

Legislative Council Panel on Constitutional Affairs
(for discussion at the meeting to be held on 30 October 2001)

Election Expense Limit for the Chief Executive Election

Introduction

This paper puts forward the Administration's proposal on the election expense limit for the Chief Executive ("CE") election for Members' discussion.

Background

2. Election expense limit for the CE election was one of the subjects which the Legislative Council ("LegCo") discussed when it examined the CE Election Bill. The Bills Committee took the view that an election expense limit should be set as a matter of principle. This limit will be prescribed by the CE in Council, by regulation subject to negative vetting by the LegCo, under section 45 of the Elections (Corrupt and Illegal Conduct) Ordinance (Cap. 554) in the same way as the election expense limits for LegCo elections and the District Councils ("DCs") elections are set.

Principles for setting an election expense limit for the CE election

3. Article 45 and Annex I of the Basic Law ("BL") provide that the CE shall be elected by a broadly representative Election Committee ("EC"), and be appointed by the Central People's Government. Most EC members are elected from different sectors and represent different walks of life in the community. BL 43 provides that the CE shall be the head of the Hong Kong Special Administration Region ("HKSAR") and shall represent the HKSAR. The functions and powers conferred on the CE by the BL cover a wide range of matters relating to the HKSAR. The policies of the CE will affect the well-being of all residents in the HKSAR. As such, candidates running for the office of the CE have a legitimate need to publicize their election platform to the public at large.

4. As a result, the election expense limit for the CE election must be sufficient for candidates to publicize their election platform to all residents of the HKSAR. In this connection, it is pertinent to note that the total of the election expense limits for the five Geographical Constituencies of the LegCo elections is equal to \$10 million.

5. On the premise that candidates of the CE election need to carry out territory-wide campaign, we consider that the election expense limit should be derived having regard to the following five categories of expenses –

- (a) expenses for setting up an election office;
- (b) expenses for employing campaign staff;
- (c) expenses for engaging professional services;
- (d) expenses for carrying out policy researches; and
- (e) expenses for publicity and promotion.

Proposed election expense limit for the CE Election

6. Having regard to the principles set out in paragraphs 3 to 5 above, we propose that an election expense limit of \$9.5 million should be set for the CE election. Details are set out in the **Annex**.

7. Same as the election expense limits for the LegCo and DCs elections, the election expense limit for the CE election does not restrict what a candidate may do to promote his election. A candidate has complete discretion to decide on the amount and types of election expenses insofar as he does not spend in excess of the prescribed election expense limit.

Conclusion

8. Members are invited to put forward their views on the Administration's proposed election expense limit for the CE election.

Constitutional Affairs Bureau
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Election Expense Limit for the CE Election

Expenses	Estimated amount (\$ million)	Remarks
Expenses for setting up an election office	1.2 (13%)	<p>Assuming that a Grade A office of 400 square metres in Central is rented for a period of five months. Details are as follows –</p> <p>Average rental for Grade A office in central in 2000 : \$415/ m²</p> <p>Estimated space required : 400 m²</p> <p>Estimated rental for five months : \$830,000</p> <p>Overhead expenses (e.g. management fee and charges for water and electricity) (estimated to be 20% of rental) : \$166,000</p> <p>One-off expenses for setting up and winding down the election office (e.g. decoration)(estimated to be 20% of rental) : \$166,000</p> <p>Total : \$1,162,000 (say \$1.2 million)</p>
Campaign staff	2.3 (24%)	<p>Assuming that a total of 15 staff are required. Details are as follows –</p> <p>Salary for the campaign manager (1) : \$70,000/month</p> <p>Salary for each senior staff (4 in total) : \$50,000/month</p> <p>Salary for each supporting staff (10 in total) : \$8,000/month</p> <p>Salary expenses for five months : \$1,750,000</p> <p>Contract gratuity and fringe benefits (estimated to be 30% of salary) : \$525,000</p> <p>Total : \$2,275,000</p>

Expenses	Estimated amount (\$ million)	Remarks
		(say, \$2.3 million)
Professional services	1.5 (16%)	Assuming that \$1.5 million is required for engaging PR consultancy and seeking legal opinion.
Policy researches	1.5 (16%)	Including conducting opinion surveys and holding focus group discussions. Details are as follows – Estimated expenses for a single-subject research : \$0.3 million Estimated number of researches : 5 Total : \$1.5 million
Publicity and promotion	3 (31%)	Details are as follows – Sending publicity materials to each household/unit under the Hong Kong Post Circular Service <i>(including postage and printing cost)</i> : \$2.5 million Posters, banners, hand bills and etc <i>(including production and printing costs)</i> : \$0.25 million Election advertisements <i>(e.g. through newspapers)</i> : \$0.25 million Total : \$ 3 million
Grand total	9.5	