

**Opening Statement by
Secretary for Constitutional and Mainland Affairs
at the Special Meeting of the Finance Committee
on 22 March 2011**

Chairman,

I wish to brief Members on the financial estimates of the Constitutional and Mainland Affairs Bureau (“CMAB”) in 2011-12 and our work priorities in the coming year.

(i) Estimates of Expenditure of CMAB

2. In 2011-12, CMAB is allocated \$388.1 million, which is \$167.4 million (about 30%) less than the revised estimates for 2010-11.

3. The estimated decrease is mainly due to the following -

(a) reduced non-recurrent expenditure of \$157.9 million after completion of Hong Kong’s participation in the Expo 2010 Shanghai China (“Shanghai Expo”) in October 2010; and

(b) as announced by the Chief Executive (“CE”) in his 2010-11 Policy Address, the Home Affairs Bureau would lead a dedicated team to step up and co-ordinate efforts in facilitating the integration of new arrivals to Hong Kong and ethnic minorities into the community. To complement this measure, a provision of \$26.3 million on support services for ethnic minorities will be transferred to the accounts of the Home Affairs Department (“HAD”) starting from 2011-12.

4. The above reduced expenditure is partly offset by the overall increase of \$16.8 million in other provisions which mainly include the following -

(a) enhancing further co-operation and exchanges with Taiwan;

(b) strengthening support for other Mainland Affairs including co-operation between Hong Kong and Guangdong, the National 12th Five Year Plans, promotion and publicity activities in the Mainland, etc;

- (c) additional subvention for strengthening the manpower of the Office of the Privacy Commissioner for Personal Data (“PCPD”); and
- (d) additional subvention for strengthening the manpower of the Equal Opportunities Commission (“EOC”).

5. The reduction in estimated expenditure is mainly due to the completion of the Shanghai Expo. Therefore, the implementation of initiatives and the work within the policy portfolio of this Bureau will not be affected.

(ii) Constitutional Development

6. The CE Election (Amendment) Bill 2010 and the Legislative Council (“LegCo”) (Amendment) Bill 2010 were passed by the LegCo on 3 and 5 March 2011 respectively, which provide for the implementation of the arrangements for the CE and LegCo elections in 2012. We will put forth further legislative amendments regarding the various elections in future later on.

7. In 2011-12, the Registration and Electoral Office (“REO”) needs to conduct -

- (a) the 2011 District Council (“DC”) election;
- (b) the 2011 Election Committee (“EC”) subsectors elections;
- (c) the 2012 CE election; and
- (d) make preparations for the 2012 LegCo election.

In this regard, we will earmark sufficient provision for the REO. The provision, which amounts to 412 million, is 99.4% higher than the revised estimates for 2010-11.

2011 DC Election

8. In respect of the DC election, as the number of elected DC seats will be increased from 405 to 412 and elected DC members can participate in the election of an expanded number of seats in both the

LegCo and EC, we anticipate that the number of candidates and the number of contested seats in the upcoming election will increase. Besides, we will also increase the financial assistance for candidates from \$10 per vote to \$12 per vote. Hence, there will be an increase in the electoral expenses covering the setting up of polling stations, postage, honorarium for polling and counting staff, the provision of financial assistance to candidates, etc.

9. Accordingly, a provision of \$195 million is earmarked in 2011-12 for the conduct of the 2011 DC election, which is 27% higher than the actual expenditure for the 2007 DC election (which was \$154 million).

The EC Subsectors Elections

10. In respect of the EC subsectors elections, the number of seats will be increased from 800 to 1,200. We believe that more candidates will participate in the elections.

11. To make preparations for the various elections, our Bureau is working closely with the Electoral Affairs Commission to carry out the necessary work.

(iii) Rights of the Individual

Promotion of Human Rights

12. In respect of promotion of human rights, we will continue to promote the awareness of, respect for and protection of human rights, including promotion of rights of individual in respect of personal data privacy, equal opportunities on grounds of gender, family status and race, and for people of different sexual orientation and transgendered persons, and children's rights.

13. In 2011-12, the estimated provision in human rights, including subventions to the EOC and the Office of the PCPD, and the provisions for providing support services for ethnic minorities, amounts to \$179.5 million. This represents a further increase in the total expenditure on the work in the area compared with the original estimates for 2010-11 at \$175.6 million.

Support Services for Ethnic Minorities

14. Among the provision in human rights, we will transfer \$26.3 million to the HAD, in order to complement the measures to step up and co-ordinate efforts in facilitating the integration of ethnic minorities into the community as announced in the 2010-11 Policy Address. Under those measures, we will continue to be responsible for the overall policy on equal opportunities on the ground of race as well as the Race Discrimination Ordinance, while the provision of support services for ethnic minorities will be transferred to the HAD starting from 2011-12. The relevant support services have been operating smoothly. The four support centres have benefited over 50,000 participants since their commencement of services in 2009.

Estimates for the EOC

15. The EOC is responsible for the implementation of the four anti-discrimination ordinances. To further strengthening the manpower of the EOC to enhance its policy research work, additional subvention will be provided to the EOC in 2011-12. The total subvention will be \$84.7 million, representing a net increase of \$1.6 million or 2% compared with the original estimate of 2010-11.

Protection of Personal Data Privacy

16. The Government is committed to strengthening the protection of personal data privacy and has been providing resources at an appropriate level to the Office of the PCPD to enhance enforcement and promotion work. In 2011-12, we propose to allocate \$52.7 million to the PCPD, which includes an additional recurrent subvention of 3.8 million for the creation of four permanent posts to step up enforcement, compliance check, etc. This amount represents a 6% increase over the 2010-11 revised estimates, and an increase of 46% over the provision for 2007-08 when this Bureau took over policy responsibility for human rights matters.

Review of the Personal Data (Privacy) Ordinance

17. As for the review of the Personal Data (Privacy) Ordinance, the further public discussions on various legislative proposals ended at the end of last year. We are consolidating and analysing the views collected. We will report on our legislative proposals to the Panel on Constitutional

Affairs next month.

(iv) Mainland Affairs

18. In 2011-12, the financial provision for Mainland Offices is \$124.2 million, representing an increase of 5.8% compared with the revised estimates for 2010-11. This mainly covers the increased provisions for personal emoluments and for strengthening promotion and publicity activities. One of the key initiatives is to support the HKSAR's efforts in complementing the National 12th Five-Year Plan.

The HKSAR's Efforts in Complementing the National 12th Five-Year Plan

19. The National 12th Five-Year Plan was endorsed by the National People's Congress and officially promulgated last week. An individual chapter is dedicated to Hong Kong and Macao ("the Dedicated Chapter"). The Dedicated Chapter signifies the Central Authorities' strong support for maintaining the long-term prosperity and stability of Hong Kong. The Dedicated Chapter emphasizes the Central Authorities' support for:

- (a) Hong Kong in consolidating and enhancing Hong Kong's status as an international centre for financial services, trade and shipping, and support for Hong Kong's development into an offshore Renminbi business centre and an international asset management centre;
- (b) Hong Kong in nurturing emerging industries and developing the six industries where Hong Kong enjoys clear advantages; and
- (c) deepening the economic co-operation between the Mainland and Hong Kong; continuing the implementation of the Closer Economic Partnership Agreement; gradually extending the "early and pilot measures" to other regions and confirming the significant functions and positioning of Hong Kong's cooperation with Guangdong under the Framework Agreement on Hong Kong / Guangdong Co-operation ("Framework Agreement").

20. Regarding the complementing work, CMAB will assist in coordinating inter-bureau efforts and liaising with the relevant Mainland authorities. The focus of work in the coming future includes assisting in coordinating with the concerned bureaux and departments to map out their follow up action plans; liaising with relevant Mainland authorities;

and taking forward various regional cooperation initiatives, including the implementation of the Framework Agreement.

Hong Kong-Guangdong Co-operation

21. There were positive developments for Hong Kong / Guangdong co-operation in the past year. In April last year, both sides signed the Framework Agreement, which has translated the macro policies in the “Outline of the Plan for the Reform and Development of the Pearl River Delta” into concrete measures that are conducive to the development of both places. Since then, both sides have been working actively to implement the Framework Agreement. We will continue to liaise closely with Guangdong and co-ordinate the relevant work of the bureaux concerned to pursue tangible and concrete results for Hong Kong / Guangdong co-operation.

Qianhai Development

22. In respect of co-operation on modern service industries in Qianhai, the SAR Government will continue to play an advisory role by providing comments on the study and formulation of issues like development planning and the related policies and actively complement the publicity and promotional work of the Shenzhen authorities to introduce to Hong Kong enterprises, professional sectors and service suppliers the content and business opportunities brought about by the Overall Development Plan on Hong Kong / Shenzhen Co-operation on Modern Service Industries in Qianhai Area.

23. In 2011-12, we have earmarked over \$100 million for the Mainland Offices to undertake liaison, economic and trade, and investment promotion work. Besides, an amount of about \$5 million has been earmarked for the CMAB and the Mainland Offices to promote co-operation between Hong Kong and the Mainland, including the implementation of the National Five-Year Plan, Pan-Pearl River Delta co-operation, the Framework Agreement and Qianhai development.

Taiwan-related Matters

24. The Government’s overall strategy in handling Taiwan affairs has proactively complemented the improvement in Cross-Strait relations in recent years. In 2010-11, we have established the Hong Kong-Taiwan Economic and Cultural Cooperation and Promotion Council (“ECCPC”) and pushed ahead various initiatives to foster exchanges between Hong

Kong and Taiwan. These initiatives have enhanced the relations and interaction between the two places. Last year, the Financial Secretary visited Taiwan for the first time in his capacity as the Honorary Chairperson of the ECCPC.

25. We have earmarked \$12 million to take forward the work relating to the ECCPC and exchanges between Hong Kong and Taiwan. We will continue to strengthen our exchanges and cooperation with Taiwan. Our initiatives include –

- (a) proactively liaising with the Taiwanese side under the ECCPC platform in taking forward the various priority areas of cooperation, including the setting up of a multi-functional office in Taiwan, renewal of air services arrangements, enhancement in financial supervision cooperation and promotion of tourism; and
- (b) assisting the ECCPC in organising activities to further enhance exchanges with Taiwan, including a joint meeting with its Taiwanese counterpart, the Taiwan-Hong Kong Economic and Cultural Cooperation Council, forums, seminars and cultural exchanges in fostering Hong Kong – Taiwan cooperation, etc.

26. We anticipate that the establishment of the multi-functional office in Taiwan will be comparable to the economic and trade offices of the SAR Government in the Mainland, which will be overseen by a senior officer at the directorate level.

27. 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
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