

**For discussion
on 8 March 2002**

FCR(2001-02)65

ITEM FOR FINANCE COMMITTEE

HEAD 96 - GOVERNMENT SECRETARIAT : OVERSEAS OFFICES¹

Subhead 002 Allowances

Subhead 149 General departmental expenses

HEAD 152 - GOVERNMENT SECRETARIAT : COMMERCE AND INDUSTRY BUREAU

Subhead 002 Allowances

HEAD 35 - GOVERNMENT SECRETARIAT : BEIJING OFFICE

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HEAD 31 - CUSTOMS AND EXCISE DEPARTMENT

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HEAD 122 - HONG KONG POLICE FORCE

Subhead 000 Operational expenses

Members are invited to approve -

- (a) a new system for Special Posting Allowance payable to officers posted outside Hong Kong² ;
and

/(b)

¹ This Head of Expenditure will be re-titled as Government Secretariat : Hong Kong Economic and Trade Offices in the context of 2002-03 draft Estimates of Expenditure.

² At present, there are two main categories of postings outside Hong Kong, namely :
(a) postings to Hong Kong Economic and Trade Offices; and
(b) postings to Beijing Office.

There are also a few posting secondments to overseas international organisations like Interpol, the World Customs Organisation, and the Asia Pacific Economic Cooperation.

- (b) (i) the rates of Rent Allowance payable to officers posted to the Hong Kong Economic and Trade Office in Guangdong; and
- (ii) the delegation of authority to the Secretary for Commerce and Industry to approve future revisions to the rates of the Rent Allowance for the Guangdong Office in accordance with the proposed mechanism.

PROBLEM

We need to rationalise the current system for Special Posting Allowance (SPA) payable to officers posted outside Hong Kong and to establish rates of Rent Allowance (RA) for officers posted to the new Hong Kong Economic and Trade Office (ETO) in Guangdong.

PROPOSAL

2. The Secretary for Commerce and Industry (SCI), with the support of the Secretary for the Civil Service (SCS), proposes that -

- (a) a new system for SPA payable to officers posted outside Hong Kong be adopted;
- (b) RA, at the rates recommended in paragraph 8 below, be payable to officers posted to the ETO in Guangdong; and
- (c) SCI be delegated the authority to approve future revisions to the RA rates payable to officers posted to the ETO in Guangdong in accordance with the mechanism set out in paragraph 9 below.

/JUSTIFICATION

JUSTIFICATION

Proposed Special Posting Allowance Mechanism

3. The SPA is to compensate officers for the inconvenience due to posting outside Hong Kong and the extra cost of living in the city of posting. Under the present SPA mechanism, the SPA rates for various offices outside Hong Kong are determined by 'marker rates'³, rank and family size of the officers. Such 'marker rates', however, do not specify the proportion in compensating officers for the inconvenience and the extra cost of living. In the absence of a specific formula for determining SPA rates, whenever new offices were established outside Hong Kong, reference had to be made to the SPA of an existing ETO, the cost of living of which was considered to be broadly comparable to the new office. For instance, for lack of a better yardstick, the SPA rates for the Sydney ETO were determined in 1995 based on the SPA rates of the Washington and San Francisco ETOs. This is not satisfactory.

4. We have reviewed the mechanism for setting SPA rates with a view to developing a mechanism which provides for a more objective and quantifiable method of determining and revising the rates applicable to all officers posted outside Hong Kong. We have made reference to the practices of major international corporations overseas and some major firms and organisations in Hong Kong which have branch offices outside Hong Kong regarding the payment of an allowance for non-local/overseas postings and the rates of such an allowance. We found that it is common practice to pay an allowance, calculated at a certain percentage of salary, as an incentive to motivate and compensate local-based staff and their families for uprooting themselves to live and work abroad, plus compensation for the extra cost of living in the city of posting, where applicable.

5. Based on our findings, we have devised a new methodology for determining the SPA rates which will consist of two components, viz -

/(a)

³ The monthly SPA rate is derived from the following formula –

$$\text{SPA rate} = \text{Marker rate} \times \text{Rank differential} \times \text{Family differential}$$

The basic design of the SPA is to use a "marker rate", i.e. the rate of allowance payable to a single Administrative Officer Staff Grade C, a rank represented in all ETOs, to generate the rates for officers of other ranks and family circumstances, subject to a minimum level of 60% of the marker rate.

- (a) **an incentive element** at 10%, 15% and 20% of the salary for single officers, officers accompanied by spouses and officers accompanied by spouses and children respectively, irrespective of rank or city of posting; and
- (b) **a cost of living element** in the city of posting where the cost of living is higher than that of Hong Kong.

6. Details of the proposed methodology and the changes in SPA rates for individual postings outside Hong Kong are summarised at Enclosures 1 and 2 respectively. We propose that the new mechanism should apply to officers who take up postings outside Hong Kong after the implementation of the new methodology. Serving officers on their current tour (and serving officers whose tour will be extended for one year or less) will not be affected. The SPA rates will be reviewed every month in accordance with the method specified in Enclosure 1.

7. Subject to Members' approval, the new mechanism for setting SPA rates will apply to the ETO in Guangdong to be established in the second quarter of 2002. The proposed SPA rates for officers posted to the ETO in Guangdong are set out in Enclosure 3.

Rent Allowance for Officers Posted to the Hong Kong Economic and Trade Office in Guangdong

8. The RA is to assist officers to rent accommodation in the city of posting. Similar to SPA, due to the lack of a specific mechanism to determine RA rates, we had to seek Members' approval for the RA rates applicable to officers posted to new ETOs when they were first established. This is not satisfactory and a review is now underway with a view to establishing an objective and rational RA mechanism applicable to all officers posted outside Hong Kong. However, with the imminent establishment of the ETO in Guangdong, we need to determine the RA rates applicable to officers posted to this office. To do so, we have, pending the completion of an

/ongoing

Encl. 4 ongoing review of the RA mechanism, made reference to the factors to be adopted in the review, including the seniority of officers, accommodation standards in the host country/city, and the family size of officers. Having regard to the rentals of residential accommodation in Guangzhou normally taken up by executive/managerial personnel of some major Hong Kong and international corporations, and on the advice of Government Property Agency (GPA), we propose the RA rates for the various ranks of officers to be posted to ETO in Guangdong as set out at Enclosure 4. The RA is paid on a reimbursement basis and the proposed rates represent the ceiling for reimbursement of accommodation expenses by officers.

9. We further propose to adjust the RA rates for officers posted to the ETO in Guangdong biennially with reference to the rental movements of residential accommodation in Guangzhou normally taken up by executive/managerial personnel. The proposed adjustment mechanism is to adopt an approach commonly applied by multi-national companies, whereby benchmark studies are conducted to track rental movements in respect of representative properties, having regard to the price range and the average accommodation size. We also propose that Members delegate to SCI the authority to approve such revisions in future.

FINANCIAL IMPLICATIONS

10. If the proposed SPA mechanism is adopted, the estimated annual expenditure for existing offices established outside Hong Kong will decrease by \$0.82 million representing 4.3% of the total expenditure on SPA when the new SPA mechanism is fully implemented.

11. Based on the proposed SPA mechanism and the RA rates for officers posted to the new ETO in Guangdong, the annual recurrent costs on SPA and RA for the new ETO in Guangdong are estimated at \$1.15 million and \$1.56 million respectively. We will include sufficient provision in the 2002-03 draft Estimates of Expenditure to meet the above costs.

/CONSULTATION

CONSULTATION WITH LEGISLATIVE COUNCIL PANEL

12. We consulted the Legislative Panel on Commerce and Industry on 4 February 2002. The Panel expressed general support for the proposed SPA system for officers posted outside Hong Kong and the proposed RA rates for officers posted to the ETO in Guangdong.

BACKGROUND INFORMATION

13. Under the existing arrangements, an SPA and an RA are payable to Hong Kong-based officers posted outside Hong Kong. The existing mechanism for determining SPA and RA was largely evolved from the previous UK diplomatic system.

Commerce and Industry Bureau
March 2002

**Proposed system for Special Posting Allowance for
Hong Kong-based officers posted outside Hong Kong**

The proposed Special Posting Allowance (SPA) system is devised with reference to the information provided by a reputable international human resources consultant¹ for international companies/organisations on payment of an allowance to compensate officers and their families for uprooting and living abroad or outside their immediate geographic regions. We have also made reference to the payment of such an allowance by some major firms and organisations in Hong Kong which have branch offices outside Hong Kong.

2. The proposed SPA is made up of the following two components -
 - (a) an incentive allowance (IA) at 10%, 15% and 20% of the salary (including acting allowance for long-term acting appointment²) for single officers, officers accompanied by spouses and officers accompanied by spouses and children respectively, irrespective of rank or city of posting. The IA will be adjusted for individual officers on a monthly basis to take into account any changes in salary (e.g. due to increment) and family situation; and
 - (b) a cost of living allowance (COLA) in the city of posting where the cost of living is higher than that of Hong Kong. COLA will be adjusted every month in accordance with the method set out in paragraph 3 below.

3. While the IA is pegged to the salary of the officers concerned, the COLA is to compensate the officer in meeting the ordinary spending on goods and services (spendable income) having regard to the higher cost of living in the city of posting.

/The

¹ ECA International Limited (ECA) - an international human resources information service and consultancy. It has a network of over 1,500 members/clients of governments and companies worldwide, 22 international representative offices and a data bank on various areas of employment conditions such as cost of living, accommodation, tax etc. abroad. It also publishes cost of living data in major cities around the world which are widely referred to internationally by organisations in devising remuneration packages for external postings of their staff.

² The level of SPA is normally related to the rank of the post, irrespective of the substantive rank of the incumbent. If an officer is appointed to a post ranked higher than his substantive rank, on a long-term basis, he should receive the SPA appropriate to the rank of the post. An officer who acts in a higher rank merely to relieve another officer on leave or to fill a gap between postings will receive SPA appropriate to the post to which he is substantively appointed. An acting appointment lasting three months or more is considered to be long-term. For the purpose of calculating the SPA rates, acting allowance for long-term acting will be taken into account.

The COLA³-

- (i) is based on the percentage of spendable income of the officers' salary having regard to their family situation and the difference of the costing of living (COL) index⁴ between the city of posting and Hong Kong. COLA is payable where the cost of living in the city of posting is higher than that of Hong Kong. Where the cost of living in the city of posting is lower than that of Hong Kong, no deduction will be made either from the IA or the salary of the officer. Both the percentage of spendable income and the COL will be reviewed annually;
- (ii) is grossed up for tax as it is related to the daily necessity of living outside Hong Kong;
- (iii) is paid at different rates for single officers, officers accompanied by spouses, and officers accompanied by spouses and children because of the differences in their spendable income; and
- (iv) is paid in local currency and the exchange rate is fixed on the first banking day of the month.

4. On the basis of the above, the formula for the calculation of COLA is –

$$\text{COLA} = \text{Salary}^5 \times \% \text{ of Spendable Income}^6 \times \frac{\text{COL index of city of posting} - 100^*}{100^*} \times \text{Factor for tax gross up}^7 \times \text{Exchange Rate}$$

*COL index for Hong Kong

³ Reference is made to the information and data on home-based cost of living indices and percentage of spendable income provided by ECA when arriving at the SPA rates.

⁴ Home-based cost of living indices are indicators showing the relative cost of living of cities/countries on the assumption that the officers and their families are to continue to maintain their home spending pattern and living standards while posted abroad.

⁵ Salary for the purpose of calculating SPA includes acting allowance for long-term acting appointment.

⁶ For 2001, the percentage of spendable income on goods and services for single officers, married officers and married officers with children is 19.41%, 22.68% and 25.51% respectively.

⁷ The current factor is 1.17647, according to prevailing tax rates.

Enclosure 2 to FCR(2001-02)65

Comparison of Existing and Proposed Rates of Special Posting Allowance

Office/Rank	Existing rates in HK\$ *			Proposed rates # in HK\$			Difference in HK\$ (+/- %)					
	S	M	F	S	M	F	S		M		F	
Part A - ETOs												
Brussels												
AOSGB1	\$13,280	\$19,919	\$26,559	\$16,967	\$25,033	\$33,069	+ \$ 3,687	(+ 27.8 %)	+ \$ 5,114	(+ 25.7 %)	+ \$ 6,510	(+ 24.5 %)
AOSGC	\$10,216	\$15,324	\$20,432	\$13,640	\$20,124	\$26,584	+ \$ 3,424	(+ 33.5 %)	+ \$ 4,800	(+ 31.3 %)	+ \$ 6,152	(+ 30.1 %)
SAO/PTO	\$7,666	\$11,498	\$15,331	\$9,313	\$13,740	\$18,151	+ \$ 1,647	(+ 21.5 %)	+ \$ 2,242	(+ 19.5 %)	+ \$ 2,820	(+ 18.4 %)
Geneva												
AOSGB1	\$23,502	\$35,253	\$47,005	\$30,459	\$40,798	\$50,801	+ \$ 6,957	(+ 29.6 %)	+ \$ 5,545	(+ 15.7 %)	+ \$ 3,796	(+ 8.1 %)
AOSGC	\$18,077	\$27,118	\$36,154	\$24,485	\$32,797	\$40,838	+ \$ 6,408	(+ 35.4 %)	+ \$ 5,679	(+ 20.9 %)	+ \$ 4,684	(+ 13.0 %)
PTO	\$13,556	\$20,337	\$27,113	\$16,718	\$22,392	\$27,883	+ \$ 3,162	(+ 23.3 %)	+ \$ 2,055	(+ 10.1 %)	+ \$ 770	(+ 2.8 %)
TO	\$10,846	\$16,272	\$21,692	\$12,257	\$16,416	\$20,442	+ \$ 1,411	(+ 13.0 %)	+ \$ 144	(+ 0.9 %)	- \$ 1,250	(- 5.8 %)
London												
AOSGA	\$21,739	\$32,609	\$43,478	\$22,183	\$31,581	\$40,863	+ \$ 444	(+ 2.0 %)	- \$ 1,028	(- 3.2 %)	- \$ 2,615	(- 6.0 %)
AOSGC/AD of Marine	\$14,991	\$22,486	\$29,982	\$16,402	\$23,351	\$30,214	+ \$ 1,411	(+ 9.4 %)	+ \$ 865	(+ 3.8 %)	+ \$ 232	(+ 0.8 %)
SAO/CIO/IPPO	\$11,243	\$16,871	\$22,486	\$11,199	\$15,943	\$20,629	- \$ 44	(- 0.4 %)	- \$ 928	(- 5.5 %)	- \$ 1,857	(- 8.3 %)
TO	\$8,990	\$13,485	\$17,980	\$8,210	\$11,688	\$15,124	- \$ 780	(- 8.7 %)	- \$ 1,797	(- 13.3 %)	- \$ 2,856	(- 15.9 %)
IO	\$8,990	\$13,485	\$17,980	\$5,641	\$8,030	\$10,390	- \$ 3,349	(- 37.3 %)	- \$ 5,455	(- 40.5 %)	- \$ 7,590	(- 42.2 %)
New York												
AOSGC	\$19,430	\$29,149	\$38,860	\$24,457	\$32,763	\$40,800	+ \$ 5,027	(+ 25.9 %)	+ \$ 3,614	(+ 12.4 %)	+ \$ 1,940	(+ 5.0 %)
SAO/CIO/IPPO	\$14,570	\$21,856	\$29,141	\$16,698	\$22,369	\$27,857	+ \$ 2,128	(+ 14.6 %)	+ \$ 513	(+ 2.3 %)	- \$ 1,284	(- 4.4 %)
IO	\$11,661	\$17,495	\$23,322	\$8,411	\$11,266	\$14,030	- \$ 3,250	(- 27.9 %)	- \$ 6,229	(- 35.6 %)	- \$ 9,292	(- 39.8 %)
San Francisco												
AOSGC	\$18,899	\$28,353	\$37,799	\$21,894	\$29,768	\$37,432	+ \$ 2,995	(+ 15.8 %)	+ \$ 1,415	(+ 5.0 %)	- \$ 367	(- 1.0 %)
SAO/IPPO	\$14,173	\$21,263	\$28,345	\$14,948	\$20,325	\$25,557	+ \$ 775	(+ 5.5 %)	- \$ 938	(- 4.4 %)	- \$ 2,788	(- 9.8 %)
PIO	\$11,341	\$17,012	\$22,682	\$12,437	\$16,910	\$21,264	+ \$ 1,096	(+ 9.7 %)	- \$ 102	(- 0.6 %)	- \$ 1,418	(- 6.3 %)
Singapore												
AOSGC	\$14,125	\$21,187	\$28,249	\$12,625	\$18,938	\$25,250	- \$ 1,500	(- 10.6 %)	- \$ 2,249	(- 10.6 %)	- \$ 2,999	(- 10.6 %)
SAO	\$10,593	\$15,890	\$21,187	\$8,620	\$12,930	\$17,240	- \$ 1,973	(- 18.6 %)	- \$ 2,960	(- 18.6 %)	- \$ 3,947	(- 18.6 %)
PIO	\$8,474	\$12,713	\$16,948	\$7,172	\$10,758	\$14,344	- \$ 1,302	(- 15.4 %)	- \$ 1,955	(- 15.4 %)	- \$ 2,604	(- 15.4 %)
TO	\$8,474	\$12,713	\$16,948	\$6,320	\$9,479	\$12,639	- \$ 2,154	(- 25.4 %)	- \$ 3,234	(- 25.4 %)	- \$ 4,309	(- 25.4 %)
Sydney												
AOSGC	\$11,273	\$16,909	\$22,545	\$12,625	\$18,938	\$25,250	+ \$ 1,352	(+ 12.0 %)	+ \$ 2,029	(+ 12.0 %)	+ \$ 2,705	(+ 12.0 %)
SAO	\$8,455	\$12,684	\$16,909	\$8,620	\$12,930	\$17,240	+ \$ 165	(+ 2.0 %)	+ \$ 246	(+ 1.9 %)	+ \$ 331	(+ 2.0 %)
PIO	\$6,765	\$10,148	\$13,530	\$7,172	\$10,758	\$14,344	+ \$ 407	(+ 6.0 %)	+ \$ 610	(+ 6.0 %)	+ \$ 814	(+ 6.0 %)
TO	\$6,765	\$10,148	\$13,530	\$6,320	\$9,479	\$12,639	- \$ 445	(- 6.6 %)	- \$ 669	(- 6.6 %)	- \$ 891	(- 6.6 %)
Tokyo												
AOSGA	\$38,350	\$57,525	\$76,700	\$41,367	\$53,997	\$66,076	+ \$ 3,017	(+ 7.9 %)	- \$ 3,528	(- 6.1 %)	- \$ 10,624	(- 13.9 %)
AOSGC	\$26,448	\$39,673	\$52,897	\$30,586	\$39,925	\$48,855	+ \$ 4,138	(+ 15.6 %)	+ \$ 252	(+ 0.6 %)	- \$ 4,042	(- 7.6 %)
SAO/CIO	\$19,836	\$29,754	\$39,673	\$20,883	\$27,259	\$33,357	+ \$ 1,047	(+ 5.3 %)	- \$ 2,495	(- 8.4 %)	- \$ 6,316	(- 15.9 %)
TO	\$15,869	\$23,804	\$31,738	\$15,310	\$19,984	\$24,455	- \$ 559	(- 3.5 %)	- \$ 3,820	(- 16.0 %)	- \$ 7,283	(- 22.9 %)
Toronto												
AOSGC	\$12,024	\$18,038	\$24,048	\$12,625	\$18,938	\$25,250	+ \$ 601	(+ 5.0 %)	+ \$ 900	(+ 5.0 %)	+ \$ 1,202	(+ 5.0 %)
SAO/CIO	\$9,017	\$13,527	\$18,033	\$8,620	\$12,930	\$17,240	- \$ 397	(- 4.4 %)	- \$ 597	(- 4.4 %)	- \$ 793	(- 4.4 %)
Washington												
AOSGA	\$22,542	\$33,813	\$45,084	\$31,244	\$42,170	\$52,772	+ \$ 8,702	(+ 38.6 %)	+ \$ 8,357	(+ 24.7 %)	+ \$ 7,688	(+ 17.1 %)
AOSGB1	\$20,210	\$30,319	\$40,420	\$28,738	\$38,786	\$48,538	+ \$ 8,528	(+ 42.2 %)	+ \$ 8,467	(+ 27.9 %)	+ \$ 8,118	(+ 20.1 %)
AOSGC	\$15,545	\$23,322	\$31,091	\$23,102	\$31,180	\$39,019	+ \$ 7,557	(+ 48.6 %)	+ \$ 7,858	(+ 33.7 %)	+ \$ 7,928	(+ 25.5 %)
SAO/PTO	\$11,661	\$17,495	\$23,322	\$15,773	\$21,288	\$26,641	+ \$ 4,112	(+ 35.3 %)	+ \$ 3,793	(+ 21.7 %)	+ \$ 3,319	(+ 14.2 %)
TO/SEO	\$9,329	\$13,993	\$18,658	\$11,564	\$15,607	\$19,531	+ \$ 2,235	(+ 24.0 %)	+ \$ 1,614	(+ 11.5 %)	+ \$ 873	(+ 4.7 %)

/Part B

Office/Rank	Existing rates in HK\$ *			Proposed rates # in HK\$			Difference in HK\$ (+/- %)					
	S	M	F	S	M	F	S		M		F	
<i>Part B - Other Overseas postings</i>												
APEC Secretariat AOSGC	\$14,125	\$21,187	\$28,249	\$12,625	\$18,938	\$25,250	-\$ 1,500 (- 10.6 %)		-\$ 2,249 (- 10.6 %)		-\$ 2,999 (- 10.6 %)	
Tokyo SI of C & E	\$15,869	\$23,804	\$31,738	\$13,458	\$17,567	\$21,496	-\$ 2,411 (- 15.2 %)		-\$ 6,237 (- 26.2 %)		-\$ 10,242 (- 32.3 %)	
Sydney CIP	\$6,765	\$10,148	\$13,530	\$6,939	\$10,409	\$13,878	+\$ 174 (+ 2.6 %)		+\$ 261 (+ 2.6 %)		+\$ 348 (+ 2.6 %)	
Bramshill SSP	\$6,748	\$10,122	\$13,496	\$11,428	\$16,454	\$21,435	+\$ 4,680 (+ 69.4 %)		+\$ 6,332 (+ 62.6 %)		+\$ 7,939 (+ 58.8 %)	
Lyon [@] SP	\$2,710	\$7,714	\$12,725	\$1,607	\$5,868	\$10,115	-\$ 1,103 (- 40.7 %)		-\$ 1,846 (- 23.9 %)		-\$ 2,610 (- 20.5 %)	

Office/Rank	Existing rates in HK\$ *			Proposed rates # in HK\$			Difference in HK\$ (+/- %)					
	S	M	F	S	M	F	S		M		F	
<i>Part C - Beijing</i>												
D of Bureau	\$28,193	\$42,290	\$56,387	\$24,870	\$35,363	\$45,722	-\$ 3,323 (- 11.8 %)		-\$ 6,927 (- 16.4 %)		-\$ 10,665 (- 18.9 %)	
AOSGB1	\$22,908	\$34,362	\$45,816	\$20,546	\$29,215	\$37,773	-\$ 2,362 (- 10.3 %)		-\$ 5,147 (- 15.0 %)		-\$ 8,043 (- 17.6 %)	
AOSGC	\$17,621	\$26,432	\$35,242	\$16,517	\$23,486	\$30,365	-\$ 1,104 (- 6.3 %)		-\$ 2,946 (- 11.1 %)		-\$ 4,877 (- 13.8 %)	
PImO	\$13,216	\$19,825	\$26,432	\$12,240	\$17,403	\$22,501	-\$ 976 (- 7.4 %)		-\$ 2,422 (- 12.2 %)		-\$ 3,931 (- 14.9 %)	
SAO/PTO/CIO	\$13,216	\$19,825	\$26,432	\$11,277	\$16,035	\$20,732	-\$ 1,939 (- 14.7 %)		-\$ 3,790 (- 19.1 %)		-\$ 5,700 (- 21.6 %)	
CImO	\$10,572	\$15,859	\$21,145	\$9,078	\$12,909	\$16,689	-\$ 1,494 (- 14.1 %)		-\$ 2,950 (- 18.6 %)		-\$ 4,456 (- 21.1 %)	
SEO/TO	\$10,572	\$15,859	\$21,145	\$8,268	\$11,755	\$15,199	-\$ 2,304 (- 21.8 %)		-\$ 4,104 (- 25.9 %)		-\$ 5,946 (- 28.1 %)	
EOI/ATOI/IO/PA	\$10,572	\$15,859	\$21,145	\$5,680	\$8,076	\$10,442	-\$ 4,892 (- 46.3 %)		-\$ 7,783 (- 49.1 %)		-\$ 10,703 (- 50.6 %)	
AO	\$10,572	\$15,859	\$21,145	\$6,894	\$9,802	\$12,674	-\$ 3,678 (- 34.8 %)		-\$ 6,057 (- 38.2 %)		-\$ 8,471 (- 40.1 %)	
ImO	\$10,572	\$15,859	\$21,145	\$4,524	\$6,433	\$8,317	-\$ 6,048 (- 57.2 %)		-\$ 9,426 (- 59.4 %)		-\$ 12,828 (- 60.7 %)	
SPS	\$10,572	\$15,859	\$21,145	\$4,312	\$6,130	\$7,926	-\$ 6,260 (- 59.2 %)		-\$ 9,729 (- 61.3 %)		-\$ 13,219 (- 62.5 %)	

Legend :

* Exchange rate as of 2 January 2002

Based on mid-point salary of officers, ECA's December 2001 data on cost of living and the proposed formula for calculating SPA

@ A special allowance (Euro 1,054/HK\$7,305) paid by the organisation to which the officer is posted has been deducted

S - Single (Single officers)

M - Married (Officers accompanied by spouses)

F - Family (Officers accompanied by spouses and children)

Dir. Of Bureau	Director of Bureau	SEO	Senior Executive Officer
AOSGA	Administrative Officer Staff Grade A	EOI	Executive Officer I
AOSGB1	Administrative Officer Staff Grade B1	PA	Personal Assistant
AOSGC	Administrative Officer Staff Grade C	SPS	Senior Personal Secretary
SAO	Senior Administrative Officer	AD of Marine	Assistant Director of Marine
AO	Administrative Officer	PImO	Principal Immigration Officer
PTO	Principal Trade Officer	CImO	Chief Immigration Officer
TO	Trade Officer	ImO	Immigration Officer
ATOI	Assistant Trade Officer I	SI of C&E	Senior Inspector of Customs and Excise
CIO	Chief Information Officer	CIP	Chief Inspector of Police
PIO	Principal Information Officer	SSP	Senior Superintendent of Police
IO	Information Officer	SP	Superintendent of Police
IPPO	Investment Promotion Project Officer		

**Proposed rates of Special Posting Allowance
for officers posted to the HKETO in Guangdong**

Rank	No. of Posts	Monthly Special Posting Allowance (HK\$)		
		Single [@]	Married [*]	Family [#]
AOSGB	1	\$13,825	\$20,738	\$27,650
SAO/PTO/IPPO	3	\$8,620	\$12,930	\$17,240
PIO	1	\$7,172	\$10,758	\$14,344
TO	2	\$6,320	\$9,479	\$12,639
EOI	1	\$4,342	\$6,512	\$8,683

Note

For illustration purpose, the Special Posting Allowance (SPA) above is calculated based on the mid-point salary. The SPA payable to individual officer will be calculated based on his actual salary including acting allowance for long-term acting appointment. For the HKETO in Guangdong, the SPA only includes the Incentive Allowance as the Cost of Living Allowance is not payable given that the cost of living of Guangzhou is currently below that of Hong Kong.

Legend

AOSGB - Administrative Officer Staff Grade B
 SAO - Senior Administrative Officer
 PTO - Principal Trade Officer
 IPPO - Investment Promotion Project Officer
 PIO - Principal Information Officer
 TO - Trade Officer
 EOI - Executive Officer I

[@] Single - Single officers
^{*} Married - Officers accompanied by spouses
[#] Family - Officers accompanied by spouses and children

**Proposed Rent Allowance for
Hong Kong-based Officers posted to the HKETO in Guangdong**

Rank	No. of Posts	Rates of Allowance per month		
		Single [@]	Married [*]	Family [#]
AOSGB (D3)	1	RMB25,000 (HK\$23,573)	RMB28,500 (HK\$26,873)	RMB32,000 (HK\$30,173)
SAO/PTO/ IPPO or ranks with equivalent pay scales (MPS 45-49)	3	RMB17,000 (HK\$16,029)	RMB18,500 (HK\$17,444)	RMB20,000 (HK\$18,858)
PIO/TO/EOI or ranks with equivalent pay scales (MPS 28-44)	4	RMB12,000 (HK\$11,315)	RMB13,500 (HK\$12,729)	RMB15,000 (HK\$14,144)

Note

The Rent Allowance (RA) is determined having regard to typical rentals of residential units for different ranks of executives of major Hong Kong/international corporations in Guangzhou. The RA for the Head of the ETO (D3) is set with reference to chief representatives of major Hong Kong/international corporations while those for the supporting executives and section heads (MPS 28-49) are set with reference to the middle to senior management staff of these organisations. Currently, for chief representatives of these organisations, the typical monthly rentals of residential units on average range from RMB 25,000 to RMB 32,000 with unit sizes (gross floor area) ranging from some 160m² to 200m². As for middle to senior management staff, the rentals and unit size range from RMB 12,000 to RMB 20,000 and some 100m² to 150m² respectively.

Legend

- AOSGB - Administrative Officer Staff Grade B
 SAO - Senior Administrative Officer
 PTO - Principal Trade Officer
 IPPO - Investment Promotion Project Officer
 PIO - Principal Information Officer
 TO - Trade Officer
 EOI - Executive Officer I
- [@] Single - Single officers
^{*} Married - Officers accompanied by spouses
[#] Family - Officers accompanied by spouses and children

(Exchange rate as of 2.1.2002 is used.)