

**Opening Statement by Secretary for Constitutional Affairs
at Special Meeting of the Finance Committee
on 13 April 2005**

Chairman, I wish to brief Members on the estimates of the Constitutional Affairs Bureau (CAB) and the Registration and Electoral Office (REO) in 2005-06 as well as our priorities in the coming year.

CAB's Estimate

2. In 2005-06, CAB is allocated \$39.9 million, which is about \$2 million or 5.3% more than the revised estimate for 2004-05. This is mainly due to an increase in the non-recurrent provisions for strengthening the promotion of the Basic Law as well as coordinating the work relating to public consultation on constitutional development. The recurrent provisions remain at \$34.63 million which is quite close to that for 2004-05.

Priorities of CAB in Coming Year

Election of a new Chief Executive

3. Our main task over the coming months is to ensure that a new Chief Executive (CE) will be elected in time on 10 July 2005 in accordance with the Basic Law and local legislation. The Government introduced to the Legislative Council (LegCo) on 6 April a bill to amend the Chief Executive Election Ordinance to state clearly that the term of office of a new CE returned in a by-election shall be the remainder of the term of the preceding CE. To provide a solid legal basis for our amendment bill and the election of the new CE, the Government submitted on 6 April a report to the State Council and proposed that a request be put to the Standing Committee of the National People's Congress (NPCSC) to make an interpretation of Article 53(2) of the Basic Law regarding the term of the new CE. Accepting the report, on 10 April the State Council submitted an item to the NPCSC regarding the interpretation of the relevant provision of the Basic Law.

4. We will work closely with the Bills Committee formed to scrutinise our amendment bill and hope that it will be passed in time. The first meeting of the Bills Committee will be held tomorrow morning.

5. As for the practical arrangements for the elections, the Registration and Electoral Office (REO) has completed the statutory procedures concerning the provisional register of the Election Committee (EC). The nomination period for the EC Subsector by-elections commenced on 9 April and will end on 15 April. The Subsector by-elections will be held on 1 May. Following the confirmation of the final register of EC members after the conclusion of the EC Subsector by-elections, REO will proceed to make arrangements for the conduct of the CE election.

6. According to the law, the nomination period for CE election shall not be less than 14 days and the canvassing period shall not be less than 21 days. The nomination period and the canvassing period will take place between June and July, and the election will be held on 10 July. The Electoral Affairs Commission (EAC) and REO are now making arrangements for the elections, including working out polling and staffing arrangements, and identifying suitable polling stations, etc. As in the past, EAC will work closely with other relevant departments, and conduct and supervise the elections in accordance with the statutory requirements and timeframe, and ensure that the elections are conducted in an open, honest and fair manner.

7. Separately, we have established an independent commission to consider the remuneration package and post-office arrangements for the CE. The independent commission will submit its report to the Administration in about two months' time. We will brief the LegCo Panel on Constitutional Affairs on the recommendations of the independent commission and the response of the Administration.

Methods for electing CE in 2007 and LegCo in 2008

8. We will elect the third term CE and the fourth term LegCo in 2007 and 2008 respectively in accordance with our original timetable. We will continue to take forward the review of the electoral methods for 2007 and 2008 step by step. It remains our aim that the two electoral methods should be further opened up to broaden public participation and to enhance the representativeness of the systems. We will consult the new CE when he assumes office in July, before publishing the fifth report of the Constitutional Development Task Force. We have extended the consultation deadline for the fourth report until the end of May to allow more time for public discussion. We will endeavour to publish the fifth report in the latter half of the year, and thereafter deal with the amendments to Annexes I and II to the Basic Law within 2005. We will proceed to amend the necessary domestic legislation for the CE and LegCo elections respectively during the first half of 2006 and in the course of 2007.

Pan-Pearl River Delta Regional Cooperation

9. In the coming year, CAB will continue to coordinate proactively HKSAR Government's participation in the Pan-Pearl River Delta (Pan-PRD) regional cooperation, and will facilitate liaison and cooperation with other provinces and region in the Pan-PRD region.

10. Since the conclusion of "Pan-PRD Regional Cooperation Framework Agreement" by the "9+2" governments in June last year, HKSAR has been working closely with relevant provinces/regions to promote Pan-PRD regional cooperation. An HKSAR Government delegation, led by CAB, has attended the two Pan-PRD Secretary-General meetings held in July 2004 and January 2005. During the meetings, the HKSAR Government and other governments in the Pan-PRD region exchanged views on improving the operation mechanism under the Framework Agreement, preparing for the second Pan-PRD Regional Cooperation and Development Forum, and exploring other major issues relating to regional cooperation. The HKSAR Government will continue to take an active part in the preparation for the second Pan-PRD annual forum to be held in Sichuan in July 2005.

11. To facilitate implementation of the various cooperation initiatives under the Framework Agreement, provinces/regions have started discussions in respect of cooperation in commerce and trade, tourism, environmental protection, education, health and prevention of infectious disease, labour and agriculture, and have reached broad consensus on the future direction and work plans. So far, a memorandum on foreign trade and economic cooperation and an agreement on environmental protection have been concluded among the 11 provinces/regions. The HKSAR Government attaches considerable importance to the "9+2" cooperation and CAB will continue to coordinate and facilitate HKSAR Government's work on this front, with a view to working closely with our partners in the Pan-PRD region to implement the cooperation initiatives under the Framework Agreement.

12. To enhance our understanding on our Pan-PRD partners, CAB has been organising visits since December 2004 to various Pan-PRD provinces/regions. So far we have conducted visits to Hainan, Jiangxi, Sichuan, Fujian, Hunan and Guangxi provinces, and will visit other Pan-PRD provinces in the coming months. We will also, through the Hong Kong/ Guangdong Expert Group on the Promotion of Pan-PRD Cooperation, strengthen communication and enhance information exchanges between Hong Kong and Guangdong on matters of common interest relating to Pan-PRD regional cooperation.

Promotion of Basic Law

13. We will continue to deepen our efforts in promoting the Basic Law in three main areas.

- Firstly, we will present to members of the public in a more comprehensive manner the content and principles of the Basic Law, as well as the historical background and the drafting process of the Basic Law. Apart from promoting the characteristics of “Two Systems”, we will also incorporate the concept of “One Country” in our promotion activities.
- Secondly, we will tie in the promotion of the Basic Law with national education. This will enhance public understanding of and identification with the nation.
- Thirdly, we will step up cooperation with community organisations and, through the network of these organisations, promote the Basic Law among different sectors of society.

14. This year marks the 15th anniversary of the promulgation of the Basic Law. CAB has reserved a non-recurrent provision of \$3.75 million for organising a series of activities to strengthen the promotion efforts of the Basic Law. This will be in addition to the recurrent provision of \$1.25 million in CAB’s estimate for Basic Law promotion. Together with the provision made by other bureaux and departments during 2005-06, the HKSAR Government as a whole has budgeted \$7.6 million for Basic Law promotion.

15. These various activities include a student flag raising ceremony which was conducted on 3 April, a carnival in commemoration of the 15th anniversary to be held in May, a roving exhibition on the drafting and implementation of the Basic Law, a seminar about the Basic Law, and promotion activities jointly organised with business and youth organisations, etc.

Taiwan-related Matters

16. In accordance with “Qian’s Seven Principles”, we will continue to enhance economic and cultural exchanges between Hong Kong and Taiwan. We will introduce to Taiwan visitors from various fields the successful implementation of the “One Country, Two Systems” principle through briefings on the latest development in Hong Kong, visits to the infrastructure and other facilities of the HKSAR and exchanges with Government bureaux/departments. We will also continue to liaise with

Taiwan organisations in Hong Kong on matters relating to Hong Kong/Taiwan relations.

REO's Estimate

17. For the 2005-06 financial year, we propose to allocate \$73.8 million to the REO, which is \$221.7 million or 75% lower than the revised estimate of the previous financial year. This significant reduction in the financial provision is mainly because additional resources previously allocated for making preparations for the 2004 LegCo election in the last financial year are no longer required during the current financial year.

18. We estimate that the CE Election and the EC Subsector supplementary nominations and by-elections to be held in this financial year will cost about \$22 million. This includes the staff cost of some 24 civil servants on secondment from other departments and about 160 temporary non-civil service staff, other expenses such as the cost for hire of venue, honorarium for polling and counting staff and publicity expenses, etc.

19. The REO will endeavour to absorb the expenses within its provision earmarked for by-elections and other purposes. If necessary, supplementary provisions will be sought towards the end of the 2005-06 financial year.

20. The REO will start preliminary preparatory work for the next Village Representatives election to be held in 2007. For example, the REO will commence the review of the EAC regulations and guidelines on election-related activities relating to the Village Representatives election.

21. Other regular tasks include the conduct of the 2005 voter registration campaign, the updating of personal particulars of electors, and the conduct and supervision of any by-election for the LegCo and District Councils as and when necessary.

Conclusion

22. My colleagues and I will continue to make the best possible use of the allocated resources to accomplish the above and other tasks falling under the purview of constitutional affairs. Chairman, may I now hand over to the Director of Beijing Office for him to brief Members about the work of his Office.

Constitutional Affairs Bureau
April 2005