

## Chapter 1

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# Constitution and Administration

*The Hong Kong Special Administrative Region was established in 1997 under the principle of 'one country, two systems', 'Hong Kong people administering Hong Kong' and a high degree of autonomy, in accordance with the Basic Law.*

Hong Kong has been part of the territory of China since ancient times. To uphold national unity and territorial integrity and to maintain the prosperity and stability of Hong Kong, and taking account of its history and realities, the People's Republic of China (PRC) decided that upon China's resumption of the exercise of sovereignty over Hong Kong, a Hong Kong Special Administrative Region (HKSAR) would be established in accordance with the provisions of Article 31 of the Constitution of the PRC, and that under the principle of 'one country, two systems', the socialist system and policies would not be practised in Hong Kong. On 1 July 1997, Hong Kong became a Special Administrative Region of the PRC and the Basic Law came into effect. The Basic Law is the constitutional document of the HKSAR. It enshrines within a legal document the important concepts of 'one country, two systems', 'Hong Kong people administering Hong Kong' and a high degree of autonomy. Under 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. The Chief Executive 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. The Chief Executive 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 or she shall put the specific reasons on record.

As at 31 December, the Executive Council had 32 members, comprising 16 Principal Officials and 16 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 38 meetings during 2018.

### **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 Sixth Legislative Council comprises 70 members<sup>1</sup>, of whom 35 were returned by geographical constituencies through direct elections and 35 were returned by functional constituencies. The Sixth Legislative Council's term of office is four years from 1 October 2016 to 30 September 2020. 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 questions on the government's work; 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 languages and can also watch the simultaneous sign language interpretation. The proceedings are recorded verbatim in the Official Record of Proceedings of the Legislative Council.

During the 2017-18 legislative session from October 2017 to July 2018, the council held 42 meetings, four of which were the Chief Executive's question and answer sessions and seven the Chief Executive's question times. Members asked 150 oral questions on the government's work with 719 supplementary questions, and another 499 written questions. The council passed 28 bills. It also passed 15 motions moved by the government under the positive vetting procedure to seek the council's approval to either make or amend subsidiary legislation. On subsidiary legislation subject to the negative vetting procedure, the council finished scrutinising 18 items

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<sup>1</sup> Of the six vacancies in the membership of the Sixth Legislative Council arising from the courts' declaration that six elected members were disqualified from assuming office on 12 October 2016, five vacancies have been filled following by-elections held on 11 March and 25 November 2018. As at 31 December 2018, the council had one vacant membership.

which had been tabled during 2016-17. It also completed scrutinising 129 out of 142 items of subsidiary legislation tabled in 2017-18, with the remaining 13 items scrutinised in 2018-19.

### **Finance Committee**

The Finance Committee consists of all council members except the President of the Legislative Council, with its Chairman and Deputy Chairman elected from among its members. The committee is responsible for scrutinising and approving public expenditure proposals put forward by the government as well as examining the annual Estimates of Expenditure presented by the Financial Secretary to the council during proceedings relating to the Appropriation Bill.

The committee appoints two subcommittees, the Establishment Subcommittee and Public Works Subcommittee, whose memberships are 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 those that seek 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 about capital works projects.

In 2017-18, the Finance Committee held 38 meetings to scrutinise financial proposals, eight special meetings comprising 21 sessions to examine the Estimates of Expenditure and one meeting to receive the Financial Secretary's briefing on the Budget. The committee deliberated on and approved 98 financial proposals, namely 36 public works proposals costing \$168.1 billion in total, 32 establishment proposals and 30 other funding proposals involving a total commitment of \$83.3 billion.

### **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 an election procedure determined by the House Committee.

In 2017-18, the committee held 15 public hearings and 17 closed meetings. It examined the Director of Audit's report on the government's accounts for the year ended 31 March 2017 and his reports on value-for-money audits (Report Nos 68, 69 and 70). The committee gave its conclusions and recommendations in its Report Nos 68A, 69, 69A, 70 and 70A, which were tabled in the council on 17 January, 7 February, 2 May, 11 July and 14 November 2018 respectively. The Government Minutes in response to Report Nos 68A, 69, 69A and 70 were tabled in the council on 11 April, 16 May and 31 October 2018.

***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 an election procedure determined by the House Committee. It considers complaints made in relation to council members' registration and declaration of interests, and members' claims for the reimbursement of operating expenses or 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 gives advice and issues guidelines on such matters.

In 2017-18, the committee held one closed meeting to consider a few complaints against a member in relation to allegations of failure to register and disclose interests.

***Investigation Committees***

A motion may be moved to censure a council member under Article 79(7) of the Basic Law and Rule 49B(1A) of the Rules of Procedure of the Legislative Council. Under Rule 49B(2A), upon the moving of the motion, debate shall be adjourned and the matter stated in the motion shall be referred to an investigation committee unless the council otherwise orders.

An investigation committee established in 2016-17 under Rule 49B(2A) in respect of a motion to censure Dr Hon Cheng Chung-tai completed its work and reported to the council on 11 April 2018. A debate on the censure motion resumed at the council meeting of 16 May 2018 and the motion was negatived. An investigation committee formed in 2016-17 concerning a motion to censure Hon Holden Chow Ho-ding, and another investigation committee formed in 2017-18 concerning a motion to censure Hon Hui Chi-fung, will continue their work in the next legislative session.

***Committee on Rules of Procedure***

The Committee on Rules of Procedure reviews the rules and the council's committee system, and proposes changes to the council. Its 12 members are appointed by the President of the Legislative Council according to an election procedure determined by the House Committee. In 2017-18, the committee held four closed 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 on 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. In 2017-18, 13 requests to disclose documents and records were approved. The Clerk to the Legislative Council conducts reviews on closed documents and records in existence for more than 25 years, and approved the disclosure of 70 files in 2017-18.

Lists of the disclosed documents and records are uploaded onto the legislature's website.

### **House Committee**

The House Committee consists of all council members except the President of the Legislative Council 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. In 2017-18, the committee held 31 meetings, including one special meeting with the Chief Secretary for Administration and senior government officials to discuss the government's preparations, emergency response and recovery efforts arising from Super Typhoon Mangkhut.

### **Bills Committees**

Any member, other than the President of the Legislative Council, 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. In 2017-18, the House Committee set up 20 bills committees to study 20 government bills.

### **Subcommittees on Subsidiary Legislation**

In 2017-18, the House Committee formed 36 subcommittees to study 56 items of subsidiary legislation, one technical memorandum and seven proposed resolutions presented by the government for the council's approval.

### **Other Subcommittees**

The House Committee may also appoint subcommittees to consider policy issues and any other council-related matters. Among the eight subcommittees on policy issues appointed in the previous legislative session, four had completed their work by the end of 2017-18, three were still in operation and one was on the waiting list for activation. Two subcommittees on other council-related matters were also in operation.

### **Panels**

The council has 18 panels for members to deliberate on policy matters and study issues of public concern. These panels also give views on major legislative and 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. In 2017-18, one such subcommittee completed its work while four were still operational by the end of the legislative session. Another eight were placed on the waiting list for activation.

### **Select Committees**

The council may appoint select committees for members to consider matters or bills. Select committees report to the council after completing their work. A select committee to inquire into an agreement between Mr Leung Chun-ying and the Australian firm UGL Limited, established according to a petition presented at the council meeting of 2 November 2016, continued its work in 2017-18.

### **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 members of the public and to provide guidance to staff of 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 fifth term (2016-19) have 458 seats in all, comprising 431 elected seats and 27 ex-officio seats whose members are the chairmen of the New Territories rural committees.

The councils advise the government on matters affecting the well-being of their local residents, and on the provision and use of their 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 \$461.6 million, respectively, in the 2018-19 financial year.

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 coordination between various departments and the council to resolve interdepartmental district issues and to ensure district needs are met promptly.

The government allocates \$63 million to the 18 districts annually to implement a District-led Actions Scheme. The scheme enables the DMCs, by fully engaging their District Councils, to

handle local issues on the management of public areas and environmental hygiene more effectively, and to launch projects that take advantage of local opportunities.

There are 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. Residents 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 Electoral System

### *Electoral System for Legislative Council*

#### *Composition of first to sixth terms of Legislative Council*

<b>Membership</b>	<b>First term (1998-2000)</b>	<b>Second term (2000-04)</b>	<b>Third and fourth terms (2004-08 and 2008-12)</b>	<b>Fifth and sixth terms (2012-16 and 2016-20)</b>
• 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 3.81 million registered electors.

The HKSAR is divided into five geographical constituencies, each returning five to nine seats in the sixth-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 sixth-term Legislative Council, the functional constituencies are: (1) Heung Yee Kuk<sup>2</sup>; (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 landscape; (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 Legislative Council members and the District Council (second) functional constituency returns five Legislative Council 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 fewer 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.

### **Electoral System for Chief Executive**

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

- 1,034 members from 35 subsectors who are returned through elections;

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<sup>2</sup> The Heung Yee Kuk is a statutory advisory body on New Territories affairs.

- 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 Legislative Council subsector respectively; and
- 60 members under the religious subsector who are nominated by six designated bodies.

### ***Method for Selecting Chief Executive by Universal Suffrage***

Article 45 of the Basic Law stipulates the ultimate aim of selecting the Chief Executive by universal suffrage. According to the Basic Law, universal suffrage for the Chief Executive can be attained only with the support of a two-thirds majority of all the members of the Legislative Council, the consent of the Chief Executive, and the approval of the Standing Committee of the National People's Congress (NPCSC). The government will do its best to create a favourable social atmosphere to take forward constitutional development in accordance with the Basic Law and the relevant interpretation and decisions of the NPCSC.

### ***Electoral System for District Councils***

The District Council elections adopt a simple majority voting system. Each District Council constituency returns one elected member. The fifth-term councils (2016-19) have 431 constituencies. The election for the sixth-term councils (2020-23) will be held on 24 November 2019 with the number of constituencies increased by 21 to 452.

### ***Electoral Affairs Commission***

The Electoral Affairs Commission is an independent statutory body that ensures elections in the HKSAR are conducted in an open, fair and honest manner and in accordance with the law. Headed by a High Court Judge, the commission comprises three politically neutral members, including the Chairman, all appointed by the Chief Executive. It 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, Legislative Council election, District Council election and 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 (ICAC), 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 CPG on the Chief Executive's nomination 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.

Two other layers of politically appointed officials, the Under Secretaries and Political Assistants, support the principal officials in carrying out political work.

### **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 assume the Chief Executive's duties temporarily 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 coordination, which is particularly important in areas that cut across policy bureaus. 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.

### **Financial Secretary**

The Financial Secretary's primary responsibility is to oversee policy formulation and implementation of financial, monetary, economic, trade and development as well as innovation and technology matters. He 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. He outlines in the annual Budget speech the government's vision and policies to sustain economic development, presents budgetary proposals and moves the Appropriation Bill, which gives legal effect to the annual expenditure proposals in the Budget.

### **Policy Innovation and Co-ordination Office**

To enable the government to better perform its facilitator role, the former Central Policy Unit was revamped and reorganised as the Policy Innovation and Co-ordination Office with effect from 1 April. It seeks to enhance policy innovation in the government through conducting evidence-based policy research and coordinating the efforts of internal and external

stakeholders, supports the senior leadership to advance Hong Kong's strategic positioning in the global economic arena, fosters the development of a vibrant public policy research community in the city and provides 'first-stop and one-stop' project consultation and coordination services to innovative projects that can bring broader benefits to the society.

The office also provides secretariat support to the Chief Executive's Council of Advisers on Innovation and Strategic Development, a high-level body that advises the Chief Executive on Hong Kong's future development and strategies for driving innovation. The council was established on 21 March to replace two advisory bodies – the Commission on Strategic Development and the Economic Development Commission.

### **Advisory and Statutory Bodies**

About 5,800 members of the public serve on around 500 advisory and statutory bodies, which are a distinctive feature of the system of government. These bodies tap professional expertise in the community and allow a wide cross-section of the community and relevant organisations to take part in the initial stage of policymaking and public-service planning, and to perform specific functions. 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. As at 31 December, the total strength of the civil service was 173,700, excluding about 1,500 judges, judicial officers and ICAC officers. This amounted to 4.4 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, Training 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 Chief Executive 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, which represents directorate 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, representing the disciplined services except the heads of the disciplined services; and the Standing Commission on Civil Service Salaries and Conditions of Service (SCCS), representing all other civil servants.

The government's civil service pay policy is to offer sufficient remuneration to attract, retain and motivate staff of suitable calibre to provide the public with an effective and efficient service, and to maintain broad comparability between civil service and private-sector pay. Pay comparisons are achieved through three types of surveys, namely the Pay Level Survey, the Starting Salaries Survey and the Pay Trend Survey. In December, the SCCS completed a review of the Pay Level Survey and the Starting Salaries Survey, and submitted to the Chief Executive its findings and recommendations in Report No 59.

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 for 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, have equal access to job opportunities in the civil service. Promotion is performance-based.

The government monitors staff turnover closely for manpower planning purposes. Overall wastage in the civil service was 5.1 per cent in 2017-18. A well-established mechanism is in place to review succession planning for senior staff members, identify and groom officers with potential for advancement to senior management, and develop a pool of talent for senior positions.

The government monitors closely the size of the civil service for prudent financial management. The civil service grew mostly between 1 and 1.9 per cent annually from 2007-08 to 2017-18, and is estimated to increase 3.7 per cent in 2018-19 so as to effectively implement the new policies and initiatives proposed by the current-term government.

The government maintains close communication with staff and consults them on issues of concern through various channels, including an established staff consultation mechanism which consists of four staff 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 regularly published *Civil Service Newsletter* provides an added link with serving staff and retirees.

Exemplary staff performance is recognised through various commendation schemes to motivate civil servants to provide quality service to the public. The schemes include the Secretary for the Civil Service's Commendation Award Scheme that commends individuals with

consistently outstanding performance, and the Civil Service Outstanding Service Award Scheme that commends achievements in service excellence on a departmental or 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 coordinate efforts to attain that goal.

The Civil Service Training and Development Institute formulates policies on training and development and on performance management. It organises training programmes and seminars for civil servants on leadership and management, innovation and technology, language and communication, national affairs and the Basic Law. The institute also advises bureaus and departments on how to improve staff performance, develop competency profiles, enhance leadership capabilities and prepare officers for succession. Through its e-learning platform, Cyber Learning Centre Plus, the institute provides civil servants with ready access to training resources to promote a culture of continuous learning. A new civil service college will be established to enhance training for civil servants, deepen their understanding of the country's development and the relationship between the central authorities and the HKSAR, raise their awareness of international affairs, and promote exchanges with civil servants in other places.

## 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 conducted in either 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, 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.

To drive the adoption of electronic records management in the government, the GRS sets standards and functional requirements for the implementation of electronic record-keeping systems in the government and has been providing support to bureaus and departments in developing or adopting such systems.

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 GRS website 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. She 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.

The Ombudsman serves as the community's monitor on government departments and 26 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 ICAC.

Besides investigating complaints, the Ombudsman may initiate direct investigations into matters of public interest and widespread concern, and publish her reports to redress administrative flaws of a systemic nature and address fundamental problems or the underlying causes of complaints. The reports of all direct investigations are available on the website of the Office of the Ombudsman.

The Ombudsman completed 12 direct investigations in 2017-18, which concerned:

- the Leisure and Cultural Services Department's criteria and procedures for procuring and withdrawing library materials;
- the mechanism of the Food and Health Bureau and the Department of Health for handling smoking offences;
- the Food and Environmental Hygiene Department's criteria for publicising the list of traders involved after issuing a Food Safety Order;
- the Social Welfare Department's support services for persons with or suspected to have mental health problems and their families, carers and neighbours;
- the Water Supplies Department's maintenance of government water mains and risk management;
- the Food and Environmental Hygiene Department's system of safety control for imported fruits and vegetables;
- the government's regulation of factory canteens;
- the Lands Department's enforcement against a village house with irregularities;
- the arrangement between the Housing Department and Water Supplies Department regarding the payment of water charges for common areas and vacant units in public housing estates;
- the Hong Kong Airport Authority's mechanism for issuing Airport Restricted Area Permits;
- the government's control over fly-tipping of construction waste and landfilling activities on private land; and
- the Transport Department's handling of a road section enclosed and left idle for a prolonged period.

The Ombudsman received 11,424 enquiries and 4,826 complaints in 2017-18. Areas attracting a substantial number of complaints related to error, wrong advice or decision, delay or inaction, and ineffective control.

Although the Ombudsman has no authority to enforce recommendations, 83.3 per cent of her recommendations had been accepted by the organisations concerned as at 31 March 2018.



## **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, and reviews the financial operations of multifarious government-subsidised organisations.

The director carries out two types of audit: regularity audits and value-for-money audits. Regularity audits aim 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 aim 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 between the director and the legislature's Public Accounts Committee and accepted by the government.

The director's report is submitted to the President of the Legislative Council and laid before the council, where it is considered by the committee. In 2018, 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 70 of April 2018 and Report No 71 of October 2018.

For Report No 70, the committee selected three of the eight chapters for public hearing, namely 'Management of restored landfills', 'Integrated education' and 'Sha Tin Section of Route 8', and investigated the remaining five chapters by making written enquiries.

For Report No 71, the committee selected two of the 10 chapters for public hearing, namely 'Centre for Food Safety: Management of food safety' and 'Centre for Food Safety: Import control of foods', and investigated the remaining eight chapters by making written enquiries.

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

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 a global financial, trade, civil aviation and shipping

centre. In 2018, HKSAR Government representatives took part as members of the PRC delegation in 99 international conferences limited to states<sup>3</sup>. HKSAR Government representatives also attended 1,675 international conferences not limited to states<sup>4</sup> using the name 'Hong Kong, China'.

The HKSAR Government also concluded 31 bilateral agreements with foreign states and regions and one international organisation that covered free trade, avoidance of double taxation, mutual legal assistance in criminal matters, cultural cooperation and other matters.

Foreign representation in the HKSAR includes 61 consulates-general and 58 honorary consulates. Six international bodies<sup>5</sup> have representative offices in Hong Kong.

### **Working Relationship with the Office of the Commissioner of the Ministry of Foreign Affairs**

The HKSAR Government works closely with the Office of the Commissioner of the Ministry of Foreign Affairs in Hong Kong in these areas:

- participation in international organisations and conferences, such as obtaining the CPG's views for HKSAR Government officials to take part in international conferences limited to states as members of the PRC delegation;
- negotiation and conclusion of international agreements, such as obtaining the CPG's authorisation to negotiate and conclude agreements with foreign states if necessary;
- consular protection for Hong Kong residents in distress overseas; and
- matters relating to consular missions in the HKSAR.

### **Working Relationship with Mainland Authorities**

The Constitutional and Mainland Affairs Bureau coordinates contacts between the HKSAR Government and the Mainland authorities, promotes regional cooperation between Hong Kong and the Mainland, and oversees 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

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

<sup>4</sup> Including those organised by the Asia-Pacific Economic Cooperation, World Customs Organisation and World Trade Organisation.

<sup>5</sup> 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 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.

the HKSAR Government on matters of mutual concern and on arrangements for official visits between Hong Kong and the Mainland.

### ***Regional Cooperation with Mainland***

The HKSAR Government is committed to strengthening regional cooperation with the Mainland and performing its role actively as a facilitator and promotor, so as to identify more business and development opportunities for Hong Kong people and enterprises. Hong Kong participates actively in the development of the Guangdong-Hong Kong-Macao Greater Bay Area, deepens regional cooperation through its cooperation mechanisms with the Pan-Pearl River Delta (PPRD) region, Guangdong, Beijing, Shanghai, Fujian, Sichuan and Shenzhen, and promotes regional cooperation with the other provinces and municipalities by adopting a pragmatic approach and launching initiatives once they are ready.

### ***Development of Guangdong-Hong Kong-Macao Greater Bay Area***

The Greater Bay Area comprises the two SARs of Hong Kong and Macao as well as nine municipalities in Guangdong, namely Guangzhou, Shenzhen, Zhuhai, Foshan, Huizhou, Dongguan, Zhongshan, Jiangmen and Zhaoqing.

The HKSAR Government has been working closely with central ministries and the Guangdong and Macao governments to draw up an Outline Development Plan for the Greater Bay Area since the National Development and Reform Commission and the governments of Guangdong, Hong Kong and Macao signed the Framework Agreement on Deepening Guangdong-Hong Kong-Macao Cooperation in the Development of the Greater Bay Area in July 2017. In the same year, it also agreed expeditiously on three areas of focus with the Guangdong Provincial Government at the Plenary of the Hong Kong/Guangdong Cooperation Joint Conference, to develop an international innovation and technology (I&T) hub; facilitate the development of sectors in which Hong Kong's strengths lie, such as health care and education, in the Mainland's Greater Bay Area cities; and foster the interconnectivity of the flow of people, goods, capital and information within the Greater Bay Area.

In August, the Chief Executive, Mrs Carrie Lam, attended the first plenary meeting of the Leading Group for the Development of the Guangdong-Hong Kong-Macao Greater Bay Area as a member in Beijing. The meeting was hosted and convened by Vice Premier Han Zheng of the State Council to discuss work priorities for the next stage of the Greater Bay Area's development. The Leading Group serves as a top-tier body to coordinate and advance the development of the Greater Bay Area. The HKSAR Government will make good use of the Chief Executive's membership, capitalise on Hong Kong's strengths to serve the country's needs, and explore and identify economic, social and livelihood opportunities brought to Hong Kong by the Greater Bay Area development.

The HKSAR Government has also strengthened its internal coordination efforts. As announced in her 2018 Policy Address, the Chief Executive is chairing a high-level Steering Committee for the Development of the Guangdong-Hong Kong-Macao Greater Bay Area, which comprises all Secretaries of Departments and Directors of Bureaus. The committee is responsible for the overall coordination of matters relating to Hong Kong's participation in the Greater Bay Area development. The Constitutional and Mainland Affairs Bureau will also set up a Guangdong-

Hong Kong-Macao Greater Bay Area Development Office and appoint a Commissioner for the Development of the Guangdong-Hong Kong-Macao Greater Bay Area. This office will coordinate with central ministries, the Guangdong and Macao governments and the HKSAR policy bureaux to take forward the Greater Bay Area development.

### **Cooperation with Shenzhen**

Hong Kong and Shenzhen have long been close partners. Both sides are now capitalising on the long-established solid base for cooperation and development opportunities brought by the Greater Bay Area to promote even closer cooperation in I&T, Qianhai development, financial services, professional services, youth development and other areas to achieve complementary, win-win development.

### **Cooperation with Other Mainland Provinces and Municipalities**

The HKSAR Government cooperates with various municipal and provincial governments in areas including trade, finance, I&T, creative industries and youth exchanges. In May, the First Plenary Session of the Hong Kong/Sichuan Cooperation Conference, led by the Chief Executive and the Secretary of the Communist Party of China's Sichuan Provincial Committee, was held in Chengdu to establish a new cooperation mechanism between Hong Kong and Sichuan. In August, the Chief Executive and the Mayor of Shanghai convened the Fourth Plenary Session of the Hong Kong/Shanghai Cooperation Conference in Hong Kong. In September, the Chief Executive led a delegation to attend the 12th PPRD Regional Cooperation and Development Forum and Trade Fair in Guangzhou. In October, the Chief Executive and the Mayor of Beijing convened the Fourth Plenary Session of the Hong Kong/Beijing Cooperation Conference in Beijing. In November, the Chief Secretary for Administration and the Vice-Governor of Fujian Province convened the Third Hong Kong/Fujian Cooperation Conference in Fuzhou.

### **HKSAR's Offices in Mainland**

The HKSAR Government has five offices in the Mainland, namely the Beijing Office and the four Hong Kong Economic and Trade Offices (ETOs) in Chengdu, Guangdong, Shanghai and Wuhan<sup>6</sup>. It also has 11 liaison units, located in Liaoning, Tianjin, Shenzhen, Fujian, Guangxi, Shandong, Zhejiang, Chongqing, Shaanxi, Hunan and Henan. These offices and units enhance government-to-government liaison as well as trade and commercial relations and investment promotion in the Mainland; and provide support to Hong Kong residents and enterprises in the Mainland. Immigration divisions operate in the five offices to provide practical help to Hong Kong residents in distress or seeking assistance in the Mainland, handle immigration matters and provide HKSAR passport replacement service.

### **Working Relationship with Macao Special Administrative Region**

Hong Kong will take forward the development of the Greater Bay Area jointly with Guangdong and Macao. The Hong Kong-Zhuhai-Macao Bridge was commissioned in October, incorporating

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<sup>6</sup> 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 western Pearl River Delta into a three-hour commuting radius of Hong Kong. This enhances economic development and connectivity among the Greater Bay Area cities and has strategic significance for the development of the Greater Bay Area. The liberalisation of trade in goods and services provided for in the Hong Kong Special Administrative Region and Macao Special Administrative Region Closer Economic Partnership Arrangement took effect on 1 January.

### **Exchanges with Taiwan**

Hong Kong and Taiwan have close economic, cultural and social ties. Taiwan was Hong Kong's third largest trading partner in goods, with two-way trade amounting to US\$54,167 million in 2018. The number of arrivals from Taiwan to Hong Kong totalled about 1.93 million.

Hong Kong cooperates with Taiwan on public policy areas through the Hong Kong-Taiwan Economic and Cultural Cooperation and Promotion Council, while the Hong Kong Economic, Trade and Cultural Office in Taiwan promotes Hong Kong's image, strengthens exchanges between the two places and serves Hong Kong residents and businesses in Taiwan.

### **Websites**

Administration Wing, Chief Secretary for Administration's Office: [www.admwing.gov.hk](http://www.admwing.gov.hk)

Audit Commission: [www.aud.gov.hk](http://www.aud.gov.hk)

Civil Service Bureau: [www.csb.gov.hk](http://www.csb.gov.hk)

Constitutional and Mainland Affairs Bureau: [www.cmab.gov.hk](http://www.cmab.gov.hk)

Government Records Service: [www.grs.gov.hk](http://www.grs.gov.hk)

Guangdong-Hong Kong-Macao Greater Bay Area: [www.bayarea.gov.hk](http://www.bayarea.gov.hk)

Home Affairs Bureau: [www.hab.gov.hk](http://www.hab.gov.hk)

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

Hong Kong-Taiwan Economic and Cultural Cooperation and Promotion Council:  
[www.eccpc.org.hk](http://www.eccpc.org.hk)

Legislative Council: [www.legco.gov.hk](http://www.legco.gov.hk)

Office of The Ombudsman: [www.ombudsman.hk](http://www.ombudsman.hk)

Protocol Division Government Secretariat: [www.protocol.gov.hk](http://www.protocol.gov.hk)