

ITEM FOR ESTABLISHMENT SUBCOMMITTEE OF FINANCE COMMITTEE

- HEAD 35 – GOVERNMENT SECRETARIAT :
BEIJING OFFICE**
- HEAD 96 – GOVERNMENT SECRETARIAT :
HONG KONG ECONOMIC AND TRADE OFFICES**
- HEAD 142 – GOVERNMENT SECRETARIAT :
OFFICES OF THE CHIEF SECRETARY FOR
ADMINISTRATION AND THE FINANCIAL SECRETARY**
- HEAD 144 – GOVERNMENT SECRETARIAT :
CONSTITUTIONAL AFFAIRS BUREAU**
- Subhead 000 Operational expenses**

Members are invited to recommend to the Finance Committee the following changes with effect from 1 April 2006 –

- (a) the creation of the following permanent posts under Head 144 – Government Secretariat: Constitutional Affairs Bureau –

2 Administrative Officer Staff Grade B
(D3) (\$127,900 - \$135,550)

3 Administrative Officer Staff Grade C
(D2) (\$110,000 - \$116,800);

- (b) the deletion of the following supernumerary post under Head 142 – Government Secretariat: Offices of the Chief Secretary for Administration and the Financial Secretary –

1 Administrative Officer Staff Grade B
(D3) (\$127,900 - \$135,550);

- (c) the creation of the following permanent post under Head 35 – Government Secretariat: Beijing Office –

1 Administrative Officer Staff Grade A
(D6) (\$162,650);

offset by the deletion of the following permanent post –

1 Administrative Officer Staff Grade A1
(D8) (\$181,050); and

- (d) the deletion of the following permanent post under Head 96 – Government Secretariat: Hong Kong Economic and Trade Offices –

1 Administrative Officer Staff Grade B
(D3) (\$127,900 - \$135,550).

PROBLEM

The Chief Executive announced in the 2005-06 Policy Address the plan to establish the Mainland Affairs Liaison Office (MALO) under the Constitutional Affairs Bureau (CAB), and to set up additional offices in Shanghai and Chengdu. We need to create new directorate posts, as well as redeploy and adjust the rank of existing directorate posts to provide the necessary support. At the same time, we will re-distribute the duties of our Mainland offices taking account of the setting up of two new offices in the Mainland.

PROPOSAL

2. We propose, with effect from 1 April 2006, to –
- (a) create one permanent post of Administrative Officer Staff Grade B (AOSGB) (D3) to head the Economic and Trade Office of the Government of the Hong Kong Special Administrative Region (HKSARG) in Shanghai (Shanghai ETO);

/(b)

- (b) create one permanent post of Administrative Officer Staff Grade C (AOSGC) (D2) to head the Economic and Trade Office of the HKSARG in Chengdu (Chengdu ETO);
- (c) transfer the permanent AOSGB (D3) post of the Director, Hong Kong Economic and Trade Office in Guangdong (GDETO) from Head 96 – Government Secretariat : Hong Kong Economic and Trade Offices (HKETOs) to Head 144 – Government Secretariat : CAB, in line with the new arrangement for the MALO to oversee the GDETO;
- (d) create two permanent posts of AOSGC (D2) in the CAB to provide support to the operation of the MALO under the Bureau;
- (e) advance the deletion of one supernumerary AOSGB (D3) post of the Hong Kong Guangdong Cooperation Coordination Unit (HKGCCU) under the Chief Secretary for Administration's Office, in line with the incorporation of the Unit into the CAB for the establishment of the MALO. The post has been created up to 31 January 2007; and
- (f) adjust the rank of the Director of Beijing Office (DBJ) from Administrative Officer Staff Grade A1 (AOSGA1) (D8) to Administrative Officer Staff Grade A (AOSGA) (D6). Subject to Members' approval for the above proposal, we propose to pitch the rates of Rent Allowance for the AOSGA (D6) officer at the mid-point of such rates for the AOSGA1 (D8) and AOSGB1 (D4) officers deployed to the Beijing Office (BJO).

JUSTIFICATION

3. Since reunification, exchange and communication between the Hong Kong Special Administrative Region (HKSAR) and the Mainland has been more frequent in various aspects. The Mainland is the impetus for regional economic development, and provides Hong Kong with many opportunities in trade, business and employment. Apart from being Hong Kong's largest trading partner, the Mainland is also the largest market and the major source of Hong Kong's re-export goods. China has experienced continued growth in foreign trade since its accession to the World Trade Organization. This provides Hong Kong with growing business opportunities and enhances Hong Kong's status as an international financial and business centre. Over the past eight years, the Central Authorities have put in place a number of important measures, such as the Mainland and Hong Kong Closer Economic Partnership Arrangement (CEPA) and the Individual Visit Scheme, which have greatly strengthened exchanges and ties between the HKSAR and the Mainland in different spheres.

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4. To sustain the economic development of Hong Kong, we must capitalize upon our advantageous position of “leveraging on the Mainland and engaging ourselves globally”. We have to grasp the opportunities arising from the rapid economic growth of the Mainland and translate this into a driving force for Hong Kong’s economic development. The HKSARG is committed to taking forward a number of measures to promote the flow of people, goods and capital in both directions, and to strengthening connections between the Mainland and the HKSAR through development of infrastructure and transportation network. Meanwhile, we are also committed to strengthening our cooperation and exchanges with the Mainland in various spheres under different regional cooperation mechanisms such as the Pan-Pearl River Delta (PPRD) regional cooperation and the Hong Kong/Guangdong Cooperation Joint Conference (HKG/CJC). We should not only maintain close links with the Central Authorities, but also formulate an overall strategy on cooperation and exchanges in various areas, as well as strengthen our internal policy coordination.

5. With increasing exchanges between the Mainland and Hong Kong on various fronts, more and more Hong Kong people are going to the Mainland for business, vocation, study and sight-seeing purposes. The development of PPRD region, the Yangtze River Delta (YRD) region, the Bohai Sea region as well as the western region; the revitalization of northeast China old industrial bases, and the acceleration of development of the Central region, all offer Hong Kong significant business opportunities. In this connection, the HKSARG has to further foster its economic and trade ties with these provinces/municipalities, so as to facilitate effective cooperation.

The Establishment of the Mainland Affairs Liaison Office

Functions of the Mainland Affairs Liaison Office

6. To coordinate more effectively our efforts to strengthen liaison with the Mainland, and to facilitate exchanges and cooperation with provinces/regions in various aspects, the Chief Executive has announced in his 2005-06 Policy Address that a MALO will be established under the CAB. Specifically, the functions of the MALO are as follows –

- (a) to formulate overall strategies and direction regarding cooperation between the HKSAR and Mainland, and to promote cooperation between Hong Kong and Mainland provinces/regions, including HKSAR’s participation in the PPRD regional cooperation, as well as cooperation with Guangdong (including Shenzhen), Beijing and Shanghai. The MALO will also help prioritise different cooperation initiatives. As for Hong Kong-Guangdong cooperation, the MALO will continue to promote and coordinate cooperation in key aspects

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under the framework of the HKGCJC. It will liaise with bureaux/ departments in this regard, to oversee the progress of cooperation initiatives, and to coordinate with Guangdong on formulating long-term cooperation strategies. The MALO will also solicit views from the business and professional sectors through the Greater Pearl River Delta Business Council;

- (b) to oversee the general liaison work between the Mainland authorities and the BJO as well as the HKETOs in the Mainland; to formulate in conjunction with these offices, workplans to strengthen our relations with the Mainland;
- (c) to facilitate collaboration between bureaux/departments of the HKSAR and our Mainland offices as regards strengthening relations with the Mainland; and
- (d) to provide secretariat services for the Hong Kong side regarding regional cooperation initiatives.

7. As the MALO will take up matters relating to Hong Kong/ Guangdong cooperation, we propose to subsume the HKGCCU under the MALO. Should the proposals of the MALO be supported by the Legislative Council, we envisage that the MALO can be officially established on 1 April next year.

Establishment of the MALO

Ranking of the Head of MALO

8. The head of MALO will assist the Secretary for Constitutional Affairs (SCA) in respect of high-level communications with the Mainland authorities, coordination with Mainland provinces/regions and bureaux/ departments of the HKSARG, formulate overall strategies and directions of cooperation between the Mainland and Hong Kong. He will also oversee implementation of these cooperations. Moreover, the head of the Office is responsible for coordinating our Mainland offices on their liaison functions, overseeing the offices and monitoring their administration. In view of the need for the post holder to establish effective communication with senior officials in both the Mainland and HKSARG, and to oversee our Mainland offices, we propose that the Permanent Secretary for Constitutional Affairs¹ should take charge of the MALO and report to SCA in this respect.

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¹ The post of Permanent Secretary for Constitutional Affairs is pitched at AOSGA1 (D8) in the establishment. The post has been held against temporarily by a supernumerary AOSGA (D6) post.

9. The Deputy Secretary for Constitutional Affairs (2) (DS(CA)2) (D3) would support the Permanent Secretary for Constitutional Affairs in taking forward the work of the MALO. Under this arrangement, DS(CA)2, in addition to her existing duties and with support from AOSGC officers (please refer to paragraph 11 below), should take up the duties of the Head of the HKGCCU. This directorate officer will have to assist in the formulation of the overall strategies and directions in relation to cooperation with Mainland provinces/municipalities, coordinate the promotion of HKSARG-Mainland cooperation in various aspects, coordinate in a holistic manner the liaison with the Central and provincial/municipal authorities, as well as oversee our Mainland offices. The existing and proposed job descriptions of DS(CA)2 are at Enclosures 1 and 2.

Encls.
1 & 2

10. The existing post of the Head of the HKGCCU is pitched at AOSGB (D3). The Finance Committee approved on 7 January 2004 the proposal set out in paper EC(2003-04)13, on the retention of the aforesaid supernumerary post for three years from 1 February 2004 to 31 January 2007. We propose to delete the post on 1 April 2006, upon the merger of the HKGCCU and CAB. The duties of the Head, HKGCCU will be absorbed by DS(CA)2 with support from AOSGC officers (please refer to paragraph 11 below). The organisation chart of existing manpower support for DS(CA)2 in the CAB is at Enclosure 3. The existing organisation chart of the HKGCCU is at Enclosure 4.

Encls.
3 & 4

Creation of two Administrative Officer Staff Grade C (D2) posts

11. There is one AOSGC (D2) post under DS(CA)2, designated as Principal Assistance Secretary for Constitutional Affairs (2) (PAS(CA)2), whose portfolio mainly covers external affairs of Hong Kong, matters relating to Taiwan and Basic Law promotion. The onerous workload of the MALO, which will involve substantial coordination, secretariat support services and administration of Mainland offices, cannot be fully absorbed by existing manpower. We propose to create two AOSGC posts to support DS(CA)2 in relation to the operation of the MALO. The two PASs will be responsible for the following duties respectively –

- (a) one PAS will be tasked to promote PPRD cooperation; to assist in handling policies on Mainland liaison and relationship between the Central People's Government (CPG) and the HKSARG; to oversee the administration and resource management of the Mainland offices; and to oversee cooperation and liaison with areas covered by GDETO (except Guangdong Province), Chengdu ETO and BJO; and

/(b)

- (b) the other PAS will be tasked to promote and provide overall coordination on matters relating to the Hong Kong-Guangdong cooperation (including Hong Kong-Shenzhen cooperation), and to oversee the cooperation and liaison with Macao and areas covered by Shanghai ETO.

Encls. 12. The proposed job descriptions of the two PAS posts are at Enclosures 5 - 7 5 and 6. The job description of PAS(CA)2 after the reorganisation is at Enclosure 7. Subject to the approval of the Finance Committee of the Legislative Council, we intend to create these two posts on 1 April 2006 to concur with the establishment of the MALO.

Non-directorate Establishment

13. There will be 21 non-directorate officers supporting the MALO, ten of whom are from the existing CAB establishment. We plan to delete seven non-directorate time-limited/supernumerary posts in the HKGCCU, and create 11 non-directorate permanent posts, so as to assist in promoting Hong Kong-Guangdong cooperation, and to provide support regarding administration and resource management of the Mainland offices. The posts will be created according to the progress in setting up the MALO. The proposed organisation chart of the MALO is at Enclosure 8.

Strengthening the HKSAR's Representation in the Mainland

14. To further promote our exchanges and cooperation with the eastern and the south-western regions of China, and to provide additional support services to Hong Kong residents in the Mainland, the Chief Executive announced in the 2005-06 Policy Address the plan to set up additional offices in Shanghai and Chengdu. Meanwhile, we also propose to expand the functions of the GDETO. Specific proposals regarding Mainland ETOs are as follows –

- (a) to set up an ETO in Shanghai, with a tentative coverage including the YRD region and its peripheries, i.e. the Municipality of Shanghai and the four provinces of Jiangsu, Zhejiang, Anhui and Hubei;
- (b) to set up an ETO in Chengdu, with a tentative coverage including four of the PPRD provinces and its peripheries, i.e. the provinces of Sichuan, Yunnan, Guizhou, Hunan, Shaanxi and the Municipality of Chongqing; and

/(c)

- (c) to expand the GDETO's current coverage to include five of the PPRD provinces/region, i.e. Guangdong, Guangxi, Fujian, Jiangxi and Hainan, and to enhance its functions to provide practicable assistance to Hong Kong residents in distress or seeking assistance in areas within its coverage.

The coverage of these offices may be adjusted in future in the light of experience gained in actual operation.

15. For areas outside the coverage of the above three ETOs, the economic/trade and liaison works lie with the BJO. Upon implementation of the above proposals, the BJO's economic and trade functions will cover 15 provinces/municipalities. The MALO, upon establishment, will oversee the Mainland offices in respect of their resource management, personnel arrangements and administrative work. As for their economic and trade promotion functions and provision of assistance for Hong Kong residents in distress, the offices would follow relevant policies laid down respectively by the Commerce, Industry and Technology Bureau as well as the Security Bureau.

16. The strengthening of the HKSARG's representation in the Mainland would help promote our economic and trade collaboration, as well as the building of liaison network with individual province/region. It could also help enhance our support for Hong Kong enterprises in the Mainland, and our promotion of Hong Kong and its professional services there, which will contribute positively towards the implementation of CEPA. Since the conclusion of CEPA in June 2003, the HKSARG has attached great importance to its implementation, publicity and promotion in the Mainland. Mainland offices of the HKSARG have played an important part in this regard. Given the vast geographical spread of the Mainland, and that CEPA is implemented across the Mainland, the setting up of new offices in the Mainland will have positive impact on the implementation of CEPA. Key efforts launched by the Mainland offices in promoting CEPA at various levels are set out at Enclosure 9.

Encl. 9

17. In addition, in order to strengthen liaison network with residents and organisations from Hong Kong, our Mainland offices would maintain close working relationship with non-governmental organisations from Hong Kong that operate within the respective coverage of the offices. This would facilitate the provision of better services for Hong Kong residents in the Mainland, and help ensure that their problems could be attended to efficiently. In order to enrich the understanding of Hong Kong residents working or residing in Guangdong on the general social system of Mainland, the GDETO will compile for their reference an information guide on issues relating to living in the Mainland.

/Functions

Functions of the Shanghai and Chengdu ETOs

18. The functions of the two new ETOs include –
- (a) economic and trade liaison – to enhance economic and trade relations between Hong Kong and the places concerned by cooperating closely with the local government and relevant organisations;
 - (b) enhancing mutual understanding – to report to the HKSARG on the development of the places concerned and to provide information on the HKSAR to the local authorities and non-governmental organisations;
 - (c) enhancing cooperation – to enhance cooperation with the places concerned and to take part in relevant activities, which include exploring cooperation opportunities, working on the implementation of cooperation initiatives;
 - (d) assisting in taking forward initiatives – to assist bureaux/departments of the HKSARG to take forward initiatives related to the places concerned and to help liaise with local governments in such tasks as data collection, initial discussion with relevant local governments, monitoring progress, etc.;
 - (e) tendering advice – to advise the HKSARG on policies and initiatives on fostering relations between Hong Kong and the province/municipality concerned. Relevant tasks may include data collection, research, formulation of strategies, and assessment of proposed initiatives, etc.;
 - (f) supporting Hong Kong enterprises – to proactively approach Hong Kong investors in the places concerned so as to enhance communication; to reflect and follow up on issues of common concern among Hong Kong investors through effective channels; to facilitate Hong Kong investors to obtain information on business operation in the Mainland, in particular that on local trade policies, regulations and latest economic development;
 - (g) attracting investment – to proactively provide information and assistance, and to attract local enterprises to invest in Hong Kong; and
 - (h) promoting Hong Kong – to boost Hong Kong’s positive image as a supportive neighbour and an outstanding trade partner through local publicity; to promote Hong Kong’s professional services so as to enhance trade relations between Hong Kong and the places concerned.

/Ranking

Ranking of the Heads of the New ETOs

19. The ETOs in Shanghai and Chengdu will respectively be responsible for promoting our communication and cooperation with, as well as economic and investment interests in, the eastern and south-western regions of Mainland China. They will also respectively work towards strengthening our ties with the provinces/municipalities in YRD and the western part of PPRD region. The respective heads of the two ETOs will take on the role of the HKSAR's principal representatives on economic and trade issues in the eastern and south-western regions of the Mainland, and will handle relevant issues involving Hong Kong. To effectively discharge their duties, they will be in close liaison with senior officials of the HKSARG, and will liaise and communicate with their Mainland counterparts. In addition, they will need to maintain an extensive network of liaison with the Hong Kong business community so as to provide better support services for them and to address their concerns. Apart from the above responsibilities, they will also assist in promoting cooperation with the regions concerned. The Chengdu ETO will join hands with the GDETO to promote PPRD regional cooperation, while the Shanghai ETO will promote Hong Kong-Shanghai cooperation.

20. In determining the ranking of these two ETO heads, we consider that due regard should be given to the job requirements and operational need of the post; the scope of work and the complexity of tasks involved; the extent and level of official liaison required; existing economic relationship between Hong Kong and the regions concerned, regional cooperation, business activities and various exchanges between Hong Kong and the area concerned; as well as the business potential and cooperation opportunities for Hong Kong. In the case of the Shanghai ETO, given the existing strong economic ties between Hong Kong and the YRD region which is a key economic drive in the Mainland, and our zealous effort to attract enterprises in the region to invest in Hong Kong, we consider that the Shanghai ETO, similar to the GDETO, needs to be headed by a senior directorate officer with extensive experience to ensure its effective functioning. Thus, we propose to pitch the head of the Shanghai ETO at AOSGB (D3) level.

21. As for the Chengdu ETO, taking account of the economic development of the five provinces (i.e. Sichuan, Yunnan, Guizhou, Hunan and Shaanxi) and the Chongqing Municipality, as well as the trade relations between Hong Kong and the area, we expect the office to devote efforts to strengthen ties and promote PPRD regional cooperation and, on the other hand, facilitate Hong Kong businessmen to explore business opportunities in the western region of China and capitalize on the "Development of the Western Region" policy, which is one of the policy foci of the Mainland. The establishment of China-ASEAN Free Trade Area will reach the crucial preparation stage in the next few years. We should strengthen our ties with provinces adjacent to the ASEAN, such as Yunnan, in order to leverage on the business opportunities thus provided. Having regard to the above factors, we consider it appropriate to pitch the head of the ETO at AOSGC (D2) level.

Encls. 10 & 11 22. The heads of the Shanghai ETO and Chengdu ETO will report to the MALO under the CAB. The proposed job descriptions of these two posts are at Enclosures 10 and 11.

Flexible Ranking System

Encl. 12 23. In June 1991, the Finance Committee approved a flexible ranking system to facilitate the posting and retention of directorate heads and deputy heads of overseas offices. Under this system, in certain specified situations a supernumerary post at a pre-determined higher rank can be created and held against a permanent post of the lower rank temporarily. In March 2002, after considering paper EC(2001-02)26 for the Establishment Sub-committee, the Finance Committee approved the extension of the flexible ranking system to all directorate head and deputy head posts in HKETOs in the Mainland. Accordingly, the same ranking arrangement should apply to the Shanghai and Chengdu ETOs. Details and rationale of the system are at Enclosure 12.

Non-directorate Establishment in the New ETOs

Shanghai ETO

Encl. 13 24. The Shanghai ETO will be supported by 14 non-directorate staff. We intend to create five permanent non-directorate posts² to accommodate staff deployed to the office on various duties relating to economic and trade liaison, public relations and investment promotion. Another eight supporting personnel will be engaged locally to provide support on various fronts. The proposed organisation chart of the Shanghai ETO is at Enclosure 13.

Chengdu ETO

Encl. 14 25. The Chengdu ETO will be supported by 13 non-directorate staff. We intend to create four permanent non-directorate posts² to accommodate staff deployed to the office on various duties relating to economic and trade liaison, public relations and investment promotion. Another eight supporting personnel will be engaged locally. The proposed organisation chart of the Chengdu ETO is at Enclosure 14.

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² Apart from the above-mentioned permanent posts, a time-limited Executive Officer I post will be created in both Shanghai and Chengdu ETOs for two years, to support the administration of the offices in inception stage.

26. As one of the key missions of the two new ETOs is to promote cooperation and exchanges between Hong Kong and the Mainland, the task has to be supported by personnel who are familiar with the economic environment and development on various fronts of Hong Kong, as well as policies and mode of operation of the HKSARG, to serve as skeleton staff of the ETOs, and to mastermind the promotion of Hong Kong in the Mainland with assistance from local staff. Thus we consider it necessary to deploy a small number of staff from Hong Kong to work in the two new ETOs. The majority of staff of the Shanghai and Chengdu ETOs will be engaged locally, including personnel for economic and trade promotions and administrative support. The local staff and the Hong Kong-based staff will work in close collaboration and complement each other in strengths.

27. We hope that the Shanghai ETO and Chengdu ETO will commence operation in the third quarter in 2006. We intend to create one permanent post of AOSGB and one permanent post of AOSGC in April 2006. The post-holders will respectively serve as the head of the Shanghai and Chengdu ETOs, and will provide support for the preparation of the two offices. As to other non-directorate staff and local supporting personnel, they will assume office according to the progress made in establishing the respective ETOs. We will formulate proposals for consideration by the Finance Committee in due course, regarding Rent Allowance for staff of the two ETOs.

Expansion in the Functions and Coverage of the GDETO

28. According to 2003 statistics, about 80% of the 61 800 Hong Kong residents in the Mainland resided in the Guangdong province. Over the past three years, more than 80% of the requests for assistance received by the Immigration Department from Hong Kong residents in the Mainland have originated from Guangdong. The several cases of serious traffic accidents involving a few casualties of Hong Kong residents in 2005 occurred in either Guangdong or Guangxi. Under the present arrangement, the BJO is responsible for providing practicable assistance to Hong Kong residents in distress in the Mainland. However, if the incident occurs in southern China, it will take a longer time for staff members of the BJO and the Immigration Department to reach the scene, and a less direct route to approach the relevant authorities of the province/municipality concerned. As such, we intend to deploy non-directorate staff from the Immigration Department to the GDETO, so as to expand the GDETO's functions to provide assistance to Hong Kong residents in distress in the five provinces within its coverage. Requests for assistance from areas outside GDETO's coverage will continue to be handled by the BJO. For individual cases happened in areas covered by the GDETO but require follow-up by the Central Authorities, the BJO will, as in

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the past, provide facilitation taking account of the circumstances. In rendering assistance to Hong Kong residents in the Mainland, the HKSARG will continue to respect and abide by the “One Country, Two Systems” principle, and will not interfere with the law enforcement and judicial process of the Mainland. Details of assistance that can be rendered by the BJO and GDETO to Hong Kong residents in the Mainland are set out at Enclosure 15.

29. Following the expansion of the GDETO’s coverage to include the five PPRD provinces/region of Guangdong, Guangxi, Fujian, Jiangxi and Hainan, we will reinforce our non-directorate strength in the office to support investment promotion functions and cope with the additional workload arising from the extended coverage.

Revised Establishment of the GDETO

30. To support the GDETO’s function to provide assistance to Hong Kong residents in distress, and to cope with the extended coverage in future, we plan to create five non-directorate permanent posts and engage four supporting personnel locally to provide support in investment promotion, trade liaison, administration and public relations, etc. The organisation chart of the GDETO is at Enclosure 16. Besides, we propose to transfer the permanent AOSGB (D3) post of the Director, GDETO, from Head 96 – Government Secretariat: HKETOs to Head 144 – Government Secretariat: CAB, in line with the new arrangement for the MALO to oversee the GDETO.

Revised Functions of the BJO

31. Since its establishment in 1999, the BJO has performed the following key functions –

- (a) to further enhance liaison and communication with the CPG and other provincial/municipal authorities, including provision of information about the HKSAR to the Mainland authorities; keeping bureaux and departments of the HKSARG informed of the latest developments in the Mainland; communicate with Mainland authorities on specific issues according to instructions from the relevant bureaux and departments of the HKSARG; provision of logistical support to visiting HKSARG delegations, handling requests for assistance from Hong Kong residents in the Mainland, and promoting Hong Kong in the Mainland;

/(b)

- (b) to process and issue HKSAR entry visas to foreign nationals in the Mainland; to provide practicable assistance to Hong Kong residents in distress in the Mainland, and to liaise with relevant CPG authorities in Beijing on immigration matters.

32. With the establishment of the ETOs in Shanghai and Chengdu and the expansion of the coverage of the GDETO, the geographical coverage of the BJO regarding economic and trade matters will include 15 provinces/regions (including the Bohai Sea region), viz. Beijing, Tianjin, Hebei, Henan, Shandong, Shanxi, Liaoning, Jilin, Heilongjiang, Inner Mongolia, Xinjiang, Gansu, Ningxia, Qinghai and Tibet. We also propose to strengthen economic and trade ties between the BJO and the 15 Mainland provinces/regions concerned, and to enhance the BJO's functions in investment promotion.

33. On immigration matters, the GDETO will, after the deployment of immigration staff to the office, provide assistance to Hong Kong residents in distress in areas within its coverage. Apart from the five provinces covered by the Immigration Unit of the GDETO, distress cases in the remaining 26 provinces, autonomous regions and municipalities will continue to be handled by the Immigration Section of the BJO. In addition, the Section will maintain liaison with relevant Central Authorities on policies and issues relating to immigration. The Section is also the only office in the Mainland that handles matters on visa and applications for entry to Hong Kong.

Adjusting the Ranking of the post of Director, Beijing Office

34. At present, the post of DBJ is pitched at AOSGA1 (D8). Taking into consideration the establishment of two ETOs and the reinforcement of functions of the GDETO, the functions and coverage of the BJO would be adjusted accordingly. Over the past six years, the BJO has already established liaison and communication network with the CPG and provincial/municipal governments. Moreover, considerable experience has also been gathered regarding promotion of Hong Kong, building economic and trade ties, handling immigration matters relating to Hong Kong, and provision of assistance to Hong Kong residents in distress. Close working relationship has been established with Mainland authorities. These laid a solid foundation for future work of the BJO. In view of the above developments and the need to have an experienced and qualified DBJ to work with the CPG and senior officials of the 15 provinces/regions, we propose, taking account of various factors, to adjust the rank of the DBJ to AOSGA (D6). The DBJ will report to the MALO upon the latter's establishment. The proposed job description of the DBJ is at Enclosure 17.

Encl. 17

35. Should the proposed adjustment in the ranking of the DBJ be supported by Members, we would need to make minor consequential changes to the Rent Allowance package which the Finance Committee approved for the BJO in March 1998 vide FCR(97-98)115. We propose to pitch the rates of Rent Allowance for the AOSGA (D6) officer at the mid-point of such rates for the AOSGA1 (D8) and AOSGB1 (D4) officers deployed to the BJO. The detailed proposal is set out at Enclosure 18.

Encl. 18

Revised non-directorate establishment of the BJO

36. To strengthen the BJO's functions in the 15 provinces/regions it covers regarding economic and trade liaison as well as investment promotion, the BJO will create one additional permanent non-directorate post through the Departmental Establishment Committee machinery. Six supporting personnel will be engaged locally. The organisation chart of the BJO is at Enclosure 19.

Encl. 19

OTHER ALTERNATIVES CONSIDERED

37. As for the establishment of the MALO under the CAB, we have carefully considered the feasibility of redeploying existing directorate officers in the Bureau to provide the necessary support. We are of the view that the additional workload cannot be met by existing manpower of directorate officers. Moreover, we consider it necessary to create permanent directorate posts to ensure the sustainable delivery of relevant duties and to support effective operation of the MALO.

38. We have also carefully considered the feasibility of redeploying the directorate officers in the BJO and the GDETO to absorb the workload of the new ETOs. There are only four directorate officers in the BJO and the GDETO. Taking into account the functions and workload of these two offices, we consider that we should at least maintain the existing strength of directorate staff in these two offices, in order to discharge the duties effectively and maintain their functions. In addition, it is difficult for officers in the BJO and the GDETO to absorb or share the duties of the directorate officers in the two new ETOs, as the two new offices will locate in the eastern and western parts of the Mainland.

FINANCIAL IMPLICATIONS

39. The proposed changes in directorate posts will bring about an additional notional annual salary cost at mid-point of \$5,442,000, as follows –

/Post

Post	\$	No. of Post
<u>Creation of permanent posts</u>		
Administrative Officer Staff Grade A (D6)	1,951,800	1
Administrative Officer Staff Grade B (D3)	3,160,800	2
Administrative Officer Staff Grade C (D2)	4,082,400	3
Sub-total (a)	9,195,000	6
<u>Deletion of permanent posts</u>		
Administrative Officer Staff Grade A1 (D8)	2,172,600	1
Administrative Officer Staff Grade B (D3)	1,580,400	1
Sub-total (b)	3,753,000	2
Net additional cost (a) – (b)	5,442,000	4

40. The net additional full annual average staff cost of the proposal, including salaries and staff on-cost, is \$8,249,000. Advancing the deletion of one AOSGB supernumerary post by ten months would bring a one-off savings of \$1,875,000 in full annual average staff cost.

41. In addition, the net increase in the number of non-directorate posts (time-limited posts not included) under the CAB and various Mainland offices is 26, which will incur an additional notional annual salary cost at mid-point of \$16,020,000 and a full annual average staff cost of \$24,975,000. These posts will be created through the Departmental Establishment Committee mechanism. The impact of the setting up of the MALO and the establishment changes of Mainland offices, on manpower strength and relevant financial implications are set out at Enclosure 20. Besides, our Mainland offices will engage a total of 26 officers locally. We will include sufficient provision in the 2006-07 draft Estimates to meet the cost of the above-mentioned posts.

Encl. 20

ESTABLISHMENT CHANGES

42. The establishment changes of the CAB, Offices of the Chief Secretary for Administration and the Financial Secretary (Offices of the CS and FS), BJO and HKETOs in the past two years are as follows –

/Establishment

Establishment (Note)	Number of Posts			
	Existing (As at 1 November 2005)	As at 1 April 2005	As at 1 April 2004	As at 1 April 2003
CAB				
A	7	7	7	8
B	11	11	11	12
C	27	27	27	28
Total	45	45	45	48
Offices of the CS and FS				
A	32+(3)	32+(1)	26+(2)	26+(3)
B	97	93	80	81
C	364	360	347	366
Total	493+(3)*	485+(1) *	453+(2)	473+(3)
BJO				
A	3	3	3	3
B	7	7	8	8
C	6	6	9	9
Total	16	16	20	20
HKETOs				
A	20#	20	22	22
B	30	30	35	37
C	0	0	2	3
Total	50	50	59	62

Notes:

A – ranks in the directorate pay scale or equivalent

B – non-directorate ranks the maximum pay point of which is above MPS Point 33 or equivalent

C – non-directorate ranks the maximum pay point of which is at or below MPS Point 33 or equivalent

() – number of supernumerary directorate posts

As at 1 November 2005, there is one unfilled directorate post under Head 96 HKETOs.

* The increase over the establishment of 1 April 2005 is mainly due to the creation of posts for the Secretariat to the Commission on Poverty, whilst the increase over that of 1 April 2004 is mainly due to the transfer of duties of the Economic Analysis and Business Facilitation Unit from the Commerce, Industry and Technology Bureau and the Financial Services and the Treasury Bureau to the Financial Secretary's Office starting from 1 June 2004.

CONSULTATION WITH LEGISLATIVE COUNCIL PANELS

43. We consulted the Legislative Council Panel on Commerce and Industry on the proposal to set up two new Mainland ETOs and the expansion of functions of the GDETO, at its meeting on 15 November 2005. The Panel did not raise any objection to the proposal.

44. We also consulted the Legislative Council Panel on Constitutional Affairs at its meeting on 21 November 2005, about the proposed establishment of the MALO, the adjustment of functions of the BJO and related establishment proposals. The Committee supported the proposals in-principle. Some Members considered that the functions of Mainland offices should not be confined to economic and trade issues. In addition, they also suggested the Government to consider extending the provision of assistance for Hong Kong residents in distress, to Shanghai and Chengdu ETOs.

45. Apart from taking forward economic and trade related tasks that impinge on a wide range of areas, Mainland offices will also be tasked to promote regional cooperation which is related to various policy portfolios. As such, we have already explained to the Panel that the functions of Mainland offices will not be confined to economic and trade related issues. They will work on various fronts that touch on exchanges and cooperation between Mainland and Hong Kong. On the other hand, as in the past few years, the majority of requests for assistance from Hong Kong residents in the Mainland, as received by the Immigration Department, originated from the Guangdong province, our initial plan is to deploy Immigration Officers to the GDETO to deliver relevant assistance within its coverage. Requests for assistance from areas outside the GDETO's coverage will continue to be handled by the BJO. Our Mainland office in the proximity of the location of the incident will assist the BJO in providing effective relief for Hong Kong residents in need of assistance. The Shanghai and Chengdu ETOs will also follow up requests for assistance from Hong Kong residents which are related to economic and trade issues.

CIVIL SERVICE BUREAU COMMENTS

46. The Civil Service Bureau considers that the proposed staffing proposals contained in this paper are functionally justified. The grading and ranking of posts to be created are appropriate having regard to the level and scope of responsibilities involved.

/ADVICE

ADVICE OF THE STANDING COMMITTEE ON DIRECTORATE SALARIES AND CONDITIONS OF SERVICE

47. The Standing Committee on Directorate Salaries and Conditions of Service has advised that the grading proposed for the posts would be appropriate if the proposal were to be implemented.

Constitutional Affairs Bureau
November 2005

Existing Job Description

Post Title : Deputy Secretary for Constitutional Affairs (2)

Rank : Administrative Officer Staff Grade B (D3)

Responsible to : Permanent Secretary for Constitutional Affairs

Main Duties :

1. To assist SCA in planning, formulating and coordinating strategies for fostering cooperation, and to oversee implementation of cooperation initiatives related to the following areas and cooperation mechanisms –

- (a) Pan-Pearl River Delta (PPRD) provinces/regions under the PPRD Regional Co-operation Framework Agreement;
- (b) Beijing under the Hong Kong-Beijing Economic and Trade Co-operation Conference; and
- (c) Shanghai under the Hong Kong-Shanghai Economic and Trade Co-operation Conference.

and to provide policy and secretariat support for the HKSARG's participation at the above cooperation mechanisms;

- 2. to maintain liaison with PPRD provinces/regions, Macao, Beijing, Shanghai and other provinces/regions; and to outreach to different sectors to tap their views on Hong Kong's cooperation with the Mainland;
- 3. to oversee general relationship and liaison with the Central People's Government and provincial and municipal authorities;
- 4. to oversee handling of complaints from Hong Kong residents on Mainland affairs;
- 5. to tender advice on the handling of Hong Kong's external affairs;
- 6. to tender advice on the handling of Taiwan-related matters; and
- 7. to plan, formulate and coordinate policy and strategies for the promotion of the Basic Law and oversee their implementation.

Proposed Job Description

Post Title : Deputy Secretary for Constitutional Affairs (2)

Rank : Administrative Officer Staff Grade B (D3)

Responsible to : Permanent Secretary for Constitutional Affairs

Main Duties :

1. To assist SCA in planning, formulating and coordinating overall policy strategies for fostering cooperation between Hong Kong and the Mainland, particularly in the following areas, and to oversee the implementation of cooperation initiatives reached thereunder –

(a) Guangdong under the Hong Kong/Guangdong Cooperation Joint Conference (HKGJC);

(b) Shenzhen under the HKGCJC and Memorandum of Hong Kong-Shenzhen Co-operation ;

(c) PPRD provinces/regions under the PPRD Regional Co-operation Framework Agreement;

(d) Beijing under the Hong Kong-Beijing Economic and Trade Co-operation Conference; and

(e) Shanghai under the Hong Kong-Shanghai Economic and Trade Co-operation Conference;

and to provide policy and secretariat support for the HKSARG's participation at the above cooperation mechanisms;

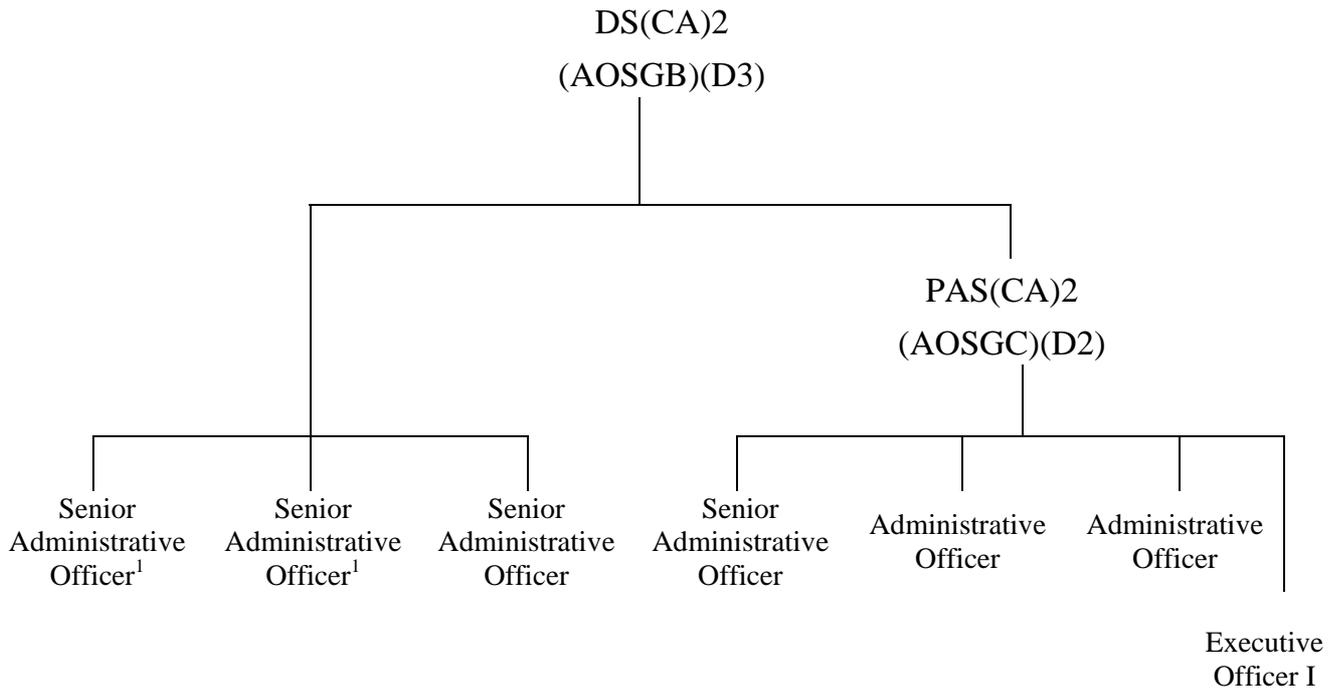
2. to maintain liaison with PPRD provinces/regions, Guangdong (including Shenzhen), Macao, Beijing, Shanghai and other provinces/regions; and to outreach to different sectors to tap their views on Hong Kong's cooperation with the Mainland;

3. to handle coordinating work and provide secretariat support in respect of HKGCJC, including coordinating preparatory work for plenary and working meetings, overseeing the work of the 18 Expert Groups and providing secretariat and management support to the Greater Pearl River Delta Business Council;

4. to oversee general relationship and liaison with the Central People's Government and provincial and municipal authorities;
5. to oversee the operation and administration of the Mainland Affairs Liaison Office;
6. to oversee house-keeping duties for the BJO, GDETO, Shanghai ETO and Chengdu ETO and provide policy support on their general liaison with the relevant Mainland authorities;
7. to oversee handling of complaints by Hong Kong residents on Mainland affairs;
8. to tender advice on the handling of Hong Kong's external affairs;
9. to tender advice on the handling of Taiwan-related matters; and
10. to plan, formulate and coordinate policy and strategies for the promotion of the Basic Law and oversee their implementation.

**Manpower Support for Deputy Secretary for Constitutional Affairs (2)
in the Constitutional Affairs Bureau**

Existing Organisation Chart



Portfolio: PPRD regional cooperation, Beijing-Hong Kong cooperation, Shanghai-Hong Kong cooperation, relationship with Macao

Portfolio: external affairs, matters relating to Taiwan, Basic Law promotion, liaison with the Mainland, relationship with the CPG

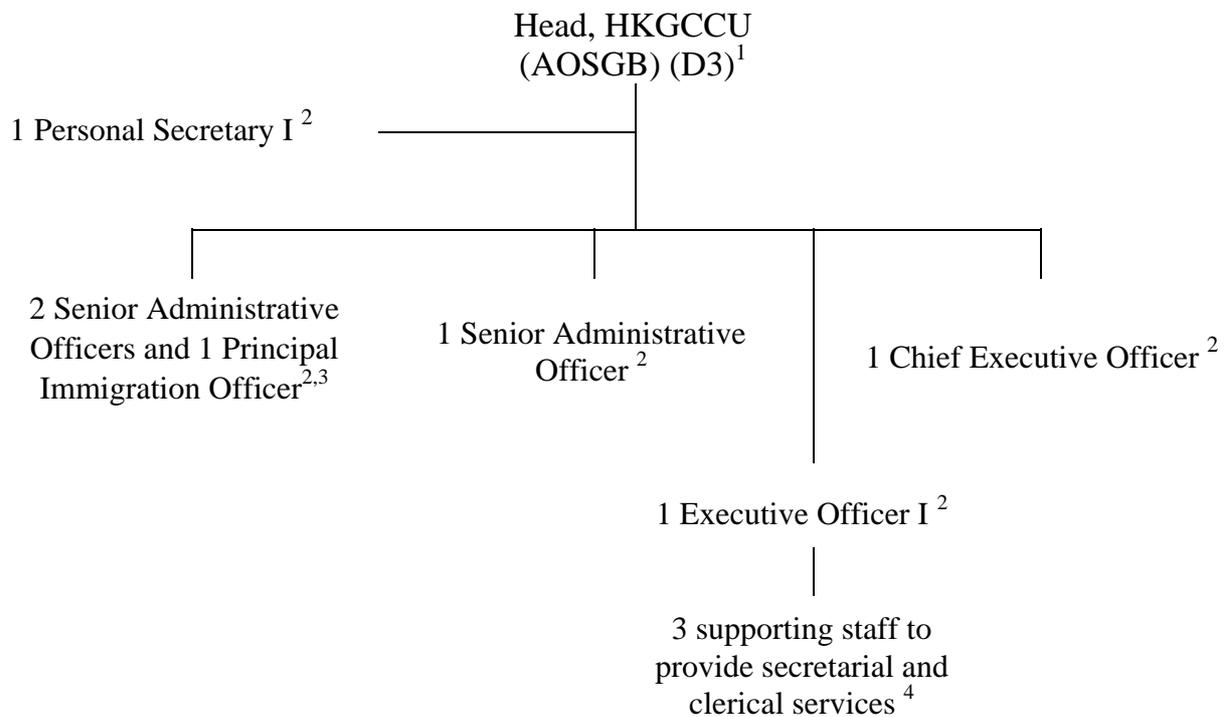
Note

1. Two Senior Administrative Officer posts have been redeployed from the HKGCCU.
2. Other supporting staff includes five secretaries.

Legend

- DS(CA)2 = Deputy Secretary for Constitutional Affairs (2)
PAS(CA)2 = Principal Assistant Secretary for Constitutional Affairs (2)
AOSGB = Administrative Officer Staff Grade B
AOSGC = Administrative Officer Staff Grade C
CPG = Central People's Government
-

**Existing Organisation Chart of the
Hong Kong Guangdong Cooperation Coordination Unit (HKGCCU)**



Notes

1. Directorate supernumerary post approved for creation up to 31 January 2007.
2. Non-directorate time-limited/supernumerary posts.
3. Two Senior Administrative Officers are deployed to the CAB for tasks concerning Hong Kong's participation in the PPRD regional cooperation and the joint efforts by Hong Kong and Guangdong in promoting PPRD cooperation.
4. Including one Personal Secretary II on loan from the Offices of the CS and FS and two supporting staff on non-civil service contract terms.

Proposed Job Description

Post Title : Principal Assistant Secretary for Constitutional Affairs (1)

Rank : Administrative Officer Staff Grade C (D2)

Responsible to : Deputy Secretary for Constitutional Affairs (2)

Main Duties :

To assist DS(CA)2 in delivering the following duties –

1. to advise on issues relating to CPG-HKSARG relationship and provide policy support on matters relating to general liaison with Mainland authorities;
2. to develop and implement overall policy strategies for fostering cooperation between Hong Kong and the PPRD provinces, other provinces/municipalities covered by the Chengdu ETO and areas covered by the BJO;
3. to coordinate policy and secretariat support for various levels of meetings conducted under the PPRD Regional Co-operation Framework Agreement (9+2 Framework Agreement) and the Hong Kong-Beijing Economic and Trade Co-operation Conference;
4. to coordinate and expedite efforts by bureaux and departments in the implementation of cooperation initiatives of the 9+2 Framework Agreement and the Hong Kong-Beijing Economic and Trade Co-operation Conference, and promotion of cooperation with other provinces/municipalities covered by the Chengdu ETO and BJO;
5. to provide policy and secretariat support to the PPRD Steering Committee and the Hong Kong-Guangdong Expert Group on the Promotion of PPRD Regional Co-operation;
6. to conduct day-to-day liaison, formulate plan, coordinate policy strategies and oversee implementation of initiatives to maintain liaison and enhance cooperation with areas covered by the GDETO (except Guangdong), Chengdu ETO and BJO;

7. to oversee house-keeping duties for the BJO, GDETO, Shanghai ETO and Chengdu ETO, and to provide policy support for their overall liaison with relevant Mainland authorities;
8. to liaise with different sectors in both Hong Kong and the Mainland to tap their views on cooperation with the PPRD provinces, other provinces/ municipalities covered by the Chengdu ETO and areas covered by the BJO; and
9. to coordinate with bureaux and departments on visit programmes by Mainland visitors.

Proposed Job Description

Post Title : Principal Assistant Secretary for Constitutional Affairs (3)

Rank : Administrative Officer Staff Grade C (D2)

Responsible to : Deputy Secretary for Constitutional Affairs (2)

Main Duties :

To assist DS(CA)2 in delivering the following duties –

1. to develop and implement overall policy strategies for fostering cooperation between Hong Kong and Guangdong under the auspices of the Hong Kong/Guangdong Cooperation Joint Conference (HKGJC); Shenzhen under the HKGCJC and Memorandum of Hong Kong-Shenzhen Co-operation; Shanghai under the Hong Kong-Shanghai Economic and Trade Co-operation Conference; other provinces/municipalities covered by Shanghai ETO and Macao;
2. to coordinate policy and secretariat support for various levels of meetings conducted under the HKGCJC, Memorandum of Hong Kong-Shenzhen Co-operation and Hong Kong-Shanghai Economic and Trade Co-operation Conference;
3. to coordinate and expedite efforts by bureaux and departments in the implementation of cooperation initiatives with Guangdong (including Shenzhen) and Shanghai and promotion of cooperation with other provinces/municipalities covered by Shanghai ETO and Macao;
4. to provide secretariat support to the Greater Pearl River Delta Business Council;
5. to participate in the work of the Hong Kong Guangdong Strategic Development Research Group set up under the aegis of the HKGCJC;
6. to conduct day-to-day liaison, formulate plan, coordinate policy strategies and oversee implementation of initiatives to maintain liaison and enhance cooperation with Guangdong (including Shenzhen), provinces/municipalities covered by the Shanghai ETO and Macao;
7. to liaise with different sectors in both Hong Kong and Mainland to tap their views on cooperation with Guangdong (including Shenzhen), areas covered by the Shanghai ETO and Macao; and
8. to coordinate handling of complaints from Hong Kong residents on Mainland affairs.

Job Description

Post Title : Principal Assistant Secretary for Constitutional Affairs (2)

Rank : Administrative Officer Staff Grade C (D2)

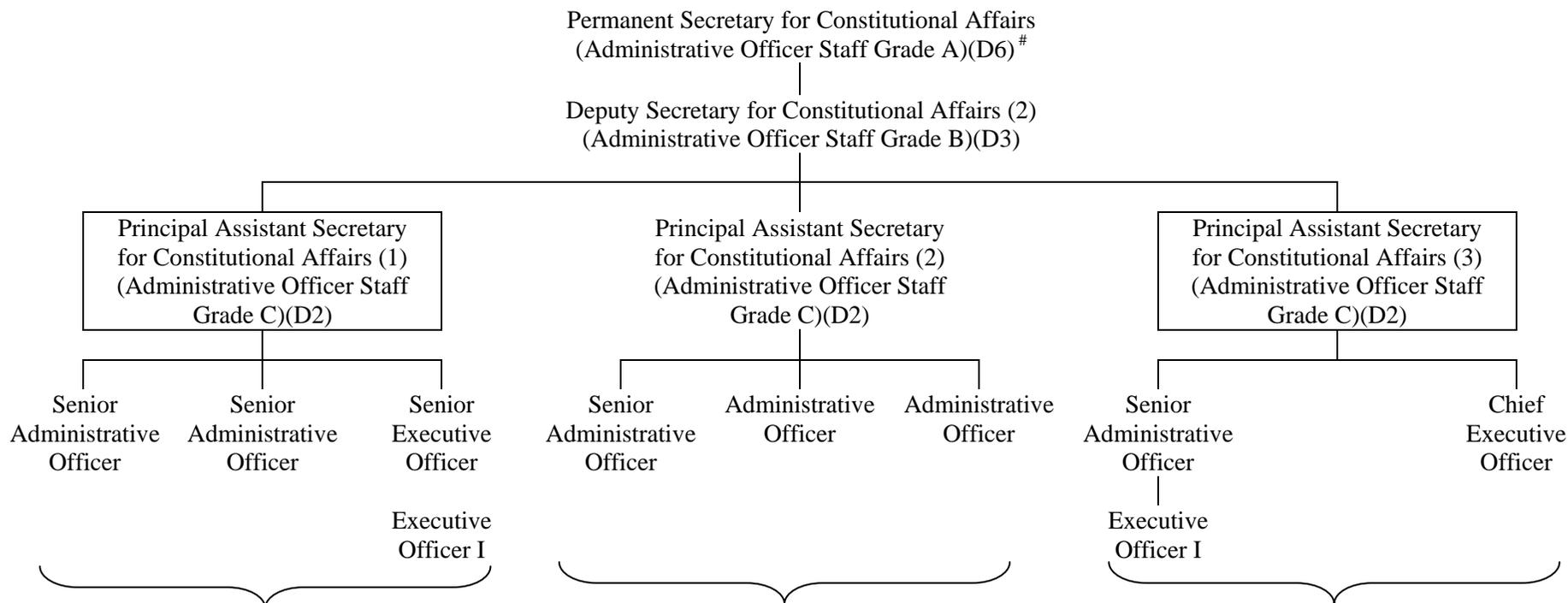
Responsible to : Deputy Secretary for Constitutional Affairs (2)

Main Duties :

To assist DS(CA)2 in delivering the following duties –

1. to give advice to bureaux and departments on the conduct of the HKSAR's external affairs in accordance with the relevant provisions of the Basic Law and the "One Country, Two Systems" principle;
2. to act as the focal point of liaison between the HKSARG and the Office of the Commissioner of the Ministry of Foreign Affairs in the HKSAR;
3. to coordinate liaison with Taiwan organisations in the HKSAR and give advice to bureaux and departments on issues relating to exchanges with Taiwan;
4. to assist in the formulation of Basic Law promotion policies, coordinate promotion programmes and oversee promotion campaigns and events undertaken by the CAB, with a view to enhancing public awareness and understanding of the Basic Law; and
5. to provide secretariat support for the Basic Law Promotion Steering Committee and coordinate the implementation of action plans endorsed by the Steering Committee.

Proposed Organisation Chart of the Mainland Affairs Liaison Office



Portfolio: liaison with the Mainland, relationship between CPG and Hong Kong, PPRD regional cooperation, Beijing-Hong Kong cooperation, areas covered by GDETO (except Guangdong), Chengdu ETO and BJO, matters relating to the administration and resource management of Mainland ETOs

Portfolio: external affairs, matters relating to Taiwan, Basic Law promotion

Portfolio: Guangdong-Hong Kong cooperation (including Shenzhen-Hong Kong cooperation), Shanghai-Hong Kong cooperation, relationship with Macao, provinces/municipality covered by Shanghai ETO, the Greater Pearl River Delta Business Council and matters relating to complaints

Notes

- Directorate posts proposed to be created.
- Other supporting staff include 4 Personal Secretaries I (two of the posts are new posts to be created), 3 Personal Secretaries II, 2 Clerical Officers and 2 Assistant Clerical Officers (the last four posts are new posts to be created).

The post of Permanent Secretary for Constitutional Affairs is pitched at AOSGA1 (D8) in the establishment. The post has been held against temporarily by a supernumerary AOSGA (D6) post.

Major Closer Economic Partnership Arrangement (CEPA)-related work undertaken by the HKSARG Offices in the Mainland

Implementation of CEPA

- The policies and legislation for implementing CEPA in the Mainland are mainly formulated by the various ministries and commissions of the Central Government. Yet, actual implementation, including the approval of projects of some sectors, is undertaken by provincial or municipal governments. The HKSARG offices in the Mainland maintain close ties with various levels of the Mainland authorities to keep abreast of the latest developments, so as to inform the concerned departments of the HKSARG and relevant Hong Kong sectors about the implementation of CEPA in the Mainland in a timely manner. They also endeavour to appeal for support from Mainland authorities to streamline application and approval procedures and promote dissemination of information. Should any problems arise from the implementation of CEPA, the Mainland offices will reflect the concerns and views of the HKSARG and the relevant sectors to the Mainland authorities, and assist in solving the problems.

Publicity on CEPA

- The HKSARG offices in the Mainland actively support, participate in and organise publicity activities on CEPA, with a view to ensuring that Hong Kong and Mainland enterprises can have prompt and effective access to up-to-date information on the implementation of CEPA. Apart from organising seminars/talks, the Mainland offices will, having regard to actual circumstances, consider establishing or encouraging parties concerned to establish electronic platforms such as websites, web links and electronic mail facilities to expedite the dissemination of CEPA-related information and broaden the transmission coverage.

Promotion of CEPA

- The HKSARG offices in the Mainland maintain close cooperation with the relevant Hong Kong and Mainland agencies to actively promote CEPA. The Mainland offices organise and make use of promotion activities to highlight the preferential treatments and business opportunities under CEPA. They also support exchanges between Hong Kong and Mainland enterprises to explore cooperation opportunities. In addition, the Mainland offices actively make use of available opportunities to brief those Mainland enterprises which are interested in making use of the “going global” policy, on the business opportunities of investing or setting up businesses in Hong Kong under CEPA.

Proposed Job Description

Post Title : Director, Hong Kong Economic and Trade Affairs, Shanghai

Rank : Administrative Officer Staff Grade B (D3)

Responsible to : Permanent Secretary for Constitutional Affairs

Main Duties –

1. To undertake the role of the HKSAR's principal representative on economic and trade issues in the eastern region of the Mainland (i.e. the Municipality of Shanghai and the Jiangsu, Zhejiang, Anhui and Hubei provinces); to handle economic and trade issues relating to Hong Kong; and to develop and reinforce commercial and trade relations between HKSAR and the concerned region;
2. to promote the HKSAR's connections and cooperation with the eastern region of the Mainland;
3. to facilitate communication, cooperation and to enhance understanding between the HKSAR and the concerned region, at both government and non-governmental levels;
4. to help promote Hong Kong-Shanghai cooperation, including exploration of cooperation opportunities and helping to take forward cooperation initiatives;
5. to assist bureaux/departments of HKSARG to take forward initiatives relating to the area and to help liaise with local governments. Relevant tasks may include data collection, initial discussion with relevant local governments, monitoring of progress etc.;
6. to advise the HKSARG on policies and initiatives for fostering relations with the concerned region. Relevant tasks may include data collection, research, formulation of strategies, and assessment of proposed initiatives etc.;
7. to provide support services for Hong Kong businessmen in the concerned region, including enhancement of liaison, follow-up on matters of common concern, and collection and dissemination of information relating to commercial operations in the region concerned;
8. to provide information and assistance to local enterprises and to attract them to invest in Hong Kong;

9. to organise publicity activities to promote Hong Kong and its professional services, with a view to promoting relationship and business activities between Hong Kong and the region concerned; and
10. to oversee the day-to-day operations of the Shanghai ETO.

Proposed Job Description

Post Title : Director, Hong Kong Economic and Trade Affairs, Chengdu

Rank : Administrative Officer Staff Grade C (D2)

Responsible to : Permanent Secretary for Constitutional Affairs

Main Duties –

1. To undertake the role of the HKSAR's principal representative on economic and trade issues in the south-western region of the Mainland (i.e. Sichuan, Yunnan, Guizhou, Hunan and Shaanxi provinces as well as the Municipality of Chongqing); to handle economic and trade issues relating to Hong Kong; and to develop and reinforce commercial and trade relations between HKSAR and the region concerned;
2. to promote the HKSAR's connections and cooperation with the south-western region of the Mainland;
3. to facilitate communication, cooperation and to enhance understanding between the HKSAR and the concerned region, at both government and non-governmental levels;
4. to help promote PPRD regional cooperation including exploration of cooperation opportunities and helping to take forward cooperation initiatives;
5. to assist bureaux/departments of the HKSARG to take forward initiatives relating to the area and to help liaise with local governments. Relevant tasks may include data collection, initial discussion with relevant local governments, monitoring of progress etc.;
6. to advise the HKSARG on policies and initiatives for fostering relations with the concerned region. Relevant tasks may include data collection, research, formulation of strategies, and assessment of proposed initiatives etc.;
7. to provide support services for Hong Kong businessmen in the concerned region, including enhancement of liaison, follow up on matters of common concern, and collection and dissemination of information relating to commercial operations in the region concerned;

/8.

8. to provide information and assistance to local enterprises and to attract them to invest in Hong Kong;
9. to organise publicity activities to promote Hong Kong and its professional services, with a view to promoting relationship and business activities between Hong Kong and the region concerned; and
10. to oversee the day-to-day operations of the Chengdu ETO.

Flexible Ranking System for HKETOs

In June 1991 and after considering EC 1991-92 Item 18, the Finance Committee approved a flexible ranking system to facilitate the posting and retention of directorate heads and directorate deputy heads of overseas offices. Owing to their representation role, the directorate heads and deputy heads of the overseas offices should be mature and experienced officers with well-honed skills in negotiation, lobbying and public relations. Based on past experience, it could be difficult to attract and retain suitable officers to fill these overseas posts because –

- (a) the pool of suitable candidates at the designated ranks of the senior overseas posts is relatively small in view of the special qualities required of them;
- (b) an overseas posting involves disruption to family and social life. In case of married officers, it could also involve loss of income and interruption to the career of working spouses; and
- (c) since the normal duration of an overseas posting is approximately three years, officers who are selected as directorate heads and deputy heads of overseas officers are often unwilling to accept such postings for fear that they will lose the opportunity to act in a higher rank which they might otherwise be given if they remained in Hong Kong. They also consider that their promotion prospects will be adversely affected if they are denied access to opportunities for acting appointment.

2. The flexible ranking system expanded the pool of potential candidates for overseas posts and removed a major disincentive for potential candidates by ensuring that officers in overseas posts receive the same opportunities for acting appointments and promotion as their counterparts in Hong Kong.

3. Under this system, the Secretary of Civil Service may exercise delegated authority in the following situations to create supernumerary posts at a pre-determined higher rank held against the permanent directorate head and deputy head posts of the lower rank in the following situations –

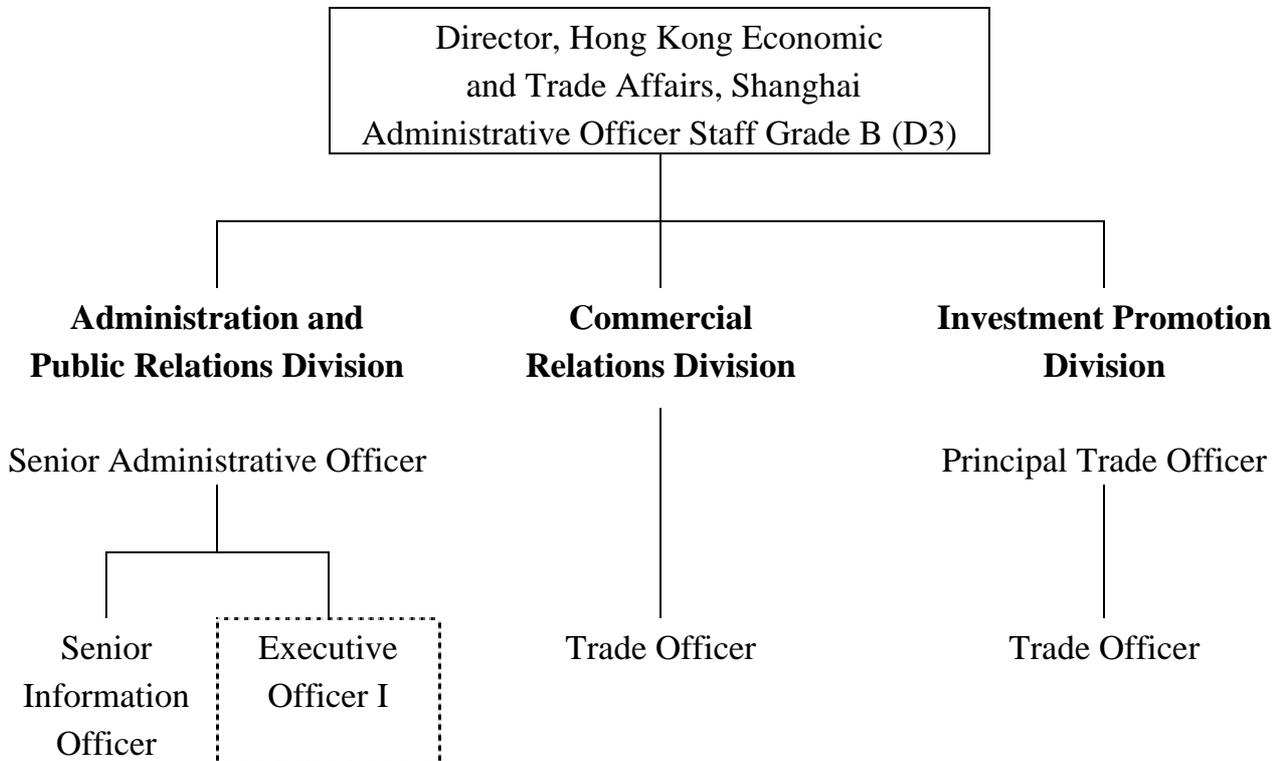
- (a) the promotion of an officer during his overseas tour to a rank higher than the rank of the post he currently occupies;

/(b)

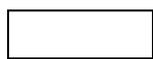
- (b) the posting overseas of an officer whose substantive rank, at the time of posting, is already higher than the rank of the post in the overseas office to which he is posted;
- (c) the appointment of an officer to act in a rank higher than the rank of the post he occupies on being posted overseas, if it is considered that he would have been offered an acting appointment at that higher rank had he remained in Hong Kong; and
- (d) the appointment of an officer already serving overseas in his own substantive rank to act in the higher rank if, in all likelihood, he would have been offered an acting appointment at the higher rank had he remained in Hong Kong.

4. In June 1996, after considering EC(96-97)10 and the Supplementary Note, Finance Committee approved the extension of approved flexible ranking system to D6 Heads of overseas offices subject to a set of conditions as set out in the Supplementary Note.

**Proposed Organisation Chart of The Economic and Trade Office of the
Government of the HKSAR in Shanghai**



Notes



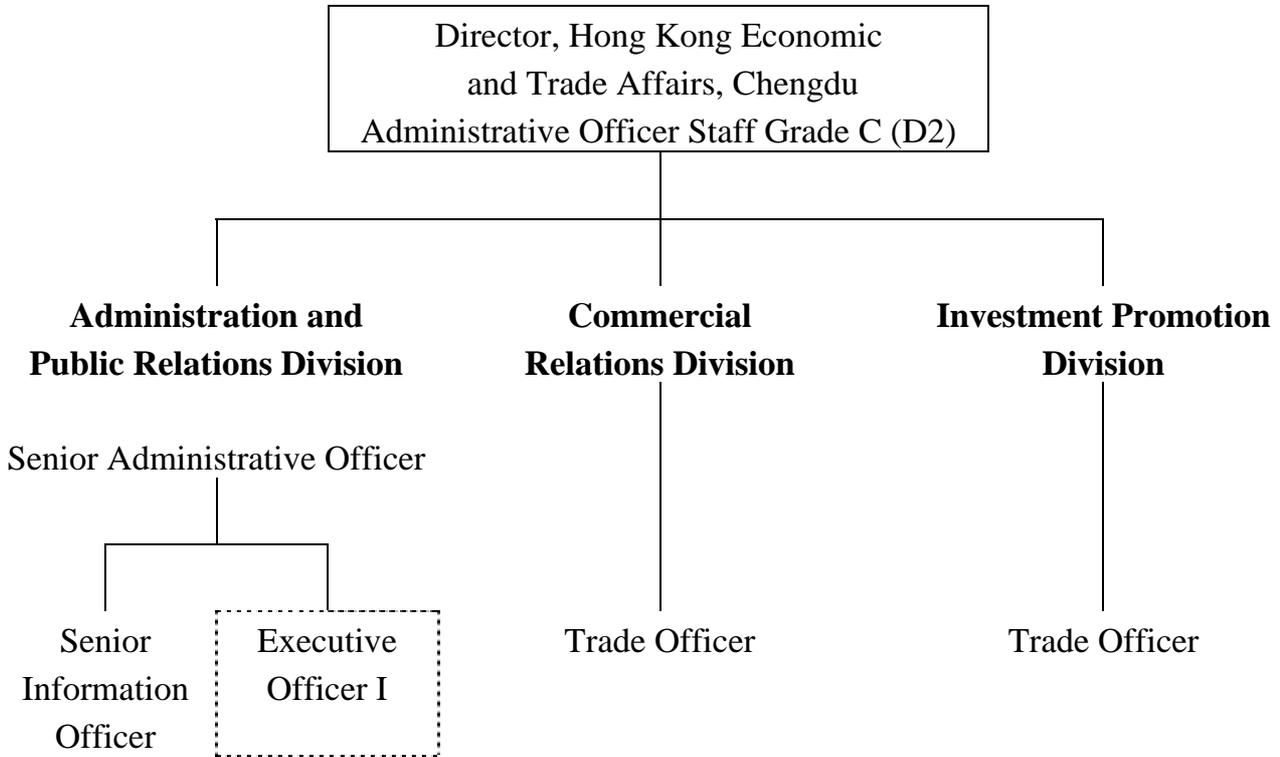
Directorate post proposed to be created.



Time-limited post proposed to be created for two years

Apart from the above mentioned posts to be filled by officers from Hong Kong, eight local supporting personnel will be engaged, viz. 1 Commercial Relations Manager, 1 Investment Promotion Manager, 1 Investment Promotion Assistant, 1 Executive Secretary, 1 Assistant Executive Manager, 2 Clerical Assistants and 1 Driver/Office Assistant.

**Proposed Organisation Chart of The Economic and Trade Office of the
Government of the HKSAR in Chengdu**



Notes



Directorate post proposed to be created.



Time-limited post proposed to be created for two years.

Apart from the above mentioned posts to be filled by officers from Hong Kong, eight local supporting personnel will be engaged, viz. 1 Commercial Relations Manager, 1 Investment Promotion Manager, 1 Investment Promotion Assistant, 1 Executive Secretary, 1 Assistant Executive Manager, 2 Clerical Assistants and 1 Driver/Office Assistant.

**Assistance that can be rendered by the BJO and GDETO to
Hong Kong residents in the Mainland^{Note}**

1. **Loss of identity documents:** Upon verification of the identity of Hong Kong residents who have lost their identity documents, staff of the Immigration Department in the Mainland offices could issue Entry Permits to Hong Kong residents in the Mainland, or provide arrangements as appropriate, for their expeditious return to Hong Kong;

2. **Accidents, injuries or sickness:** we will provide practicable assistance including –
 - (a) notifying as soon as possible, relatives of the parties concerned who are in Hong Kong;
 - (b) processing the lost documents and assist the Hong Kong residents and/or their relatives in applying for Entry and Exit Permits;
 - (c) contacting family/travel agencies to arrange for the expeditious return of the injured person(s) to Hong Kong for treatment;
 - (d) arranging for the reception of the injured in Hong Kong;
 - (e) if medical treatment is required in the Mainland, providing under practicable circumstances, contact information on sourcing medical services for reference; and
 - (f) assisting relatives of the deceased in completing the procedures for transporting their corpses back to Hong Kong and applying for death notarial certificates.

3. **Referral services:** on requests for assistance not relating to loss of monies and identity documents, detention or accidents, if the requests for assistance require follow-up by other parties, our Mainland offices would refer the cases to Mainland authorities, bureaux/departments of the HKSARG, or non-governmental organisations for further assistance. Apart from referrals, we would also follow up cases in the light of their nature and experience gained in handling similar cases. This may entail the arrangement of meetings between assistance-seekers and relevant authorities under practicable circumstances, or handling direct by coordinating with Mainland and Hong Kong authorities to follow up the cases;

4. **Loss of monies:** the BJO will first contact the Hong Kong residents' family members to assist in arranging for remittance from Hong Kong in meeting the needs of the assistance-seekers. If assistance could not be sought immediately from the family members, BJO could advance a suitable amount of money to the assistance seekers for maintaining their minimal needs and paying the transportation expenses for returning to Hong Kong, on conditions that the assistance seekers undertake to repay the advanced sum in full and to return to Hong Kong immediately. We plan to provide the same assistance in respect of the areas covered by the GDETO upon the deployment of staff from the Immigration Department;

5. **Arrest or detention:** we will provide practicable assistance in light of circumstances of the case and requests from the assistance-seekers. Upon request from the assistance-seekers or their families, we can convey their appeals to the relevant Mainland authorities and help follow-up. In addition, through the notification mechanism established with the Mainland, the Hong Kong Police will inform the detainees' families as soon as possible, to facilitate their early consideration on seeking assistance from legal professionals or the HKSARG.

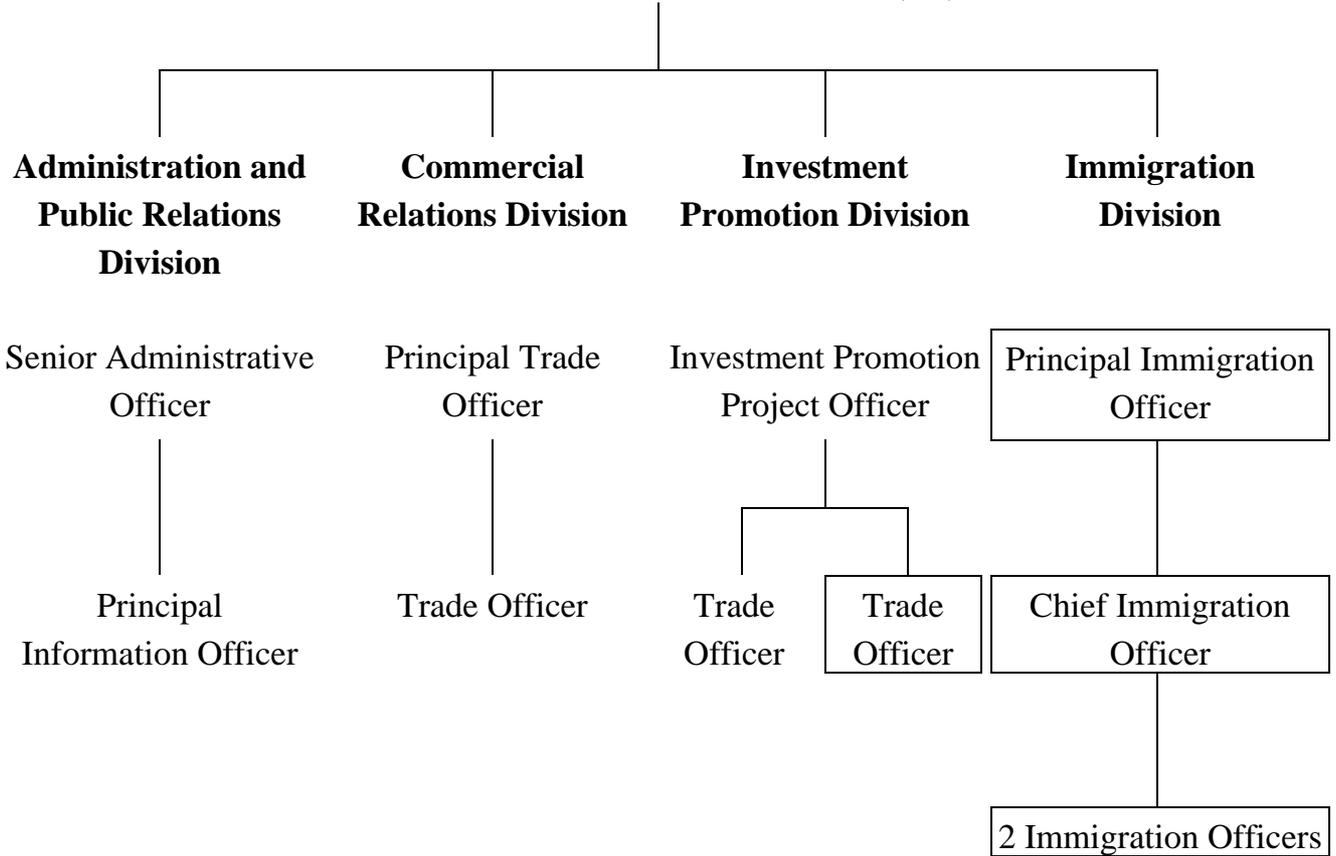
6. **Requests for assistance regarding legal advice:** we can provide information on the contact details of law societies in the concerned provinces/municipalities, as provided by the "All China Lawyers Association", to the family members concerned so that they may seek appropriate legal representation. To enhance understanding of Hong Kong residents on the legal system of the Mainland, the Security Bureau and the BJO have published "A Brief Introduction to Mainland Criminal Proceedings" and "General Information on the Mainland Criminal Laws and Regulations relating to persons being arrested or under detention". The two publications provide information on Mainland laws and regulations relating to some common concerns in this connection. They can be obtained from the Immigration Department, the BJO or their websites.

In general, we would not intervene into private commercial disputes. For cases of private commercial disputes not involving authorities of Mainland or the HKSAR, we would suggest assistance-seekers to resort to legal means for redress.

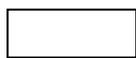
Note Some of the above mentioned assistance could only be provided by the GDETO upon deployment of staff from the Immigration Department.

**Organisation Chart of the Economic and Trade Office of the
Government of the HKSAR in Guangdong**

Director, Hong Kong Economic and Trade Affairs, Guangdong
Administrative Officer Staff Grade B (D3)



Notes



Permanent non-directorate posts to be created.

There are at present 13 local supporting personnel in the GDETO. To meet demand arising from its extended coverage, four additional local supporting personnel will be engaged, viz. 1 Investment Promotion Manager, 1 Commercial Relations Manager and 2 Clerical Assistants.

Proposed Job Description

Post Title : Director, Beijing Office

Rank : Administrative Officer Staff Grade A (D6)

Responsible to : Permanent Secretary for Constitutional Affairs

Main Duties :

1. To promote and enhance communication and close working relationship between the CPG and HKSARG;
2. to establish and develop a high-level liaison network with the Mainland senior officials; to liaise with the CPG's authorities and offices (in particular the Hong Kong and Macao Affairs Office of the State Council) and senior officials of the 15 provinces/regions/municipalities under the portfolio of the BJO;
3. to advise bureaux and departments of the HKSARG on matters of common interests of both the HKSAR and Mainland authorities;
4. to report to the HKSARG important policy initiatives, rules and regulations implemented by the CPG and provinces/municipalities, and to provide analysis and advice on these matters;
5. to promote understanding on Hong Kong with particular reference to the implementation of the "One Country, Two Systems" in the HKSAR;
6. to support bureaux/departments of the HKSARG to take forward initiatives relating to the 15 provinces/regions/municipalities concerned, and to facilitate their liaison with relevant Mainland authorities;
7. to provide assistance to Hong Kong businessmen in the 15 provinces/regions/municipalities concerned, including enhancement of liaison, follow-up on issues of their common concern, as well as collection and dissemination of information relating to commercial operations in the area concerned; and
8. to oversee the functioning of the BJO as regards communication with Central Authorities, liaison on economic and trade matters with the concerned 15 provinces/regions/municipalities concerned, immigration matters and assistance for Hong Kong residents in distress etc..

**Monthly Rent Allowances Approved by
the Finance Committee on 27 March 1998
for Hong Kong-based Staff in the Beijing Office**

The Finance Committee approved at the meeting on 27 March 1998 (vide discussion paper FCR(97-98)115) the rates of Rent Allowance for officers posted to Beijing Office. The rate of Rent Allowance is pegged to the rank of the officer as set out in the table below –

Rank	No. of officers	Rates of Rent Allowance per month		
		F	M	S
Director of Bureau (AOSGA1)	1	US\$15,000 or RMB124,191	US\$13,500 or RMB111,772	US\$13,500 or RMB111,772
AOSGB1	1	US\$11,110 or RMB91,984	US\$10,000 or RMB82,794	US\$10,000 or RMB82,794
AOSGC	1	US\$8,330 or RMB68,968	US\$7,500 or RMB62,096	US\$7,500 or RMB62,096
SAO/PTO/PIImO/CIO	4	US\$5,560 or RMB46,034	US\$5,000 or RMB41,397	US\$5,000 or RMB41,397
AO/SEO/SCLO/TO/CIImO	5	US\$3,890 or RMB32,207	US\$3,500 or RMB28,978	US\$3,500 or RMB28,978
ATOI/ImO/IO/PA/SPS	8	US\$2,780 or RMB23,017	US\$2,500 or RMB20,699	US\$2,500 or RMB20,699
Total	20			

Subject to the Finance Committee's approval for the proposed adjustment in the rank of the Director, Beijing Office post from AOSGA1 (D8) to AOSGA (D6), the rates of Rent Allowance for the AOSGA (D6) officer will be pitched at the mid-point of such rates for the AOSGA1 (D8) and AOSGB1 (D4) officers deployed to the Beijing Office, as set out in the table below –

/Rank

Rank	No. of officers	Rates of Rent Allowance per month ^{Note}		
		F	M	S
AOSGA	1	US\$ 13,055 / RMB 105,556	US\$ 11,750 / RMB 95,005	US\$ 11,750 / RMB 95,005

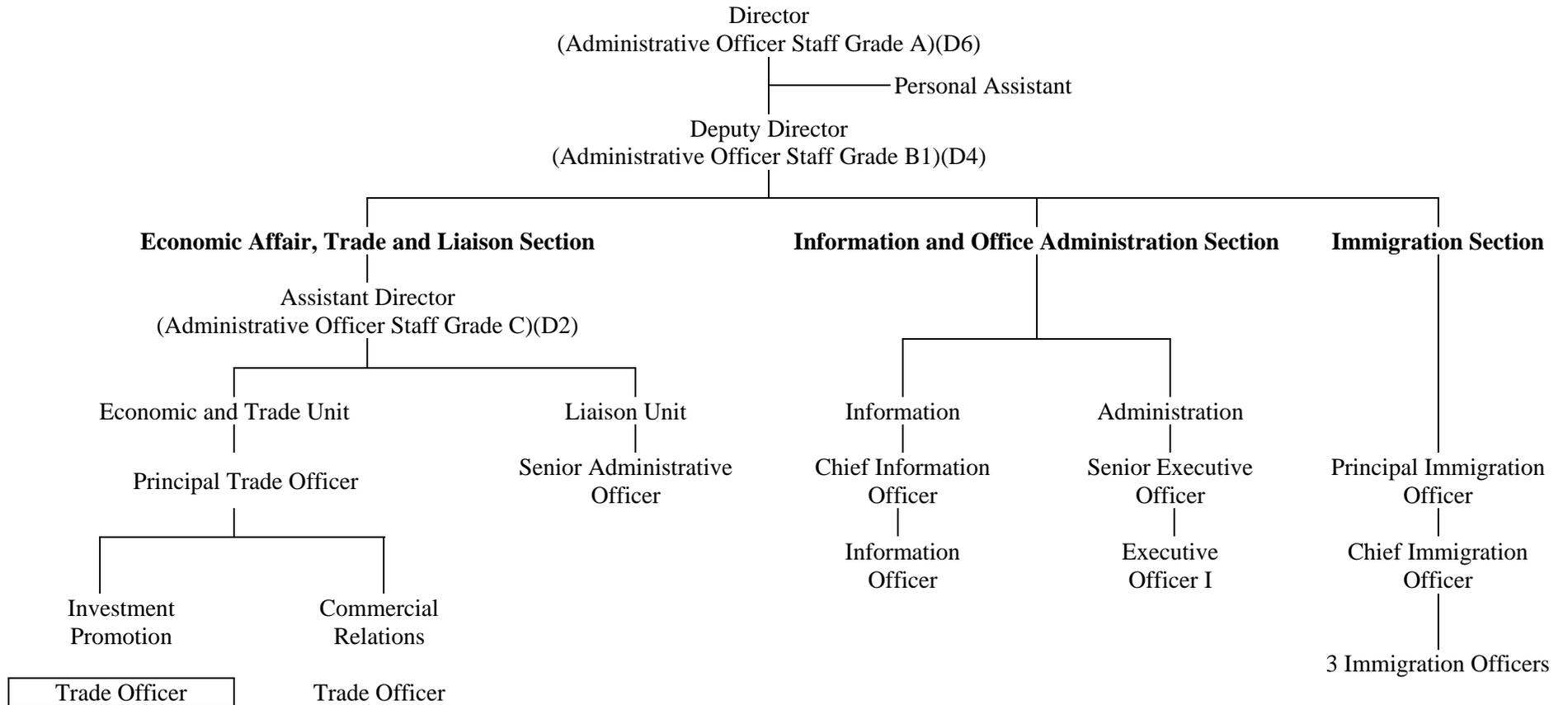
Note As advised by the Treasury, the exchange rate for US\$ is 7.754 as at 25 November 2005. The exchange rate for RMB : HK\$ is 100 : 95.9.

Legend

- F = Married officer accompanied by spouse and children (or child)
M = Married officer accompanied either by spouse or children (or child)
S = Officer not accompanied by spouse and children (or child)

- AOSGA1 = Administrative Officer Staff Grade A1
AOSGA = Administrative Officer Staff Grade A
AOSGB1 = Administrative Officer Staff Grade B1
AOSGC = Administrative Officer Staff Grade C
SAO = Senior Administrative Officer
PTO = Principal Trade Officer
PImO = Principal Immigration Officer
CImO = Chief Immigration Officer
CIO = Chief Information Officer
AO = Administrative Officer
SEO = Senior Executive Officer
SCLO = Senior Chinese Language Officer
TO = Trade Officer
ATO I = Assistant Trade Officer I
ImO = Immigration Officer
IO = Information Officer
PA = Personal Assistant
SPS = Senior Personal Secretary

Organisation Chart of the Office of the Government of HKSAR in Beijing



Notes

Non-directorate permanent post to be created.

There are at present 18 supporting staff engaged locally by the BJO. To support the functioning of the BJO in future, the Office will engage six additional officers locally, including 1 Investment Promotion Manager, 1 Investment Promotion Assistant, 1 Commercial Relations Manager, 1 secretary and 2 clerks.

**Staffing and financial implications arising from
the Establishment of the Mainland Affairs Liaison Office and
Strengthening the HKSAR's Representation in the Mainland**

Creation/ Deletion	Rank/Number of Post	Notional Annual Salary Cost at Mid-point (\$)	Full Annual Average Staff Cost (\$)
Mainland Affairs Liaison Office			
Creation	2 AOSGC (D2) posts	2,721,600	4,051,000
	11 non-directorate posts	5,377,740	7,959,000
Deletion	1 AOSGB (D3) supernumerary post ¹	See Note 1	
	7 non-directorate time-limited/supernumerary posts ¹		
Beijing Office			
Creation	1 AOSGA (D6) post	1,951,800	2,831,000
	1 non-directorate post ²	681,180	1,179,000
Deletion	1 AOSGA1 (D8) post	2,172,600	2,909,000
Economic and Trade Office in Guangdong			
Creation	5 non-directorate posts ³	3,203,820	4,936,000
Economic and Trade Office in Shanghai			
Creation	1 AOSGB (D3) post	1,580,400	2,250,000
	5 non-directorate posts ⁴	3,843,240	6,137,000
Economic and Trade Office in Chengdu			
Creation	1 AOSGC (D2) post	1,360,800	2,026,000
	4 non-directorate posts ⁵	2,914,020	4,764,000

Notes

1. Advancing the deletion of one supernumerary AOSGB (D3) post and seven non-directorate time-limited/supernumerary posts in the Hong Kong Guangdong Cooperation Coordination Unit (HKGCCU) by 10 months upon the merger of the HKGCCU and the Constitutional Affairs Bureau would bring about one-off savings of \$1,875,000 and 6,680,000 respectively in annual average staff cost.

2. Apart from the creation of one permanent non-directorate post, the Beijing Office will engage six additional supporting personnel locally to provide support.
3. Apart from the creation of these permanent non-directorate posts, the Economic and Trade Office in Guangdong will engage four more supporting personnel locally to provide support.
4. Apart from the creation of these permanent non-directorate posts, a time-limited Executive Officer I post will be created in the Economic and Trade Office in Shanghai for two years, to support the administration of the office in the inception stage. In addition, eight supporting personnel will be engaged locally to provide support.
5. Apart from the creation of these permanent non-directorate posts, a time-limited Executive Officer I post will be created in the Economic and Trade Office in Chengdu for two years, to support the administration of the office in inception stage. In addition, eight supporting personnel will be engaged locally to provide support.

Legend

AOSGA1 = Administrative Officer Staff Grade A1

AOSGA = Administrative Officer Staff Grade A

AOSGB = Administrative Officer Staff Grade B

AOSGC = Administrative Officer Staff Grade C