief Secretary for Administration is the leading principal official in the HKSAR Government and a member of the Executive Council. The Chief Secretary for Administration is the most senior official to temporarily assume the duties of the Chief Executive if the Chief Executive is not able to discharge those duties for a short period.

The Chief Secretary for Administration supports the Chief Executive in administering Hong Kong, advises the Chief Executive on policy matters and plays an important role in policy co-ordination, which is particularly important in areas that cut across policy bureaux. The Chief Secretary for Administration is responsible for overseeing specific priority areas of the Chief Executive's policy agenda, forging a closer and more effective working relationship between the government and the Legislative Council, and drawing up the government's legislative programme. The Chief Secretary for Administration also exercises certain statutory functions, including the handling of appeals and matters of certain public bodies.

Role of Financial Secretary

The Financial Secretary's primary responsibility is to assist the Chief Executive in overseeing policy formulation and implementation of financial, monetary, economic, trade and development matters. The Financial Secretary exercises control over the Exchange Fund with the assistance of the Monetary Authority and is a member of the Executive Council.

The Financial Secretary is also in charge of the Government Budget and is responsible under the Public Finance Ordinance for laying before the Legislative Council each year the government's estimates of revenue and expenditure. The Financial Secretary outlines in the annual budget speech the government's vision and policies for sustainable economic development, presents budgetary proposals and moves the Appropriation Bill, which gives legal effect to the annual expenditure proposals in the Budget.

Central Policy Unit

The Central Policy Unit provides advice on policy issues to meet the requirements of the Chief Executive, the Chief Secretary for Administration and the Financial Secretary and submits reports directly to them.

The unit consults widely with the business, professional, academic and political communities and concerned groups. It undertakes in-depth examinations of complex policy issues, analyses options, conducts soundings of community views and recommends solutions for the government's internal consideration. It also carries out policy research covering the social, political and economic spheres, and co-ordinates the annual Policy Address exercise.

In addition, the unit provides secretariat support to the Commission on Strategic Development, which advises the Chief Executive on Hong Kong's long-term and overall development needs and goals with particular reference to the issues, direction and strategy related to the city's social, economic and political developments. The commission is chaired by the Chief Executive, with three ex-officio members, namely, the Chief Secretary for Administration, the Financial Secretary and the Head of the Central Policy Unit; and 32 non-official members drawn from a broad cross-section of the community, including professionals, academics, politicians and people from the business and labour sectors.

Efficiency Unit

The Efficiency Unit reports to the Chief Secretary for Administration. It provides management consultancy to help government agencies improve the quality and value of public services, and helps develop new service models for more engaging and effective public services. The unit also provides support to the Commission on Poverty's Social Innovation and Entrepreneurship Development Fund Task Force to promote innovation in addressing social needs.

The unit runs the government contact centre 1823 and the Gov.HK website's youth portal. These projects provide insight into public concerns and emerging trends that help the unit develop ideas for adapting and improving services to meet community needs.

Advisory and Statutory Bodies

About 5,300 members of the public serve on the roughly 470 advisory and statutory bodies which are a distinctive feature of the system of government. These bodies tap professional expertise in the community and enable public participation in government decision-making. This allows a wide cross-section of the community and relevant organisations to take part in the initial stage of policymaking and public-service planning. The government maintains a regular turnover of members to ensure broad participation and the inclusion of fresh perspectives.

Some of the advisory bodies, such as the Advisory Committee on Agriculture and Fisheries, deal with the interests of a particular industry. Others, such as the Transport Advisory Committee, advise on a particular area of government policy. Statutory bodies, such as the Hospital Authority, have legal powers and responsibilities to perform specific functions according to the relevant legislation.

Civil Service

The civil service is a permanent, honest, meritocratic, professional and politically neutral institution responsible to the Chief Executive. It supports the government in formulating, explaining and implementing policies, conducting administrative affairs, delivering public services, and undertaking law enforcement and regulatory functions. It provides staff for all government departments and other units of the administration. As at 31 December, the total strength of the civil service was 164,900 (excluding about 1,500 judges, judicial officers and ICAC officers), amounting to about 4.2 per cent of Hong Kong's labour force.

The Civil Service Bureau has overall policy responsibility for the management of the civil service, including appointments, pay and conditions of service, performance management, manpower planning, training and development, staff relations, and conduct and discipline. The bureau is also the focal point for consultation with major staff associations and manages a number of grades, including Administrative Officers, Executive Officers, and clerical and secretarial staff. Management of the civil service is governed mainly by three instruments: the Public Service (Administration) Order, the Public Service (Disciplinary) Regulation and the Civil Service Regulations, all made with the authority of the Chief Executive.

The Chief Executive is advised on civil service appointments, promotions and discipline by the Public Service Commission, an independent statutory body set up under the Public Service Commission Ordinance. The government is also advised on civil service pay and conditions of service by three independent bodies: the Standing Committee on Directorate Salaries and Conditions of Service (directorates officers excluding judges, judicial officers and the disciplined services, but including the heads of the disciplined services); the Standing Committee on Disciplined Services Salaries and Conditions of Service (the disciplined services except the heads of the disciplined services); and the Standing Commission on Civil Service Salaries and Conditions of Service (SCCS) (all other civil servants).

The policy for civil service pay is to offer sufficient remuneration to attract, retain and motivate staff of suitable calibre to provide the public with an effective, efficient and high-quality service. In order that civil service pay can be regarded as fair and reasonable by both civil servants who

provide the service and the public who foot the bill, the government adopts the principle that civil service pay should be broadly comparable with private-sector pay. Pay comparisons are achieved through periodic surveys: a Pay Level Survey is conducted every six years; a Starting Salaries Survey every three years; and a Pay Trend Survey every year. In February 2015, the SCCS accepted the administration's invitation to conduct the 2015 Starting Salaries Survey to compare the starting salaries of non-directorate civilian grades of the civil service with the entry pay of jobs in the private sector requiring similar qualifications.

In accordance with the Basic Law, public servants serving in all government departments should be permanent residents of the HKSAR, save for those who fall within exceptions provided in Articles 99 and 101 of the Basic Law. This requirement applies to civil servants recruited on or after 1 July 1997.

Appointment is based on open and fair competition. The government ensures persons with disabilities and ethnic minorities, like other applicants, will continue to have equal access to job opportunities in the civil service. Promotion is performance-based.

The government monitors staff turnover closely for manpower planning purposes to keep manpower at a level commensurate with service demand. Overall wastage in the civil service was about 4.5 per cent in 2014-15. The government has a well-established mechanism to review succession planning for senior staff, identify and groom officers with potential for advancement to senior management, and develop a pool of talent for senior positions.

In order to manage public resources prudently, the government keeps a watchful eye over the size of the civil service. New posts are created only when the need is justified and other means of providing services are not feasible. At the same time, due consideration is given to the need for additional manpower to deliver new and improved services. From 2007-08 to 2013-14, the civil service establishment increased about 1 per cent annually. In 2014-15, it increased about 1.5 per cent; a similar growth rate is estimated to continue for 2015-16.

The government values regular communication and consultation with staff. There are four consultative councils at the central level, namely, the Senior Civil Service Council, the Model Scale 1 Staff Consultative Council, the Disciplined Services Consultative Council and the Police Force Council, and some 90 consultative committees at the departmental level. A *Civil Service Newsletter* is published regularly to provide an added link with serving and retired employees.

Staff commitment and performance are recognised through various commendation schemes to motivate the provision of high-quality service to the public. Those schemes include the Secretary for the Civil Service's Commendation Award Scheme, which commends individual civil servants with consistently outstanding performance, and the Civil Service Outstanding Service Award Scheme, which commends achievements in service excellence on a department/team basis. On the other hand, staff misconduct is handled under an established disciplinary mechanism for punitive and deterrent purposes. To instil a culture of probity in the civil service, the Civil Service Bureau and the ICAC jointly run an ethical leadership programme, and each bureau and department is required to appoint a directorate officer to co-ordinate efforts to attain that goal.

The Civil Service Training and Development Institute formulates policies on training and development, and performance management. It organises various training programmes for civil servants, including leadership and management courses, language and communication courses, national studies programmes at institutions on the Mainland, and seminars in Hong Kong on national affairs and the Basic Law. In addition, the institute advises bureaus and departments on how to improve staff performance, develop competency profiles, enhance leadership capabilities and prepare officers for succession. The institute's e-learning portal, Cyber Learning Centre Plus, provides ready access to training resources to promote continuous learning among civil servants.

Official Languages

Chinese and English are Hong Kong's official languages. It is government policy to have a civil service that is proficient in written Chinese and English, and competent in Cantonese, Putonghua and spoken English. Important government documents are issued in both official languages, while correspondence with individual members of the public is always conducted in the language appropriate to the recipient.

The Civil Service Bureau's Official Languages Division helps implement the government's language policy, and provides bureaus and departments with a wide range of language-related support. Besides translation, interpretation, drafting and editing services, the division operates language advice hotlines, compiles reference materials such as guides to official writing and glossaries of terms commonly used in the government, and organises language-related talks and competitions. It also produces *Word Power*, a quarterly publication on language and culture, for service-wide distribution.

Government Records Service

The Government Records Service (GRS) oversees the overall management of government records and provides a range of records and archival management services. With regard to records management, the GRS formulates policies, guidelines and procedures; develops systems and oversees their implementation; and sets standards, gives guidance and provides training to bureaus and departments on good practices. It operates two records centres for the intermediate storage of inactive government records and a microfilm centre providing microfilming services for bureaus and departments.

During the year, the GRS fully implemented an electronic record-keeping system. To drive electronic records management in the government, it continues to provide records management support and assistance to bureaus and departments to develop or adopt an electronic record-keeping system.

The GRS appraises, acquires, preserves and provides access to government records of enduring value. Through its public programme, reference service and online educational resources, the GRS encourages understanding, use and protection of Hong Kong's documentary heritage. Its Central Preservation Library for Government Publications contains a wealth of government publications for the research and study of Hong Kong. Members of the public can visit the Hong Kong Public Records Building in Kwun Tong or use the website www.grs.gov.hk to search

the archives and browse the online exhibitions and educational resources portal, among other services.

The Ombudsman

The Ombudsman (established under The Ombudsman Ordinance) is the city's independent watchdog of public administration. The Ombudsman investigates actions by government departments and public bodies for administrative deficiencies and recommends remedial measures to improve the standard of public administration of Hong Kong.

Directly responsible to the Chief Executive, the Ombudsman serves as the community's monitor on government departments and 24 major public bodies specified in a schedule to the ordinance to ensure:

- bureaucratic constraints do not interfere with administrative fairness;
- public authorities are readily accessible to the public;
- abuse of power is prevented;
- wrongs are righted;
- facts are pointed out when public officers are unjustly accused;
- human rights are protected; and
- the public sector continues to improve quality and efficiency.

The Ombudsman is empowered to investigate complaints of non-compliance with the Code on Access to Information against all government departments, including those that are not listed in this schedule, such as the Hong Kong Police Force and the Independent Commission Against Corruption.

Besides investigating complaints, the Ombudsman may initiate direct investigations into matters of public interest and widespread concern, and publish the reports, so as to redress administrative flaws of a systemic nature and address fundamental problems or underlying causes of complaint.

The Ombudsman completed seven direct investigations in 2014-15, which concerned:

- regulatory measures and enforcement actions against street obstruction by shops;
- management and release of patient records by Hospital Authority;
- government's regulation of guesthouses;
- mechanisms used to review and monitor eligibility of existing tenants in subsidised public housing;

- procedures for approval of loan applications and recovery of debts under the Non-means-tested Loan Scheme;
- Education Bureau's non-disclosure of teachers' registration status; and
- safety regulation of eco-friendly refrigerants.

The reports of all direct investigations are available on the website.

The Ombudsman received 12,940 enquiries and 5,339 complaints in 2014-15. Areas attracting a substantial number of complaints related to error, wrong advice/decision, ineffective control and delay/inaction.

Although the Ombudsman has no authority to enforce recommendations, 85.3 per cent of the Ombudsman's recommendations have been accepted by the organisations concerned.

Audit Commission

The Audit Commission, headed by the Director of Audit, is established under the Basic Law, which provides that it shall function independently and be accountable to the Chief Executive.

The Audit Ordinance provides for the audit of the government's accounts by the Director of Audit and for the submission of the director's report to the President of the Legislative Council. The director also audits the accounts of the Exchange Fund, the Hong Kong Housing Authority, five trading funds and more than 60 other funds. In addition, the director reviews the financial aspects of the operations of the multifarious government-subsidised organisations.

The director carries out two types of audit: regularity audits and value-for-money audits. Regularity audits are intended to provide an overall assurance of the general accuracy and propriety of the financial and accounting transactions of the government and other audited bodies. The director has statutory authority under the ordinance to conduct regularity audits.

Value-for-money audits are intended to provide independent information, advice and assurance about the economy, efficiency and effectiveness with which any government bureau, department, agency, other public body, public office or audited organisation has discharged its functions. Except for some public organisations where the director has statutory authority to conduct value-for-money audits, these audits are carried out according to a set of guidelines agreed by the director, the legislature's Public Accounts Committee and the government and tabled in the Provisional Legislative Council in 1998.

After the director's report has been submitted to the President of the Legislative Council and laid before the council, it is considered by the committee. In 2015, the director submitted three reports: one on the audit certification of the government's accounts for the preceding financial year and two on the results of value-for-money audits (Report No 64 of April 2015 and Report No 65 of October 2015).

The committee selected three of the eight chapters of Report No 64 for public hearing:

- The Buildings Department's actions on unauthorised building works;
- Operation of the Government Flying Service; and
- Public cooked food markets managed by the Food and Environmental Hygiene Department.

The committee selected four of the 10 chapters of Report No 65 for public hearing:

- The government's efforts in managing municipal solid waste;
- Reduction and recycling of food waste;
- Use and disposal of vacant school premises; and
- Operation of the Hongkong Post.

The value-for-money audit reports attracted considerable public interest. The audit recommendations were accepted by the audited bodies.

The director's reports on the accounts of other public bodies are submitted to the relevant authorities according to the legislation governing those bodies' operation.

HKSAR's External Affairs

Active participation in international activities and close liaison with international partners have enabled the HKSAR to maintain its status as an international financial, trade, civil aviation and shipping centre.

In 2015, HKSAR Government representatives took part as members of the PRC delegation in more than 70 international conferences limited to states³. HKSAR Government representatives also attended nearly 1,500 international conferences not limited to states⁴.

The HKSAR Government concluded 21 agreements with foreign states in 2015, dealing with air services, surrender of fugitive offenders, transfer of sentenced persons, etc. In addition, a multilateral treaty, the 'Protocol to the Treaty on a Nuclear-Weapon-Free Zone in Central Asia, New York, 2014', became applicable to the HKSAR in 2015.

Foreign representation in the HKSAR includes 61 consulates-general and 60 consulates. Six international bodies⁵ have representative offices in Hong Kong.

³ Including those organised by the International Civil Aviation Organisation, the World Health Organisation and the World Intellectual Property Organisation.

⁴ Including those organised by the Asia-Pacific Economic Co-operation, the World Customs Organisation and the World Trade Organisation.

Working Relationship with the Office of the Commissioner of the Ministry of Foreign Affairs (MFA Office)

The HKSAR Government works closely with the MFA Office in Hong Kong in these areas:

- participation in international organisations and conferences, such as obtaining the Central People's Government's (CPG) approval for HKSAR Government officials to take part as members of the PRC delegation in international conferences limited to states;
- negotiation and conclusion of international agreements, such as obtaining the CPG's specific authorisation for the negotiation and conclusion of agreements with foreign states;
- consular protection for Hong Kong people in distress overseas; and
- matters relating to consular missions in the HKSAR.

Working Relationship with Mainland Authorities

The Constitutional and Mainland Affairs Bureau is responsible for co-ordinating contacts between the HKSAR Government and the Mainland authorities, promoting regional co-operation initiatives between Hong Kong and the Mainland, and overseeing the operation of the HKSAR Government's Mainland Offices.

The Hong Kong and Macao Affairs Office of the State Council facilitates the HKSAR Government's development of contacts with the Mainland authorities and liaises closely with the HKSAR Government on matters of mutual concern and on arrangements for official visits between Hong Kong and the Mainland.

Co-operation with Mainland provinces/municipalities

The Dedicated Chapter on Hong Kong and Macao in the National 12th Five-Year Plan emphasises the importance of deepening Hong Kong/Guangdong co-operation and implementing the Framework Agreement on Hong Kong/Guangdong Co-operation, further elevating their co-operation to a national development strategy level. A document entitled 'Proposal on Formulating the Thirteenth Five-Year Plan (2016-2020) on National Economic and Social Development' was issued in November 2015. It suggests enhancing exchange and co-operation on matters relating to society, livelihood, technology, culture, education and environmental protection among Hong Kong, Macao and the Mainland; and strengthening regional co-operation in the Pan-Pearl River Delta region.

At the 18th Plenary of the Hong Kong/Guangdong Co-operation Joint Conference in September 2015, the two sides reviewed the progress of their co-operation over the past year

⁵ They are the Bank for International Settlements Representative Office for Asia and the Pacific; Hague Conference on Private International Law Asia Pacific Regional Office; International Finance Corporation Regional Office for East Asia and Pacific and the World Bank Private Sector Development Office for East Asia and Pacific; International Monetary Fund Hong Kong SAR Sub-Office; Office of the European Union; and United Nations High Commissioner for Refugees Sub-Office.

and set directions for future co-operation in areas including the Belt and Road Initiative, the Guangdong Pilot Free Trade Zone, the liberalisation of trade in services, financial services, professional services, innovation and technology, environmental protection, youth and education.

Qianhai, Nansha and Hengqin are major platforms for promoting co-operation among Hong Kong, Guangdong, and Macao. The HKSAR Government has been keeping close contact with Mainland authorities on the planning and development of these three areas. It also joined a meeting of the Inter-ministries Joint Conference on the Promotion of the Development of Qianhai, Nansha and Hengqin in Guangdong, which was chaired by the National Development and Reform Commission, and reflected the views of Hong Kong businesses to the Mainland authorities.

The three areas have adopted a number of policies and measures offering favourable treatment to Hong Kong people and enterprises, such as introducing a 15 per cent enterprise tax for eligible companies in Qianhai and Hengqin; allowing Hong Kong and Mainland law firms to form partnerships in Qianhai, Nansha and Hengqin; and, in July 2015, extending a cross-border Renminbi pilot loan scheme from Qianhai to Nansha and Hengqin. Hong Kong people and enterprises entering the Qianhai market are to receive substantive support under a Work Plan on Promoting the Shenzhen-Hong Kong Co-operation in the Shenzhen-Hong Kong Modern Service Industry Co-operation Zone in Qianhai, issued by the Shenzhen Municipal Government in December 2014. The Qianhai Authority has also agreed to arrange pilot construction projects allowing accredited Hong Kong professionals and enterprises in construction and engineering to provide services directly in Qianhai.

Hong Kong and Shenzhen also made progress on co-operation in areas including Qianhai development, financial services, cross-boundary infrastructure, youth, medical services and environmental protection.

The Hong Kong-Fujian Co-operation Conference was set up in January 2015 to enhance exchanges and co-operation and to promote development of the two places. Both sides signed two agreements on strengthening economic and trade co-operation as well as financial co-operation.

The Pan-Pearl River Delta (PPRD) region comprises the Hong Kong and Macao SARs and nine provinces/autonomous regions of the Mainland. In December 2015, the Secretary for Constitutional and Mainland Affairs attended the 2015 PPRD Region Chief Executives' Joint Conference on behalf of the HKSAR Government to promote Hong Kong's unique role in deepening PPRD co-operation during the National 13th Five-Year Plan period.

In April 2015, the Chief Executive and the Mayor of the Shanghai Municipal Government convened the Third Plenary Session of the Hong Kong/Shanghai Economic and Trade Co-operation Conference. The two places reached consensus on 27 co-operation initiatives and signed three co-operation agreements covering finance, commerce and civil service exchange.

Working Relationship with Macao Special Administrative Region

The Eighth Hong Kong-Macao Co-operation High Level Meeting was held in July. Both sides agreed to forge closer ties on economic and trade co-operation and to strengthen co-operation in areas including e-government, finance, cross-boundary transport arrangements for the Hong Kong-Zhuhai-Macao Bridge, environmental protection, culture and youth.

HKSAR's Offices on the Mainland

The HKSAR Government has five offices on the Mainland, namely, the Beijing Office (BJO) and the four Hong Kong Economic and Trade Offices (ETOs) in Chengdu, Guangdong, Shanghai and Wuhan⁶. In addition, the Shandong Liaison Unit, formed under the Shanghai ETO in April, is the HKSAR Government's fifth liaison unit on the Mainland; the other four are in Chongqing, Fujian, Shenzhen and Liaoning. These offices and units are responsible for enhancing liaison, communication, trade, commercial relations and investment promotion on the Mainland; and providing support to Hong Kong residents and enterprises on the Mainland. Immigration Divisions in the BJO and the Chengdu and Guangdong ETOs provide practical help to Hong Kong residents in distress or seeking assistance on the Mainland and handle immigration matters.

Exchanges with Taiwan

Hong Kong and Taiwan have close economic, cultural and social ties. Taiwan is Hong Kong's fourth largest trading partner in goods, with two-way trade amounting to US\$43,784 million in 2015. The number of visitors from Taiwan in 2015 amounted to some 2.02 million.

Hong Kong co-operates with Taiwan on public policy areas through the Hong Kong-Taiwan Economic and Cultural Cooperation and Promotion Council; and the Hong Kong Economic, Trade and Cultural Office in Taiwan promotes Hong Kong's image, strengthens bilateral exchanges, and serves Hong Kong people and businesses in Taiwan.

Key achievements in 2015 include the following:

- Accreditation bodies in the two places signed a Memorandum of Understanding on Cooperation in Accreditation Technologies to launch co-operation related to areas including information sharing, research in new areas, technical support and personnel training;
- The Hong Kong Airport Authority and the Taoyuan Airport Corporation signed a memorandum of understanding to enhance exchanges between the two airports; and

⁶ The Beijing Office covers Beijing, Gansu, Hebei, Heilongjiang, Inner Mongolia, Jilin, Liaoning, Ningxia, Tianjin and Xinjiang. The Guangdong ETO covers Fujian, Guangdong, Guangxi, Hainan and Yunnan. The Shanghai ETO covers Anhui, Jiangsu, Shandong, Shanghai and Zhejiang. The Chengdu ETO covers Chongqing, Guizhou, Qinghai, Shaanxi, Sichuan and Tibet. The Wuhan ETO covers Henan, Hubei, Hunan, Jiangxi and Shanxi.

- The Hong Kong Economic, Trade and Cultural Office and the Taoyuan City Government jointly organised an Inter-city Forum that discussed the latest developments of the airport, exhibition and logistics industries in the two cities.

Websites

Administration Wing, Chief Secretary for Administration's Office: www.admwing.gov.hk

Audit Commission: www.aud.gov.hk

Civil Service Bureau: www.csb.gov.hk

Constitutional and Mainland Affairs Bureau: www.cmab.gov.hk

Home Affairs Bureau: www.hab.gov.hk

Hong Kong Economic, Trade and Cultural Office (Taiwan): www.hketco.hk

Hong Kong-Taiwan Economic and Cultural Co-operation and Promotion Council:
www.eccpc.org.hk

Legislative Council: www.legco.gov.hk

Office of The Ombudsman: www.ombudsman.hk

Protocol Division Government Secretariat: www.protocol.gov.hk