

## **Chapter XVIII : Constitutional Affairs**

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18.1 At the Chairman's invitation, the Secretary for Constitutional Affairs (SCA), Mr Stephen LAM, briefed members on the priority tasks of the Constitutional Affairs Bureau (CAB) in 2003-04 (Appendix V-16). The Director of Beijing Office (DBO), Mr Bowen LEUNG, also highlighted the major work of the Beijing Office (BJO) in 2003-04.

### **Resources for electoral services**

18.2 Having regard that the 2003 District Councils (DCs) elections would have concluded by the end of 2003, Mr Howard YOUNG questioned the justification for the 10-month duration of the six posts created in 2002-03 for demarcation of constituencies and preparation of electoral guidelines. In reply, SCA advised that the six posts were due to lapse upon completion of demarcation and submission of the Electoral Affairs Commission (EAC)'s report to the Chief Executive in November 2003. However, due to the increase in the number of elected seats from the existing 390 to 400 for the 2003 DCs elections, it was necessary to review and if necessary, make adjustments to the original demarcation. Hence, there was a need to retain the aforesaid posts to continue to provide support to EAC. The incumbents would also be involved in the preparation of electoral guidelines in addition to demarcation of constituencies. At the request of Mr YOUNG, SCA agreed to provide further information with regard to the duration of the six posts in question.

18.3 Noting that the estimated non-recurrent cost for the development of a new computer system for enhancing the production of electoral registers and delineation of Legislative Council (LegCo) geographical constituencies and DC constituencies amounted to \$66.42 million in 2003-04, Mr IP Kwok-him questioned whether the amount would also cover the estimated cost of \$8.60 million for the preparation of the 2004 LegCo elections by the Registration and Electoral Office (REO). In reply, SCA clarified that the aforesaid costs were independent of each other and were for separate purposes.

18.4 As to how the new computer system would centralize and integrate functions that were previously dealt with under different standalone computer systems, SCA pointed out that the new system would bring about considerable improvement to the efficiency of the work of the REO. Given its expanded capacity to handle future growth in the size of the electorate, the new system would automate the delineation of constituency boundaries and enable storage and processing of electors' records in bilingual form. The Chief Electoral Officer (CEO) added that the new system would ensure higher accuracy in verification of

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electors' records. As regards the launch of the new computer system, SCA anticipated that it would be rolled out by the end of 2003 and come into service for the 2004 LegCo elections.

### **Provision for the Constitutional Affairs Bureau**

18.5 Noting that CAB would be allocated \$37.40 million for 2003-04, Ms Emily LAU queried that the level of provision was excessive since she considered that CAB had a limited scope of responsibility and had made very little achievement in its work, particularly in relation to the constitutional development after 2007. SCA disagreed with Ms LAU's comments and said that CAB had been actively engaged in formulating proposals on electoral issues, such as increasing the number of elected seats for the 2003 DCs elections; retaining the existing arrangement of five geographical constituencies each returning between four to eight seats; providing financial subsidy to candidates and various other improvement measures such as allowing candidates to print their names and photos on ballot papers, etc. for the forthcoming 2004 LegCo elections. As regards the constitutional development after 2007, SCA assured members that CAB had commenced internal research and that local legislation arising from the review would be dealt with in 2006 following public consultation in 2004 or 2005. Referring to CAB's major responsibilities, such as facilitating the constitutional development in Hong Kong, co-ordinating and advising on matters relating to the implementation of the Basic Law and the "One Country, Two Systems", co-ordinating liaison with Taiwan organizations, SCA stressed that the level of provision was commensurate with CAB's scope of work and consistent with the "value-for-money" principle.

18.6 Ms Emily LAU reiterated her concern about the lack of progress and output of issues handled by CAB. She urged CAB to critically re-examine its resources requirements with a view to trimming its estimated expenditure in the face of the current budget deficits. On CAB's saving initiatives by downgrading a Permanent Secretary post from D8 to D6 rank, freezing a Principal Assistant Secretary post at D2 rank from mid-2003 onward and deleting an Administrative Officer post, SCA expected that the savings thus achieved would be sufficient to offset the CAB's additional expenditure arising from the implementation of the Accountability System for Principal Officials. Depending on the response of the second Voluntary Retirement Scheme, he anticipated that the establishment of CAB would be reduced from the existing 48 to 43 posts in 2004-05 representing a reduction of about 10 %.

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18.7 Ms Emily LAU did not subscribe to the Administration's explanation and reiterated that CAB's workload and responsibilities did not justify the level of provision for 2003-04. She informed members that she was considering moving the necessary amendments to the Appropriation Bill 2003 on 9 April 2003 with a view to reducing the estimated provision to CAB.

### **Liaison work**

18.8 Ms Cyd HO expressed concern about the effectiveness of the working relationships between the Hong Kong Special Administrative Region (HKSAR) Government, the Central People's Government (CPG) and Macao Special Administrative Region (MSAR) Government. In response, SCA said that CAB had made active efforts in enhancing and maintaining a cordial and constructive partnership as well as facilitating official exchanges between the three regions. On issues of common concern such as the recent outbreak of the Severe Acute Respiratory Syndrome (SARS), he pointed out that the Secretary for Health, Welfare and Food had been personally involved in communicating with the Mainland officials responsible for health matters on measures to combat the disease. Referring to recent efforts in tackling illegal gambling and combating triad activities, SCA remarked that both the HKSAR and MSAR Governments had collaborated in their enforcement work. DBO also assured members that the Beijing Office would render whatever assistance appropriate in following up with CPG and other local or provincial Mainland authorities on issues of mutual concern.

18.9 Given that individual Policy Secretaries could have direct communication with the Mainland authorities, Ms Cyd HO had reservation on the co-ordinating role of CAB and the resources earmarked for such purpose. On the level of Government officials responsible for the conduct of HKSAR's external liaison work, SCA advised that a Principal Assistant Secretary in CAB had been designated as the officer responsible for communicating with CPG and other Mainland authorities, co-ordinating liaison with Taiwan organizations in Hong Kong and facilitating co-operation with the Guangdong Province. While CAB would see to it that proper communication channels were maintained, it would suitably adjust its role and involvement to facilitate direct follow-up by the departments or bureaux concerned with the relevant Mainland authorities.

### **Co-operation with the Guangdong Province**

18.10 In reply to Mr HUI Cheung-ching's enquiry on the resources requirements for facilitating co-operation with the Guangdong Province in 2003-04, SCA said that CAB would make use of its existing staff resources to maintain liaison with Guangdong, and that the costs involved in establishing new direct channels of communication with Guangdong in specific areas would be borne by the relevant bureaux and departments. By providing secretariat service to the Hong Kong/Guangdong Co-operation Joint Conference, CAB would continue to advise other bureaux and departments on developing and maintaining a good working relationship with the Guangdong authorities, particularly in relation to the provision of infrastructural facilities, and measures for promoting economic development and tourism such as the Mainland/Hong Kong Closer Economic Partnership Arrangement. SCA advised that the cost for the preparation and organization of each round of the Hong Kong/Guangdong Co-operation Joint Conference was in the region of \$110,000.

### **Taiwan affairs**

18.11 Dr YEUNG Sum was concerned about CAB's responsibility for co-ordinating liaison between HKSAR Government and Taiwan organizations in Hong Kong. Referring to the number of visitors from Taiwan to Hong Kong in 2002, i.e. approximately 2 400 000 representing a 25% increase as compared with that in 1997, SCA said that there had been frequent interactions between the two places, particularly on trade-related matters. He added that the introduction of the iPermit Scheme in 2002 was conducive to stimulating tourist growth, which had attracted more than 150 000 Taiwan visitors to Hong Kong.

18.12 As regards CAB's work on this front, SCA informed members that CAB had recently played a co-ordinating role in organizing the Forum on Economic Co-operation between Guangdong, Hong Kong and Taiwan in August 2002 with the collaboration of the Hong Kong Trade Development Council (TDC) and the Guangdong Sub-Council of the China Council for the Promotion of International Trade. Through liaison with the Chung Hwa Travel Service (CHTS), CAB in 2002 provided assistance to Hong Kong fishermen hit by typhoon in the vicinity of Taiwan. SCA supplemented that in the past few months, CAB had disseminated information on SARS to Taiwan through the CHTS. On the subject of implementation of "One Country, Two Systems", CAB had also arranged Taiwanese visitors from the political, business and academic sectors to participate in the activities in commemoration of the fifth anniversary of

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the establishment of HKSAR.

18.13 In reply to Dr YEUNG-sum's enquiry on CAB's liaison with Taiwan organisations in Hong Kong, SCA remarked that CAB had been in frequent contact with the CHTS. At present, a designated directorate officer in CAB was responsible for dealing with Taiwan affairs. However, where necessary, more senior officers or SCA himself would be involved in handling important issues.

### **Office accommodation for the Beijing Office**

18.14 Mr Henry WU enquired about the cost incurred for permanent accommodation for the Beijing Office, especially on compensation payable for site clearance. In reply, DBO recapped that the expenses incurred so far was in line with the estimated expenditure approved by the Public Works Subcommittee and Finance Committee in late 2001. He clarified that of the accumulative actual expenditure of \$22,502,000, \$20,722,000 had been spent on compensation in relation to site clearance. The remaining \$804,000 and \$976,000 were for part of the fees, taxes and charges paid to the Beijing Municipal Government and for professional services and legal fees incurred in the first stage of the project respectively. DBO added that the contract for the construction of the office building would be awarded through competitive tendering after completion of site clearance.

18.15 Regarding Mr Henry WU's concern on whether the Administration would consider postponing the project in view of the current fiscal deficit, DBO did not envisage a justification for doing so since the project was already underway. As regards the compensation payable for land acquisition, DBO estimated that based on the value of the land, it would be approximately \$10,000 yuan per square metre.

