

**For Information
on 21 May 2007**

**Legislative Council Panel on Constitutional Affairs
Role of the Commission on Strategic Development**

Purpose

This paper sets out the role of the Commission on Strategic Development (CSD) and the Administration's response to the specific concerns raised by some Members over the role and establishment of the CSD.

The CSD Since 2005

2. In his Policy Address delivered on 12 October 2005, the Chief Executive (CE) announced that he looked upon the CSD as the most important advisory body, and would substantially expand its membership by recruiting talents from different fields. The expanded CSD would provide a platform for all sectors of the community to explore with the Government major strategic issues pertaining to Hong Kong's long-term development. It would be able to gauge a wide range of community views, thereby laying the foundation for formulating specific policies, and making the process more scientific and transparent, backed up by enhanced public participation and acceptance.

3. The CSD comprise a wide spectrum of community leaders and experts, including professionals, academics, businessmen, politicians, and prominent labour and media personalities. The four official members are the Chief Secretary for Administration (CS), the Financial Secretary (FS), Head, Central Policy Unit and the Director of the Chief Executive's Office. Appointments to the expanded CSD were announced on 15 November 2005. There are at present 155 non-official and four official members serving on its four committees, viz., Executive Committee, Committee on Governance and Political Development, Committee on Social Development and Quality of Life, and Committee on Economic Development and Economic Cooperation with the Mainland. The first two committees are chaired personally by the CE and the other two by the CS and the FS respectively. The terms of reference of the four committees of the CSD are

Encl. 1 at Enclosure 1.

4. From 15 November 2005 to 30 April 2007, the CSD Secretariat organised 33 meetings, ten workshops, and one informal meeting, and issued 65 discussion papers inviting views from CSD members on a range of strategic issues. As at 30 April 2007, the CSD Secretariat processed a total of 194 written submissions from members of the four committees under CSD expressing their views on various strategic issues. The number of committee meetings held, discussion papers issued and written submissions received from CSD members as at 30 April 2007 are summarised in the tables at Enclosure 2. A full list of topics discussed at the four committee meetings is at Enclosure 3.

Encl. 2

Encl. 3

5. The four committees of the CSD, with members drawn from a wide spectrum of the community, have been very effective in providing a platform for the Government to canvass, before formulating specific policies, community views on issues of strategic importance to the long-term development of Hong Kong for reference, as well as to build up broad consensus on controversial and difficult issues. These issues include Hong Kong's international competitiveness; Hong Kong's positioning in international community and external affairs; possible models for selecting the CE and forming the Legislative Council (LegCo) by universal suffrage; further development of regional cooperation; population policy; income inequality and social mobility; creation of employment; support for the family; China's 11th Five-Year Plan; as well as maintaining a quality environment, etc.

6. Apart from the official members of the four committees, representatives of bureaux and departments also attend meetings of the committees and listen to the views and recommendations put forward by CSD members. To keep members of the public apprised of the deliberations of CSD, all discussion papers of the CSD and summaries of views expressed at the committee meetings have been uploaded to the CSD website maintained by the CSD Secretariat. Copies of these papers and summaries of views are also issued to the LegCo for reference. The CSD Secretariat also arranges media briefings after each committee meeting to inform the public of the gist of the meetings. These arrangements help promote the community's awareness and discussions on various strategic issues.

Future tasks of the CSD

7. The term of the incumbent CSD members will end on 30 June 2007. The Government will announce the new appointment of members to the CSD for the next term nearer the time. We have recently reviewed the operation of the CSD. During the past 18 months, the CSD has indeed offered insightful views and expert advice on a wide range of political, economic and social issues of strategic

importance to the long-term development of Hong Kong. It has also been instrumental and effective in taking forward community discussion on certain controversial issues such as Hong Kong's future constitutional development. We are therefore of the view that during the third term Government, the CSD should continue to operate and serve as the most important advisory body to the CE and the platform for the Government and various sectors of the community to explore and interact with each other on major strategic issues pertaining to our long-term development. The CSD will discuss a wide range of economic, social and political issues including those issues as outlined under the main themes set out in the CE's Election Platform Policy Blueprint.

The Administration's response to the specific concerns raised by some Members

8. Referring to the letter dated 19 April 2007 from the Clerk to Legislative Council Panel on Constitutional Affairs, the Administration's response is as follows:

(a) Given the establishment of the Legislative Council, the Executive Council and other advisory bodies under the Basic Law, the role of the CSD in the context of Hong Kong's political structure.

9. Article 66 of the Basic Law clearly stipulates that the Legislative Council shall be the legislature of the HKSAR. Article 73 of the Basic Law also stipulates clearly the powers and functions of the Legislative Council.

10. Article 54 of the Basic Law stipulates that the Executive Council shall be an organ for assisting the CE in policy-making.

11. Article 65 of the Basic Law stipulates that the previous system of establishing advisory bodies by the executive authorities shall be maintained.

12. The CSD is an advisory body. Its role is to provide a platform for the Government to canvass community views on issues of strategic importance to the long-term development of Hong Kong.

(b) The impact of the establishment of the CSD on the roles of the bodies mentioned in (a) above, e.g. whether CSD duplicates, supplements or undermines their respective roles.

13. The CSD is an advisory body. As set out in paragraphs 9 to 12 above,

the roles of the Legislative Council and the Executive Council as stipulated in the Basic Law would not be undermined by the operation of the CSD.

14. As explained in paragraphs 2 to 7 above, the role of the CSD is to provide a platform for the Government to canvass community views on issues of strategic importance to the long-term development of Hong Kong. It comprises members from a wide spectrum of community services and gauges a wide range of community views. As such, it does not duplicate the roles of other advisory bodies.

(c) The cost-effectiveness of the CSD and the justifications for its continued operation

15. The Administration considers that during the past 18 months, the CSD has offered insightful views and expert advice on a wide range of political, economic and social issues of strategic importance to the long-term development of Hong Kong. It has also been instrumental and effective in taking forward community discussion on certain controversial issues such as Hong Kong's future constitutional development. The Administration considers that the CSD should continue to operate and serve as the most important advisory body to the CE on long term development issues of strategic importance to Hong Kong.

(d) The need for conducting a comprehensive review on the role and positioning of the CSD.

16. The Administration has reviewed the role of the CSD and considers that the CSD should continue to operate and serve as the most important advisory body to the CE on long-term development issues of strategic importance to Hong Kong.

Terms of Reference

Executive Committee

- to advise the CE on Hong Kong's long-term development needs and goals; and
- to conduct reviews and studies of Hong Kong's economy, human resources, education, housing, land supply, environmental protection and relations with the Mainland to ensure that Hong Kong's resources are well-used, and that Hong Kong keeps up with world trends in competitive terms, and to maintain the vitality of economic development.

Committee on Governance and Political Development

- to advise the CE on the direction and strategy of political development and enhancing the quality of governance; and
- to conduct studies on political development and governance issues of strategic importance.

Committee on Social Development and Quality of Life

- to advise the CE on the direction and strategy of social development to enhance the quality of life in Hong Kong, including social harmony, environment and health, education and public welfare, transport, arts and culture, population, etc.; and
- to conduct studies on major social development issues of strategic importance.

Committee on Economic Development and Economic Cooperation with the Mainland

- to advise the CE on the direction and strategy to enhance the economic development and competitiveness of Hong Kong, to explore the commercialisation of creative ideas and opportunities for exchanges among creative talent, and to foster closer regional cooperation between Hong Kong and the Mainland with particular reference to the Pearl River Delta (PRD) and the Pan-PRD; and
- to conduct studies on economic development issues of strategic importance.

**Statistics on the Number of Meetings Held,
Discussion Papers Issued and Submissions Received**

Table 1 Statistics on Meetings Held
(from 15 November 2005 to 30 April 2007)

CSD Committee	Number of Meetings	Number of Workshops	Number of Informal Meetings
Executive Committee	9	1	--
Committee on Governance and Political Development	9	6	--
Committee on Social Development and Quality of Life	7	3	1
Committee on Economic Development and Economic Cooperation with the Mainland	8	--	--
Total	33	10	1

Table 2 Statistics on Discussion Papers and Submissions
(from 15 November 2005 to 30 April 2007)

CSD Committee	Number of Discussion Papers Issued	Number of Written Submissions Received from CSD Members
Executive Committee	21	19
Committee on Governance and Political Development	18	101
Committee on Social Development and Quality of Life	12	43
Committee on Economic Development and Economic Cooperation with the Mainland	14	31
Total	65	194

List of Topics Discussed at the Commission on Strategic Development
(up to 30 April 2007)

Executive Committee

1. An overview of Hong Kong's development, opportunities and challenges, positioning and vision
2. Hong Kong's positioning in our country's economic, social and political development
 - "The opportunities and challenges for Hong Kong arising from the Mainland's development during the 'Eleventh Five-Year' period"
 - "The role and responsibilities of Hong Kong in our country's economic, social and political development"
3. Hong Kong's positioning in international community and external affairs
4. Hong Kong's international competitiveness
5. Balanced and sustainable development on all fronts
6. Follow-up on the Economic Summit on "China's 11th Five-Year Plan and the Development of Hong Kong"
7. Further Development of Regional Cooperation
8. Policies and schemes for attracting Mainland and overseas talents
9. Maintaining a quality environment for Hong Kong

Committee on Governance and Political Development

1. An overview of the political structure of the Hong Kong Special Administrative Region
2. A preliminary study on the models to be adopted for selecting the Chief Executive and for forming the Legislative Council when universal suffrage is attained

3. Principles and concepts of universal suffrage
 - “The constitutional basis of the Basic Law provisions regarding ‘universal suffrage’”
 - “General understanding on the concept of ‘universal suffrage’”
4. How to ensure the Basic Law principle of facilitating the development of the capitalist economy would be realized in the process of attaining universal suffrage and in designing the model for universal suffrage
 - “Provisions in the Basic Law concerning the capitalist economy”
 - “Public finance policy and financial position of the SAR”
5. Conclusions on discussions on the concepts and principles relating to universal suffrage
6. Possible models on selecting the Chief Executive and forming the Legislative Council by universal suffrage
7. Review on the Role, Functions and Composition of District Councils
8. Consultation Document on Further Development of the Political Appointment System

Committee on Social Development and Quality of Life

1. An overview of major social development trends in Hong Kong
2. Tripartite partnership
3. Population Policy Part I:
 - Promoting Parenthood
 - Quality of Population
4. Population Policy Part II:
 - Ageing
 - Eligibility and Portability of Public Benefits

5. Council for Sustainable Development – Public Engagement Process on Population Policy
6. Support for the family
7. Income inequality and social mobility

Committee on Economic Development and Economic Cooperation with the Mainland

1. Hong Kong's economy's overview - recent performance and near-term outlook
2. How to power ahead Hong Kong's economic cooperation with the Mainland on all fronts
3. Promoting the development of creative industries
4. Hong Kong as a hub for talent
5. High value-added logistics
6. “Report on the Review of Hong Kong's Competition Policy”
7. Consultation paper on “Broadening the Tax Base Ensuring our Future Prosperity – What's the Best Option for Hong Kong?”
8. Creation of employment
9. 2007-08 Budget Consultations
10. The Hong Kong economy: developments since 2003, and a critical review of the structural and cyclical issues impacting on the economy and the labour market