

Legislative Council Panel on Constitutional Affairs

Financial Provision for 2003 District Councils Election

The District Councils (DCs) election to elect members for the second term will be held in November this year. This paper informs members of the financial provision earmarked for the election in the 2003-04 draft Estimates.

Overall Budget

2. A total amount of \$140 million has been set aside for the 2003 DCs election. It represents a slight reduction of \$2.7 million as compared with the actual expenditure of \$142.7 million incurred for the 1999 DCs election. A breakdown of the relevant costs and their comparison with the actual expenditure in 1999 is at **Annex**.

Staff Cost

3. The total staff cost is estimated to be \$49.3 million, a reduction of \$0.5 million from the actual staff cost of \$49.8 million for the 1999 election. This comprises staff cost of \$22.5 million for 35 civil service time-limited posts and \$26.8 million for 340 non-civil service contract (NCSC) staff. The time-limited civil service posts are created for civil servants to supervise and manage the work of NCSC staff who will be recruited from four months to one year to assist in the preparation and conduct of DCs election. The majority of these NCSC staff will be engaged at assistant supervisory level or in clerical or manual duties.

4. Although the workload for the 2003 DCs election has increased due to the addition of ten elected seats and the expected increase in the number of registered electors as compared to that in 1999, we will not increase the number of additional staff to be employed. In fact, we will keep the staff cost below the level for the 1999 DCs election. This will be done through limiting the creation of the time-limited civil service posts to those that are absolutely necessary, so that there are sufficient experienced civil servants to supervise the work of NCSC staff. In

addition, we will contract out some of the work procedures which are more cost-effective to be performed by contractors, such as data-input duties. We will still employ 340 NCSC staff. This will create employment opportunities.

Publicity

5. We have set aside a provision of \$18.8 million for conducting a voter registration campaign and for publicity arrangements relating to the election itself. This represents a decrease of \$7.7 million as compared with the actual expenditure of \$26.5 million for the 1999 election. Although we have earmarked a smaller provision for publicity arrangements, we will ensure that the effectiveness of the publicity campaigns will not be compromised. We have carefully reviewed the publicity measures used in past voter registration campaigns and publicity arrangements for elections. In the light of past experience, we plan to adopt a more targetted approach for the upcoming publicity arrangements. For example, we intend to focus our voter registration efforts on certain age groups with low registration rates (i.e. age 18 to 25), as well as the registered electors who have changed addresses, such as the residents of newly developed areas. We will make a further report to this Panel later on details of the voter registration campaign and publicity arrangements for the 2003 election.

Election Expenses

6. Our budget for election expenses other than staff cost and publicity is \$71.9 million, which is \$5.5 million more than the actual expenditure of \$66.4 million incurred for the 1999 election. This covers the costs for conducting public consultation, electoral arrangements such as hire of venue, honorarium for polling and counting staff, transportation, postage, free mailing for candidates and printing etc.

7. The increase in the requirement for election expenses is mainly due to additional expenditure on electoral arrangements. Additional provision is required as we intend to identify 500¹ polling stations for the

¹ The actual number of polling stations to be used will depend on the number of District Councillors returned *ipso facto*.

2003 election, as compared to only 432 polling stations used in the 1999 election, since a number of constituency seats were uncontested. Furthermore, we have made additional provision for the cost of free mailing to be provided to candidates and the postage to be incurred by the Registration and Electoral Office, as a result of the expected increase in the number of registered electors as compared to that for the 1999 election.

Conclusion

8. Members are invited to note the contents in this paper.

Constitutional Affairs Bureau

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| | Provision for 2003 DCs Election | | | Actual |
|---|--|-----------------------|---------------------|---------------------|
| | \$M | | | Expenditure |
| | <u>2002-03</u> | <u>2003-04</u> | <u>Total</u> | for 1999 |
| | | | | DCs Election |
| | | | | <u>\$M</u> |
| (A) Staff Cost | | | | |
| 35 time-limited civil service posts (Note 1) | 7.1 | 15.4 | 22.5 | 26.4 |
| 340 non-civil service contract staff (Note 1) | 3.8 | 23.0 | 26.8 | 23.4 |
| Sub-total | 10.9 | 38.4 | 49.3 | 49.8 |
| (B) Publicity | | | | |
| Sub-total | 0.0 | 18.8 | 18.8 | 26.5 |
| (C) Election Expenses | | | | |
| Sub-total | 2.0 | 69.9 | 71.9 | 66.4 |
| Total | 12.9 | 127.1 | 140.0 | 142.7 |

Note 1: Service of these staff will be engaged over different periods in financial years 2002-03 and 2003-04.