

**Legislative Council Panel on Constitutional Affairs**

**2006-07 Policy Agenda**

**INTRODUCTION**

This paper briefs Members on the initiatives of the Constitutional Affairs Bureau (CAB) set out in the 2006-07 Policy Agenda.

**POLICY AGENDA**

2. Under the guiding principle of “Effective Governance”, we will pursue one new initiative and will continue to implement three ongoing initiatives.

New Initiative

- (a) Introduce legislation to give effect to the proposal to introduce a financial assistance scheme for candidates in the District Council (DC) elections.

Ongoing Initiatives

- (b) Continue to consult the public on the proposal to further develop the Political Appointment System by creating new positions in the political tier at different levels. We will analyse the views collected with a view to making public the Government’s proposed way forward some time during the first half of 2007.
- (c) Continue to take forward constitutional development after 2007. We will strive to build consensus in the community on a roadmap for universal suffrage through discussions at the Commission on Strategic Development. The Commission is discussing possible models for implementing universal suffrage for selecting the Chief Executive (CE) and forming the Legislative Council (LegCo). We will publish a report to draw conclusions on the discussions of the Commission during the first half of 2007, and submit the report to the Central Authorities.
- (d) Continue to facilitate the implementation of “One Country, Two Systems” and to demonstrate its success; and to facilitate the promotion of public awareness and understanding of the Basic Law.

3. Furthermore, under the guiding principle of “Vibrant Economy”, we will continue to implement two ongoing initiatives as follows:

Ongoing Initiatives

- (a) Continue to strengthen regional co-operation between the Mainland and Hong Kong following the establishment of the Mainland Affairs Liaison Office (MALO) in CAB and the setting up of new Economic and Trade Offices in Chengdu and Shanghai.
- (b) Participate actively in Pan-Pearl River Delta (PPRD) regional co-operation to implement the PPRD Regional Co-operation Framework Agreement signed in June 2004 with the governments of the various PPRD provinces and regions.

Details of the above initiatives are covered in the following paragraphs.

**EFFECTIVE GOVERNANCE**

4. We will pursue initiatives to enhance effective governance. These initiatives include taking forward constitutional development after 2007, further developing the political appointment system and implementing measures pursuant to the review on the role, functions and composition of DCs. We will also make preparations for the coming elections.

*Constitutional Development after 2007*

5. We will continue to take forward the work of the Commission on Strategic Development to study the issue of Hong Kong’s constitutional development, and to formulate a roadmap on universal suffrage.

6. Since its establishment in November last year, the Commission has held six meetings and three workshops to discuss how the ultimate aim of universal suffrage in accordance with the Basic Law can be attained. The Commission has discussed the principles and concepts relating to universal suffrage and has come to the conclusion that, in implementing universal suffrage, we should comply with the following four principles:

- (a) addressing the interests of different sectors of society;
- (b) facilitating the development of the capitalist economy;

- (c) gradual and orderly progress; and
- (d) meeting the actual situation in the HKSAR.

7. The work of the Commission has entered a new phase. At the meeting on 28 July 2006, the Commission commenced discussion on possible models for electing the CE by universal suffrage. Discussion on models for implementing universal suffrage for LegCo also commenced at the meeting on 22 September 2006.

8. Regarding possible models for implementing universal suffrage for the CE, the Commission is now focusing on the following three areas:

- (a) composition of the nominating committee;
- (b) threshold and method for nominating CE election candidates; and
- (c) method for selecting the CE by universal suffrage following nomination.

9. Regarding possible models for implementing universal suffrage for the LegCo, the Commission has had some discussion on the following options:

- (a) to return all seats by geographical constituencies (GCs) through direct elections, and to abolish all functional constituency (FC) seats;
- (b) to return some seats by GCs through direct elections, and the FC seats would not be returned by the existing election method; and
- (c) to implement a bicameral system.

10. Through the discussion, we hope that Members of the Commission will continue to narrow their differences, and strive to reach consensus on the relevant issues. The Government will publish a report to draw conclusions on the discussion of the Commission during the first half of 2007, and will submit the report to the Central Authorities. We hope that the report will provide a sound basis for the Government to continue to handle this subject during the next term. We will continue to make best endeavours in mapping out a blueprint for Hong Kong's constitutional development, covering 2012 and beyond.

### ***Further Development of Political Appointment System***

11. As announced in his 2005-2006 Policy Address, the CE proposed that consideration should be given to creating within the Government a small number of positions dedicated to political affairs. In July 2006, proposals involving the creation of the positions of Deputy Director of Bureau and Assistant to Director of Bureau were put forth in the Consultation Document on Further Development of the Political Appointment System for a four-month public consultation.

12. The main objectives of the proposals are :

- (a) to enable people from a variety of backgrounds, including the academia, political parties, civil service, as well as professional and business sectors, to have the opportunity to pursue a broader political career;
- (b) to complement the further development of Hong Kong's electoral systems by creating more room for participation in public affairs; and
- (c) to build on the existing institutional arrangement (whereby there is a political tier at the top echelon of the Government underpinned by a permanent, professional and apolitical civil service). On the one hand, Principal Officials will be given more support for carrying out political work. On the other hand, the arrangement will help preserve the fine traditions of the civil service.

13. Public consultation will end on 30 November 2006. Thereafter, we will analyse the views collected with a view to making public the Government's proposed way forward during the first half of 2007. The actual timing and pace of implementing the proposed arrangements will be subject to the views collected during public consultation, resource availability, and availability of individuals of the right calibre to fill the new positions.

### ***District Councils Review***

14. The public consultation on the Review on the Role, Functions, and Composition of DCs (DC Review) ended on 31 July. Having consulted the Executive Council, the Secretary for Home Affairs announced the way forward on 28 September. The Home Affairs Bureau also issued a brief on the same day to all Legislative Council Members (HAD HQ CR/13/2/1(C)), setting out

the public views received and details of the implementation plan.

15. In gist, in relation to the enhancement in the roles and functions of DCs concerned in district matters, a pilot scheme will be implemented in four districts (namely Wan Chai, Wong Tai Sin, Tuen Mun and Sai Kung) for the DCs to participate in the management of some district facilities (i.e. district libraries, community halls, leisure grounds, sports venues and swimming pools (including beaches)) starting from 1 January 2007. The experience gained in the pilot scheme will provide operational experience for an effective roll-out of the arrangements in all 18 districts from the start of the next DC term in January 2008.

16. Having regard to the contribution made by appointed and ex-officio members to the work of DCs, and to ensure the continuation of smooth delivery of district services while implementing the new measures under DC Review, the Government considers it prudent not to make major changes to the composition of the DC in the next term from 2008. There will be five additional elected seats for the Sai Kung and Islands DCs. The number of DCs, the population quota, the number of appointed and ex-officio seats and the number of elected seats in the other 16 districts will remain unchanged in the next term (i.e. the total number of elected seats will be 405).

17. We consulted the Panel on 21 April 2006 on the proposal to introduce a financial assistance scheme for candidates in DC elections. The proposal was generally supported by the Panel. There was also broad support for the proposal during public consultation on the DC Review. In due course, we will introduce legislation to implement the proposal. In preparing the legislation, we will consider carefully the views received during the consultation and comments made by the Panel.

18. The Electoral Affairs Commission (EAC) has completed public consultation on its provisional recommendation on the demarcation of the DC constituency boundaries for the 2007 DC election. The Commission will submit its final recommendations to the Chief Executive before the statutory deadline in late November. Subsidiary legislation on the names and boundaries of the constituencies will be put to LegCo for negative vetting later.

### ***Preparation for Elections***

19. EAC, supported by the Registration and Electoral Office (REO), is making preparation for various electoral arrangements for the Election Committee (EC) subsector elections and the CE election. We would like to use this opportunity to outline, for Members' information, some of the preparatory

work.

### EC subsector elections

20. The exercise to update the EAC Regulation on the electoral procedures for the EC subsector elections was completed in July 2006. Following a one-month public consultation, the finalised EAC Guidelines on election-related activities were published in early October.

21. The nomination period for the EC subsector elections will run from 1 November to 8 November. Polling will take place on 10 December from 7:30 am to 10:30 pm. About 220,000 voters have been registered, and the final register of voters for 2006 was published in July. A total of 110 polling stations will be set up across the territory to facilitate voters to vote.

22. Counting will be centralised and will take place at the Hong Kong Convention and Exhibition Centre. As in previous EC subsector ordinary elections, REO will use an Optical Mark Recognition system to facilitate the counting of votes. System development and testing are underway.

### CE Election

23. The Third Term CE election will be held on 25 March 2007. Amendments required for the EAC Regulation on the electoral procedures will be gazetted on 13 October. The amendments are mainly:

- (a) to provide for the detailed arrangements to implement the electoral procedures for the conduct of a poll at a CE election in which only one candidate is validly nominated; and
- (b) to align the electoral procedures for the CE election, where appropriate, with those for other elections.

24. The EAC will also publish for public consultation in November the proposed Guidelines on election-related activities in respect of the CE election.

### ***Implementation of “One Country, Two Systems” and Promotion of the Basic Law***

25. We will continue to assist bureaux and departments to enhance communication and to develop a good working relationship with the relevant Mainland authorities. We will further promote better understanding between the HKSAR Government and the Mainland authorities through visits and other

contacts.

26. In accordance with the “Qian’s Seven Principles”, we will continue to promote economic and trade ties and cultural exchanges between Hong Kong and Taiwan, and brief Taiwan visitors on the latest developments in Hong Kong and the implementation of the “One Country, Two Systems”. In the last few years, we have assisted in arranging visits to Hong Kong, including visits to Government departments, by representatives from various sectors in Taiwan. They include the business, media, academic, legal and medical sectors, as well as the Taipei Government and City Council and members of the legislature of different political backgrounds in Taiwan. The HKSAR Government will continue to strengthen such exchanges with various sectors of Taiwan, so that they will have a better understanding of the latest developments in Hong Kong.

27. To facilitate the conduct of Hong Kong’s external affairs, CAB will continue to act as a focal point of contact between the HKSAR Government and the Office of the Commissioner of the Ministry of Foreign Affairs. We will also continue to advise bureaux and departments on the conduct of Hong Kong’s external affairs in accordance with the relevant provisions of the Basic Law and the “One Country, Two Systems” principle to facilitate Hong Kong’s participation in international organisations and conferences.

28. We will step up our efforts in promoting the Basic Law, with a view to enhancing public understanding of the ‘One Country, Two Systems’ principle and the Basic Law. We will further promote the important concepts of "One Country, Two Systems", "Hong Kong People ruling Hong Kong" and "a high degree of autonomy". This is to enhance the public’s understanding on the position of Hong Kong as a special administrative region directly under the Central People’s Government, the relationship between the Central Authorities and the HKSAR and the advantages brought to Hong Kong by the “One Country, Two Systems” principle. For the 2006-07 financial year, relevant departments of the Government have earmarked \$10 million for organising promotional activities. Electronic media will be an important promotion channel, including TV documentary programme, Announcements of Public Interest and radio shows to enhance the public’s understanding of the Basic Law. We will also organise other activities such as seminars and competition to enhance the effect of promotion.

## VIBRANT ECONOMY

### *Strengthening Regional Co-operation between the Mainland and Hong Kong*

29. The MALO was set up within CAB in April this year. The new office is responsible for formulating overall strategy and direction regarding cooperation with the Mainland, promoting cooperation between Hong Kong and Mainland provinces/regions, and keeping an overview of the work of the Beijing Office (BJO) and Hong Kong Economic and Trade Offices (ETOs) in the Mainland. In addition, we have strengthened Hong Kong's representation in the Mainland. The two new ETOs in Shanghai (SHETO) and Chengdu (CDETO) commenced operation in September this year. SHETO's geographical coverage includes Jiangsu, Zhejiang, Anhui, Hubei and the municipality of Shanghai, while the CDETO covers Sichuan, Yunnan, Guizhou, Hunan, Shaanxi and the municipality of Chongqing. Under the new arrangement, BJO will focus on the Circum-Bohai Sea, northeastern and northwestern regions. SHETO will cover the Yangtze Delta Region. The ETO in Guangdong (GDETO) will continue to take forward cooperation between Hong Kong and Guangdong, and work jointly with CDETO to promote cooperation in the PPRD Region. These offices will also work with relevant provinces/regions to explore business opportunities for Hong Kong enterprises and facilitate Mainland enterprises to set up business or raise funds in Hong Kong. In addition, a team of Immigration Officers has been deployed to GDETO to provide assistance to Hong Kong residents in distress in the provinces/regions under its geographical coverage, whereas BJO will provide such assistance in the other provinces/regions in the Mainland.

30. The HKSAR Government has been making strenuous efforts to promote regional cooperation with the Mainland. We have established cooperation mechanisms with Guangdong, the PPRD provinces/regions, Shanghai and Beijing under the HK/Guangdong Cooperation Joint Conference, PPRD Regional Cooperation and Development Forum, Hong Kong/Shanghai Economic and Trade Cooperation Conference and Hong Kong/Beijing Economic and Trade Cooperation Conference. The major focal points of our work in future will include facilitating infrastructural development and improvement of control point facilities to boost flow of people and cargo, making use of Closer Economic Partnership Agreement to promote the development of the service sectors, making use of Hong Kong as a bridge for Mainland enterprises to raise capital and go out to the international market, and strengthening exchanges and cooperation in planning, technological development, city management and other areas.

### ***Pan-Peal River Delta Regional Co-operation***

31. Since the commencement of the PPRD regional cooperation, we have been promoting regional development and cooperation through capitalising on the advantages of Hong Kong. For example, to promote tourism and linkages, the Individual Visit Scheme has been extended to cover all provincial capitals in the PPRD region since 1 May 2006. In order to promote Hong Kong as the capital formation platform for PPRD provinces/regions, the HKSAR Government organized a “PPRD Region Financial Services Forum” in March 2006, and also organized a financial services delegation to visit Hunan province in September this year. We also participated actively in the compilation and follow-up of PPRD’s specific sector cooperation plans on transportation, energy, innovation and technology, informatisation and environmental protection.

32. We will continue to capitalize on our strengths by making use of the platform of PPRD Regional Cooperation and Hong Kong’s positioning in the 11th National Five Year Plan. To facilitate enterprises in Hong Kong to explore business opportunities in the PPRD region, the Chief Executive led business delegations to visit Guangxi and Hunan in June and September 2006 respectively, and will lead such delegations to visit Guizhou and Jiangxi in the coming few months. Moreover, the coverage of the ETO in Guangdong has been extended to five PPRD provinces/region and the Chengdu ETO commenced operation in September 2006. They will help enhance the linkage and cooperation between the PPRD region and Hong Kong.

### **CONCLUSION**

33. Members are invited to note the content of this paper.