

**Opening Statement by
Secretary for Constitutional and Mainland Affairs
at Special Meeting of the Finance Committee
on 31 March 2008**

Mr Chairman,

Today, I wish to brief Members on the financial estimates of the Constitutional and Mainland Affairs Bureau (CMAB) in 2008-09 and our work priorities in the coming year. I will also brief Members on the financial estimates of the Registration and Electoral Office (REO), the Equal Opportunities Commission (EOC) and the Office of the Privacy Commissioner for Personal Data.

2. Apart from constitutional development and co-ordination of Mainland affairs, following the Government Secretariat re-organization on 1 July 2007, the policy portfolio of CMAB also covers co-ordination of Government's human rights policy and access to information.

Estimates of Expenditure of CMAB

3. In 2008-09, CMAB is allocated \$345.7 million, which is about 14% higher than the revised estimates for 2007-08.

4. The estimated increase mainly caters for the provision of funding for the following items:

- (1) to create one position of Under Secretary and one position of Political Assistant;
- (2) to enhance the promotion of the Basic Law;
- (3) to carry out preparatory work for the World Expo 2010 Shanghai;
- (4) to complement preparatory work for the National 12th Five-Year Plan;
- (5) to strengthen exchanges with Taiwan;
- (6) to promote closer ties with the Mainland and step up promotional work; and

(7) to enhance the promotion of equal opportunities and human rights.

5. Moreover, the estimated increase also includes the full-year provision transferred from the Beijing Office (BJO), and the full-year provision transferred from the Home Affairs Bureau following the re-organization of Government Secretariat.

Constitutional Development

Methods for Electing the Chief Executive and for Forming the Legislative Council in 2012

6. The Decision made by the Standing Committee of the National People's Congress in December last year made clear the universal suffrage timetable for Hong Kong. According to the Decision, the methods for electing the Chief Executive and for forming the Legislative Council (LegCo) in 2012 can be further democratized.

7. The Task Group on Constitutional Development of the Commission on Strategic Development commenced its discussions in February on the two electoral methods for 2012. When the Task Group has completed its discussions around the middle of this year, by the fourth quarter of this year, we will consolidate options which may be considered for amending the two electoral methods for 2012 and conduct another round of public consultation as early as possible.

2008 Legislative Council Election

8. The election of the fourth term LegCo will be held on 7 September. Currently, we are reviewing the practical arrangements relating to the election, including the subsidy rate of the financial assistance for candidates. We will consult LegCo later.

9. From early April to mid-May, we will launch a publicity campaign to encourage the public who are eligible to register as voters, and to remind registered voters to have their records updated before the end of June.

Further Development of the Political Appointment System

10. On further development of the political appointment system, in December last year, the LegCo Finance Committee approved the creation of 11 positions of Under Secretary and 13 positions of Political Assistant with effect from 1 April 2008.

11. The recruitment process is in progress. We believe that the first batch of appointees can assume duty in a few months' time. If necessary, the politically appointed positions can be filled in phases.

Mainland Affairs

12. In 2008-09, we estimate the expenditure for the Mainland Offices to be \$120 million. If we exclude the one-off provision of some \$8.4 million for the celebration activities for the 10th Anniversary of the Establishment of the HKSAR, the net increase is 9%.

13. In the coming year, the Mainland Offices will continue to enhance liaison with the provincial and municipal governments and local organizations in the Mainland, step up efforts on promoting communications, economic and trade ties, and pursue investment promotion.

14. In recent years, many Hong Kong investors in the Mainland have been quite concerned about certain new initiatives and laws and policies in the Mainland. The Mainland Offices will keep a close watch on the latest development in the Mainland and maintain close contact with the Hong Kong investors with a view to assisting them in obtaining the latest information on business operation in the Mainland, and reflecting issues of their common concern through appropriate channels.

Regional Co-operation

15. Last year, we have attained substantive results in various aspects of Hong Kong and Guangdong co-operation. In particular, we have established a closer co-operation and partnership arrangement with

Shenzhen.

16. We will continue to join hands with Guangdong and Shenzhen to press ahead with the construction of large-scale cross-boundary infrastructural projects such as Hong Kong-Zhuhai-Macao Bridge and Hong Kong-Shenzhen-Guangzhou Express Rail Link, assist Hong Kong-owned enterprises in Guangdong to restructure and upgrade, etc.

17. On the Pan-Pearl River Delta Co-operation, the HKSAR Government will continue to strive to promote facilitation of industrial upgrading, restructuring and relocation of Hong Kong-owned enterprises in the region.

World Expo 2010 Shanghai

18. World Expo 2010 Shanghai will provide an excellent opportunity to publicize Hong Kong as a city of quality living and creativity. The HKSAR Government intends to participate in the event by constructing a stand-alone Hong Kong Pavilion and organizing a series of events to promote Hong Kong during the exhibition period.

19. The HKSAR Government has already earmarked \$69 million for the construction of the Hong Kong Pavilion. Other financial implications are being assessed, and the necessary funding approval by LegCo will be sought in due course.

Basic Law Promotion

20. With a view to further enhancing public understanding of the Basic Law, we will double the provision of resources by setting aside \$16 million to organize and sponsor Basic Law promotional activities. This represents an increase of \$8 million over last year's estimates. Together with the resources of other departments, in 2008-09, the estimated expenditure in this regard will amount to \$20 million.

Taiwan-related Matters

21. On Taiwan-related matters, in the last few years, the HKSAR

Government has received quite a number of Taiwan officials, academics, as well as individuals and organizations from the political circles and different sectors in Taiwan, including those who are from both the Pan-Blue camp and Pan-Green camp.

22. Regarding the work in 2008-09, I wish to highlight three points.
- (1) We will provide more resources for promoting exchanges between Hong Kong and Taiwan. We have already earmarked \$1.5 million to promote exchanges between the two places, including co-organizing seminars and other activities to enhance cross-strait relations.
 - (2) We will take the initiative to invite individuals from different sectors in Taiwan to visit Hong Kong and to brief them on the development of Hong Kong and the implementation of “One Country, Two Systems” in the SAR.
 - (3) With a view to enhancing economic and trade co-operation between Hong Kong and Taiwan, the Trade Development Council (TDC) intends to set up an office in Taiwan. The TDC has already filed an application with the Taiwanese side.

Rights of Individual

Race Discrimination Bill and Support Services for Ethnic Minorities

23. On human rights policy front, one of the important tasks is to continue to assist the Bills Committee to scrutinize the Race Discrimination Bill, with a view to resuming second reading within the current LegCo session.

24. Legislation goes hand in hand with support services. We will establish four support service centres in different areas to provide interpretation services for ethnic minorities using public services such as health care services, job centres and social welfare services. Other

activities will also be organized to help the ethnic minorities integrate into our community. We will earmark \$16 million as the operating expenses of these centres and allocate an additional \$8 million to subsidize their start-up cost.

Others

Registration and Electoral Office

25. We propose to allocate \$352.7 million to the REO, which is about 47% higher than the revised estimate of the previous financial year. The increase is necessary primarily because more funds are needed for conducting the 2008 LegCo election. Part of the increase in expenses is offset by the completion of the 2007 District Council election and 2007 LegCo By-election.

Equal Opportunities Commission

26. We also propose to allocate \$73.5 million to the EOC for it to perform its functions under the existing anti-discrimination ordinances and to promote equal opportunities.

Office of the Privacy Commissioner for Personal Data

27. As regards the Office of the Privacy Commissioner for Personal Data, we propose to allocate \$39.1 million, which represents an increase of about 8% over the revised estimate of last year. This is needed for stepping up enforcement of the Personal Data (Privacy) Ordinance, as well as strengthening promotion and education work.

28. This concludes my opening remarks. If Members have any questions on the above estimates of expenditures, I will be pleased to answer them.

Constitutional and Mainland Affairs Bureau
March 2008