

Opening Statement by Secretary for Constitutional Affairs at Special Meeting of the Finance Committee on 24 March 2003

Mr Chairman, as a start, I wish to brief Members on the financial estimates of the Constitutional Affairs Bureau (CAB) and the Registration and Electoral Office (REO) in 2003-04 as well as our priorities in the coming year.

Estimates of Expenditure of CAB

2. In 2003-04, CAB is allocated with \$37.40 million, which is about \$1.05 million or 2.9% less than the revised estimate for 2002-03.

Priorities of CAB in Coming Year

Promotion of the Basic Law and Liaison with the Hong Kong and Macao Affairs Office (HKMAO) and the Office of the Commissioner of the Ministry of Foreign Affairs in the HKSAR (MFA Office)

3. In the year ahead, we will continue to promote understanding of the Basic Law through different channels. We will also continue to communicate closely with the HKMAO and the MFA Office, with a view to maintaining a constructive working relationship between the SAR Government and the Central People's Government and other Mainland authorities, as well as managing the external affairs of HKSAR effectively.

Taiwan Affairs

4. Since 1 July last year, CAB has assumed the responsibility for co-ordinating the liaison between HKSAR Government and Taiwan organisations in Hong Kong. The task is undertaken by a directorate officer within the Bureau. We will continue to deal with Taiwan affairs in accordance with the basic principles and policies on handling Taiwan-related matters in Hong Kong announced by the Vice-premier Qian Qichen in 1995.

Accountability System for Principal Officials

5. The Accountability System has been implemented for nine months. I wish to take this opportunity to highlight some resource issues relating to the Accountability System.

6. Since July last year, 11 policy bureaux have undertaken reviews on the working relationship between bureaux and departments. Two of the bureaux, namely the Housing, Planning and Land Bureau (HPLB) and the Education and Manpower Bureau (EMB) have already implemented the first phase of their re-organisation plans. Another two bureaux, the Civil Service Bureau (CSB) and the Financial Services and the Treasury Bureau have also formulated detailed re-organisation plans. These plans will be implemented according to schedule.

7. The estimated annual government savings in staff cost resulting from the re-organisation of these four bureaux has exceeded the additional annual expenditure of about \$42 million incurred by the implementation of the Accountability System.

8. In addition, following their respective reviews, CAB and the Security Bureau (SB) have decided to maintain their existing organisational structure between bureaux and departments.

9. On the number and ranking of Permanent Secretaries, five policy bureaux have completed their reviews. HPLB, EMB and CSB have decided that their Permanent Secretaries should continue to be pitched at D8, while CAB and SB have downgraded their Permanent Secretary posts to D6. Other Directors of Bureau will continue with reviews on bureaux under their purview. Furthermore, the Economic Development and Labour Bureau, the Environment, Transport and Works Bureau and the Health, Welfare and Food Bureau will submit proposals to the relevant Legislative Council Panels, the Establishment Subcommittee and the Finance Committee in respect of the four Permanent Secretary posts, currently ranked at D8, under their bureaux.

10. CAB will provide a report on the implementation of Accountability System to the Legislative Council Panel on Constitutional Affairs one year after its introduction.

Electoral Issues

11. On the electoral front, we have three major tasks in the coming year.

12. Firstly, we will continue to make preparations for the 2003 District Council elections. For the District Councils elections to be held at the end of this year, the number of elected seats will increase from the existing 390 to 400. We are now discussing with the departments concerned on various practical arrangements such as the arrangements for publicity and counting. We will introduce to the Legislative Council the remaining pieces of subsidiary legislation related to the elections in due course.

13. Secondly, we have already introduced an amendment bill for the 2004 Legislative Council elections. Major proposals in the bill include dividing the territory into five geographical constituencies with each returning between four and eight seats, and the provision of partial financial support to candidates in the Legislative Council elections. After the passage of the bill, the Electoral Affairs Commission will start working on the delineation of geographical constituencies.

14. Thirdly, about the constitutional development after 2007. As undertaken in the Policy Agenda Booklet published in January 2003, we will begin to make suitable preparations for the review of constitutional developments after 2007. We have already commenced our internal research. On public consultation, we have not yet worked out a detailed timetable. However, as we will be concentrating on internal research in 2003 and that local legislations will be dealt with in 2006, we believe that it is more likely for the public consultation exercise to be conducted in 2004 or 2005. We will take into account Members' views expressed in the motion debate on 19 February before composing the timetable. Furthermore, we will make preparations for the review of the District Councils to be conducted after the 2003 elections.

Registration and Electoral Office

15. For the 2003-04 financial year, we propose to allocate \$204.40 million to REO, which is \$126.17 million higher than the revised estimate of the previous year. The relatively substantial increase in the financial provision is mainly due to additional expenses required for making preparations for the 2003 District Council elections and the 2004 Legislative Council elections.

16. For the 2003 elections, the total estimated expenditure to be incurred in 2003-04 is about \$127.05 million, while some \$13 million has already been spent in 2002-03 for the purposes. In other words, the coming District Council elections will cost a total of \$140 million. Preparations for the 2004 elections will entail \$8.60 million in 2003-04.

17. The Electoral and Registration System recently developed by REO will come into operation in end 2003. It will be able to provide more effective support for the coming elections.

Conclusion

18. Hong Kong is facing severe budgetary deficit problem. My colleagues and I are fully aware that all resources used by the Government come from the general public. As a member of the Government, we have to make sure that Government resources are used in a proper and suitable way, and that we should refrain from lavish spending.

19. We will try our best to help the Government achieve the objective of resolving the budgetary deficit problem. In other words, between now and 2006-07, we will contribute to cutting government expenditure from \$220 billion to \$200 billion and reducing the civil service establishment by 10%.

20. Mr Chairman, perhaps before the question time, we may invite the Director of Beijing Office to brief Members about the work of his Office.