

Head 144 — GOVERNMENT SECRETARIAT: CONSTITUTIONAL AFFAIRS BUREAU

Controlling officer: the Permanent Secretary for Constitutional Affairs will account for expenditure under this Head.

Estimate 2006–07 **\$135.7m**

Establishment ceiling 2006–07 (notional annual mid-point salary value) representing an estimated 37 non-directorate posts as at 31 March 2006 rising by 33 posts to 70 posts as at 31 March 2007 **\$35.6m**

In addition, there will be an estimated seven directorate posts as at 31 March 2006 rising by five posts to 12 posts as at 31 March 2007.

Commitment balance **\$19.6m**

Controlling Officer's Report

Programmes

Programme (1) Director of Bureau's Office	This programme contributes to Policy Area 27: Intra-Governmental Services (Secretary for Constitutional Affairs).
Programme (2) Constitutional Affairs	This programme contributes to Policy Area 28: Constitutional Affairs (Secretary for Constitutional Affairs).
Programme (3) Mainland Economic and Trade Offices	This programme contributes to Policy Area 6: Commerce and Industry (Secretary for Commerce, Industry and Technology), Policy Area 10: Immigration Control (Secretary for Security) and Policy Area 28: Constitutional Affairs (Secretary for Constitutional Affairs).

Detail

Programme (1): Director of Bureau's Office

	2004–05 (Actual)	2005–06 (Original)	2005–06 (Revised)	2006–07 (Estimate)
Financial provision (\$m)	5.0	5.0	5.0 (—)	5.0 (—)
				(or same as 2005–06 Original)

Aim

2 The aim is to ensure the smooth operation of the Office of the Secretary for Constitutional Affairs.

Brief Description

3 The Office of the Secretary for Constitutional Affairs is responsible for providing administrative support to the Secretary for Constitutional Affairs in carrying out his duties. The work includes the planning, co-ordination and implementation of all arrangements for the Secretary's public, media and community functions.

Programme (2): Constitutional Affairs

	2004–05 (Actual)	2005–06 (Original)	2005–06 (Revised)	2006–07 (Estimate)
Financial provision# (\$m)	37.8	42.6	41.2 (–3.3%)	47.3 (+14.8%)
				(or +11.0% on 2005–06 Original)

All the figures set out above include relevant provisions to be transferred from Head 142—Government Secretariat: Offices of the Chief Secretary for Administration and the Financial Secretary with the setting up of the Mainland Affairs Liaison Office with effect from 1 April 2006.

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Aim

4 The aims are to maintain community confidence in the full and faithful implementation of the Basic Law; to facilitate the implementation of the “One Country, Two Systems” principle and demonstrate its success; to further cultivate and strengthen our cordial and constructive working relationship with the Central People’s Government (CPG), other Mainland authorities and the Government of the Macao Special Administrative Region (MSAR) in accordance with the principle of “One Country, Two Systems”; to facilitate the conduct of Hong Kong Special Administrative Region (HKSAR)’s external affairs; to co-ordinate liaison with Taiwan organisations in the HKSAR; to enhance community confidence in electoral arrangements and participation in the electoral process; to ensure that the electoral arrangements are open, fair, honest, acceptable to the community and in compliance with the Basic Law; and to address the issue of constitutional development after 2007.

Brief Description

5 The Constitutional Affairs Bureau’s main responsibilities under this programme are as follows:

- advise bureaux and departments on matters relating to the implementation of the Basic Law;
- facilitate the promotion of public awareness and understanding of the Basic Law;
- facilitate the implementation of the “One Country, Two Systems” principle and demonstrate its success;
- co-ordinate the promotion of closer ties with the Mainland, and facilitate exchanges and co-operation with Guangdong, the Pan-Pearl River Delta (Pan-PRD) and other areas in the Mainland;
- advise other bureaux and departments on matters relating to the working relationship between the Government of the HKSAR and the CPG, other Mainland authorities and the Government of the MSAR;
- act as a focal point of contact between the Government of the HKSAR and the Mainland authorities as well as the Office of the Commissioner of the Ministry of Foreign Affairs in the HKSAR (MFA Office);
- facilitate the conduct of the HKSAR’s external affairs and ensure consistency with the relevant provisions of the Basic Law and the “One Country, Two Systems” principle;
- co-ordinate liaison with Taiwan organisations in the HKSAR; and
- ensure the development of the electoral systems in accordance with the relevant provisions of the Basic Law.

6 Since reunification, we have played a co-ordinating and advisory role in matters relating to the implementation of the Basic Law and the principle of “One Country, Two Systems”.

7 The Basic Law Promotion Steering Committee under the chairmanship of the Chief Secretary for Administration provides guidance in formulating policy and strategy for promoting public awareness and understanding of the Basic Law. The Bureau acts as the secretariat to the Steering Committee and co-ordinates the implementation of the action plans endorsed by the Steering Committee.

8 We have developed a good working relationship with the Hong Kong and Macao Affairs Office (HKMAO) of the State Council. This has facilitated official exchanges between the bureaux and departments of the Government of the HKSAR and the CPG and other Mainland authorities.

9 We have developed a good working relationship with the MFA Office on matters relating to the HKSAR’s external affairs. This has enabled HKSAR to continue to participate actively in the international arena and to maintain close contacts with our overseas partners in a manner which reflects a high degree of autonomy.

10 We have developed a good working relationship with the Government of the MSAR in the spirit of mutual respect and equality.

11 To enhance regional co-operation, we have provided support for the Hong Kong/Guangdong Co-operation Joint Conference (Joint Conference) which facilitates co-operation at a high level on issues of common interest in such areas as trade, technology, food safety, environmental protection, cross-boundary arrangements and infrastructure, and the economic development of the Pearl River Delta (PRD). We provided secretariat support for the Hong Kong/Shanghai Economic and Trade Co-operation Conference established in October 2003, as well as the Hong Kong/Beijing Economic and Trade Co-operation Conference established in September 2004.

12 In June 2004, the first “Pan-Pearl River Delta Regional Co-operation and Development Forum” was successfully held in Hong Kong, Macao and Guangzhou. The 11 governments in the Pan-PRD region (“9+2”) also signed a regional co-operation framework agreement. We organised the Hong Kong-leg of the first forum held in June 2004, co-ordinated HKSAR’s participation in the second forum held in July 2005 and will continue to co-ordinate the HKSAR’s participation on matters relating to “9+2”.

13 Since 1 July 2002, we have taken on the responsibility of co-ordinating the Government’s liaison with Taiwan organisations in the HKSAR.

14 In June 2005, a Chief Executive election was organised to fill the vacancy in the office of the Chief Executive which arose in March 2005. Prior to that, Election Committee Subsector by-elections were held in May 2005 to fill the vacancies in the Election Committee (which was responsible for electing the Chief Executive).

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15 We put forth Government's package of proposals to amend the method for selecting the Chief Executive in 2007 and the method for forming the Legislative Council in 2008. The Legislative Council voted on the proposals on 21 December 2005. The proposals did not receive the required two-thirds majority support of all Members of the Legislative Council. The Chief Executive election in 2007 and the Legislative Council election in 2008 will be held according to the current provisions set out in Annexes I and II to the Basic Law.

Matters Requiring Special Attention in 2006–07

16 During 2006–07, the Bureau will:

- continue to advise bureaux and departments on matters relating to the implementation of the Basic Law;
- step up the promotion of the Basic Law and conduct publicity to enhance public awareness and understanding of the Basic Law;
- continue to facilitate the implementation of the “One Country, Two Systems” principle and demonstrate its success;
- set up a Mainland Affairs Liaison Office and new economic and trade offices in Shanghai and Chengdu to enhance communication and exchanges between the Government of HKSAR and the Central Authorities as well as other Mainland authorities;
- continue to advise bureaux and departments on developing and maintaining a good working relationship with their Mainland counterparts and the Government of the MSAR in line with the relevant provisions of the Basic Law and the “One Country, Two Systems” principle;
- continue to enhance our working relationships with the HKMAO and the MFA Office;
- continue to advise bureaux and departments on the conduct of the HKSAR's external affairs in accordance with the relevant provisions of the Basic Law and the “One Country, Two Systems” principle;
- continue to promote co-operation with Guangdong Province and co-ordinate efforts in taking forward co-operation initiatives agreed at the Joint Conference, including overseeing the work of the 18 Expert Groups and providing secretariat support to the Greater PRD Business Council set up under the Joint Conference;
- continue to facilitate liaison and co-operation with the Shanghai and Beijing Municipalities, as well as other provinces and regions in the Pan-PRD region on matters of common interest;
- co-ordinate the Government's liaison with Taiwan organisations in the HKSAR;
- work closely with the relevant bureaux and departments to review the roles, functions and composition of District Councils;
- amend the Chief Executive Election Ordinance to address a number of legal and technical issues so as to facilitate the smooth conduct of the 2007 Chief Executive Election;
- work closely with the Electoral Affairs Commission to put in place practical arrangements for the Election Committee subsector elections to be held in late 2006 and the Chief Executive Election to be held in March 2007;
- examine the possibility of further developing the existing political appointment system through creating new non-civil service positions (such as assistants to Directors of Bureaux) to be taken up by appointments of people from various sectors, including the political, professional and business sectors as well as the civil service; and
- support the work of the Commission on Strategic Development in examining issues relating to the electoral methods and a roadmap for attaining universal suffrage for electing the Chief Executive and the Legislative Council in accordance with the Basic Law.

Programme (3): Mainland Economic and Trade Offices

	2004–05 (Actual)	2005–06 (Original)	2005–06 (Revised)	2006–07 (Estimate)
Financial provision# (\$m)	15.4	19.2	18.9 (-1.6%)	83.4 (+341.3%)

(or +334.4% on
2005–06 Original)

All the figures set out above include provisions for the Economic and Trade Office in Guangdong to be transferred from Head 96—Government Secretariat: Overseas Economic and Trade Offices with effect from 2006–07. The figure for 2006–07 includes provisions for the two Economic and Trade Offices in Chengdu and Shanghai.

Aim

17 The aims are to:

- enhance liaison and communication with the provincial and municipal governments and other local authorities in the areas served by the Mainland Economic and Trade Offices (ETOs);
- represent and promote Hong Kong's trade and commercial interests in the areas served by the Mainland ETOs;
- promote Hong Kong as a reliable trading partner and a premier location for doing business;
- encourage and attract investments to Hong Kong, and to promote Hong Kong's many advantages as an investment and business hub in Asia. The objective is to ensure that companies have all the support they need to establish operations in Hong Kong; and
- provide practical assistance to Hong Kong residents in distress or seeking assistance in areas within Guangdong ETO's geographical coverage.

Brief Description

18 Following the announcement of the Chief Executive in his 2005–06 Policy Address, the Government of the HKSAR will set up two additional ETOs in Shanghai and Chengdu in 2006–07 to promote our exchanges and co-operation with eastern and the southwestern region of the Mainland, and to provide additional support services to Hong Kong people visiting the Mainland. The Chengdu ETO will serve Sichuan, Yunnan, Guizhou, Shaanxi, Hunan and the Municipality of Chongqing, whilst the Shanghai ETO will serve Zhejiang, Jiangsu, Anhui, Hubei and the Municipality of Shanghai. Moreover, the Guangdong ETO will expand its current coverage to include Guangdong, Guangxi, Fujian, Jiangxi and Hainan and to enhance its functions to provide assistance to Hong Kong residents. The Bureau will oversee the work of the three ETOs. The main responsibilities of Mainland ETOs under this programme are:

- to enhance liaison and communication with the provincial and municipal governments and other local authorities in the areas within the Mainland ETOs' coverage;
- to enhance economic and trade relations between Hong Kong and the places concerned by co-operating closely with the local governments and relevant organisations;
- to report to the Government of the HKSAR on the development of the places concerned and to provide information on the HKSAR to the local authorities and non-governmental organisations;
- to enhance co-operation with the places concerned and to take part in relevant activities, which include exploring co-operation opportunities and the implementation of co-operation initiatives;
- to assist bureaux/departments of the Government of the HKSAR to take forward initiatives related to the places concerned and to help liaise with local governments in such tasks as data collection, initiating discussions, monitoring progress, etc.;
- to advise the Government of the HKSAR on policies and initiatives on fostering relations between Hong Kong and the province/municipality concerned. Relevant tasks may include data collection, research, formulation of strategies, and assessment of proposed initiatives, etc.;
- to approach proactively Hong Kong investors in the places concerned so as to enhance communication; to reflect and follow up on issues of common concern among the Hong Kong investors through effective channels; to assist Hong Kong investors to obtain information on business operation in the Mainland, in particular that on local trade policies, regulations and latest economic development;
- to provide proactively information and assistance, and to attract local enterprises to invest in Hong Kong; and
- to boost Hong Kong's positive image as a supportive neighbour and an outstanding trade partner through local publicity; to promote Hong Kong's professional services so as to enhance trade relations between Hong Kong and the places concerned.

19 Guangdong ETO will provide practical assistance to Hong Kong residents in distress in the Guangdong, Guangxi, Jiangxi, Fujian and Hainan provinces/region, and maintain close liaison with relevant Mainland provincial/municipal departments on related matters. The Beijing Office will continue to provide practical assistance to Hong Kong residents in distress in areas outside Guangdong ETO's coverage. For individual cases that occur in areas covered by the Guangdong ETO but require follow-up by the Central Authorities, the Beijing Office will, as in the past, provide facilitation taking account of the circumstances.

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20 The key performance measures are:

Targets/Indicators

(i) Indicators on commercial relations

	2004@ (Actual)	2005@ (Actual)	2006 (Estimate)
meetings on trade-related matters attended	115	110	165
visits to host governments and trade organisations	145	153	225
seminars, exhibitions and workshops organised.....	20	19	31
participated	70	75	113
public speeches given	27	23	38
media interviews/briefings given.....	49	50	75
circulars/newsletters/press releases issued.....	68	98	143

(ii) Indicators on public relations

	2004@ (Actual)	2005@ (Actual)	2006 (Estimate)
call on senior government officials/organisations	360	350	525
public relations functions/events organised.....	80	70	105
participated	90	90	135
newsletters, pamphlets, press releases issued	60	65	98
no. of visitors assisted.....	700	700	1 080
public speeches given	40	40	60
media interviews/briefings given.....	110	100	151
enquiries handled by the Immigration Section of Guangdong ETO.....	N.A.	N.A.	3 750
other enquiries handled.....	6 000	5 800	9 000

(iii) Indicators on investment promotion

	2004@ (Actual)	2005@ (Actual)	2006 (Estimate)
projects pursued.....	26	44	67
projects completed#.....	12	16	23

@ Figures cover Guangdong ETO only.

A completed project refers to an investment project resulting in a foreign/Mainland company setting up or expanding its business in Hong Kong. Only those companies which have acknowledged in writing the assistance rendered by Invest Hong Kong in the investment process are included.

(iv) Targets and indicators on handling of distress cases (Guangdong ETO only)

	Target	2006 (Plan/ Estimate)
Targets		
normal response time per case		
assistance to Hong Kong residents in distress in the areas within Guangdong ETO's coverage within the same day upon request (%)....	95	95
Indicators		
providing practical assistance to Hong Kong residents in distress in the areas within Guangdong ETO's coverage, including handling of cases involving the detention of Hong Kong residents.....	N.A.	1 025

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Matters Requiring Special Attention in 2006–07

21 During 2006–07, the Bureau will:

- oversee the work of the Chengdu and Shanghai ETOs which are targeted to commence service in the latter half of 2006; and
- oversee the work of the Guangdong ETO, which will expand its current geographical coverage and enhance its functions to provide assistance to Hong Kong residents in distress. The Immigration Section in the Guangdong ETO is planned to be established as soon as possible in 2006–07.

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ANALYSIS OF FINANCIAL PROVISION

Programme	2004-05 (Actual) (\$m)	2005-06 (Original) (\$m)	2005-06 (Revised) (\$m)	2006-07 (Estimate) (\$m)
(1) Director of Bureau's Office	5.0	5.0	5.0	5.0
(2) Constitutional Affairs.....	37.8	42.6	41.2	47.3
(3) Mainland Economic and Trade Offices.....	15.4	19.2	18.9	83.4
	<hr/> 58.2	<hr/> 66.8	<hr/> 65.1 (-2.5%)	<hr/> 135.7 (+108.4%)
				(or +103.1% on 2005-06 Original)

Analysis of Financial and Staffing Provision

Programme (1)

Provision for 2006-07 is the same as the revised estimate for 2005-06.

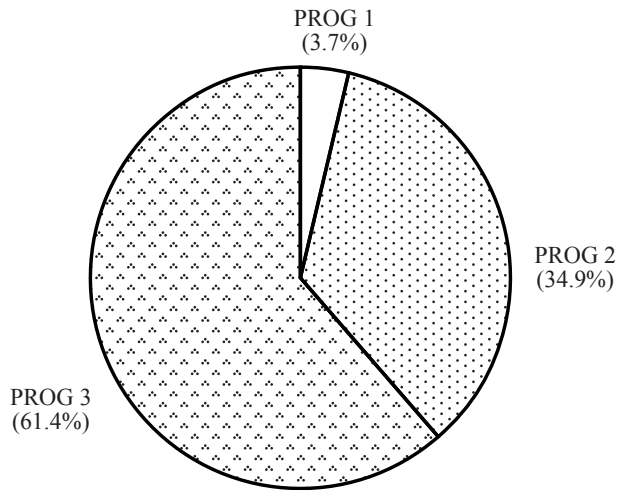
Programme (2)

Provision for 2006-07 is \$6.1 million (14.8%) higher than the revised estimate for 2005-06. This is mainly due to the operating expenses for the establishment of the Mainland Affairs Liaison Office and increased requirement for promotion of Basic Law.

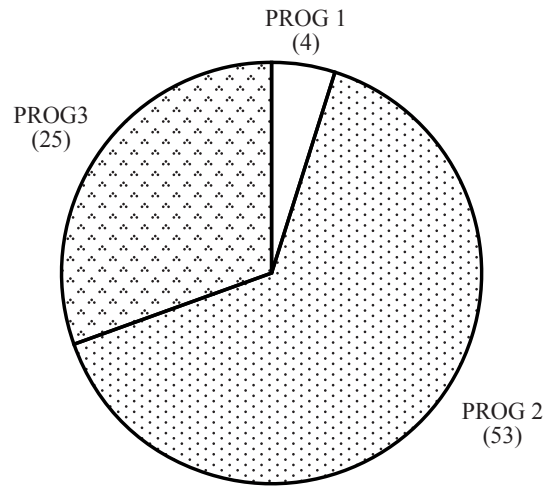
Programme (3)

Provision for 2006-07 is \$64.5 million (341.3%) higher than the revised estimate for 2005-06. This is mainly due to new requirements for setting up the Shanghai and Chengdu ETOs, as well as the expansion of Guangdong ETO to cover four more provinces and provide assistance to Hong Kong residents in distress.

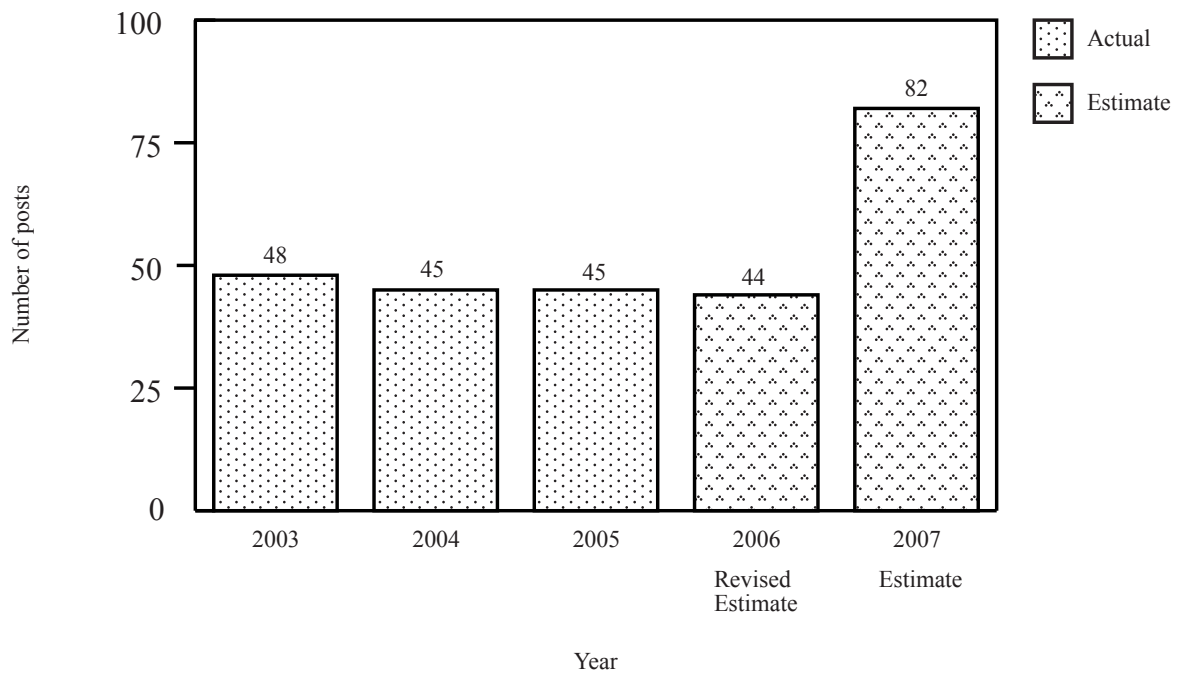
Allocation of provision to programmes (2006-07)



Staff by programme (as at 31 March 2007)



Changes in the size of the establishment (as at 31 March)



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Sub-head (Code)	Actual expenditure 2004-05	Approved estimate 2005-06	Revised estimate 2005-06	Estimate 2006-07	
	\$'000	\$'000	\$'000	\$'000	
Operating Account					
Recurrent					
000	Operational expenses	34,838	34,638	33,528	114,533
	Total, Recurrent.....	34,838	34,638	33,528	114,533
Non-Recurrent					
700	General non-recurrent.....	2,298	5,250	5,026	19,639
	Total, Non-Recurrent.....	2,298	5,250	5,026	19,639
	Total, Operating Account.....	37,136	39,888	38,554	134,172
Capital Account					
Plant, Equipment and Works					
661	Minor plant, vehicles and equipment (block vote)	—	—	—	1,495
	Total, Plant, Equipment and Works	—	—	—	1,495
	Total, Capital Account	—	—	—	1,495
	Total Expenditure	37,136	39,888	38,554	135,667

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Details of Expenditure by Subhead

The estimate of the amount required in 2006–07 for the salaries and expenses of the Constitutional Affairs Bureau is \$135,667,000. This represents an increase of \$97,113,000 over the revised estimates for 2005–06 and of \$98,531,000 over actual expenditure in 2004–05.

Operating Account

Recurrent

2 Provision of \$114,533,000 under *Subhead 000 Operational expenses* is for the salaries, allowances and other operating expenses of the Constitutional Affairs Bureau. The increase of \$81,005,000 (241.6%) over the revised estimate for 2005–06 is mainly due to the operating expenses for the establishment of the Mainland Affairs Liaison Office, operating expenses for setting up of new ETOs in Shanghai and Chengdu, the expansion of Guangdong ETO to cover four more provinces and provide assistance to Hong Kong residents in distress, as well as increased requirement for promotion of Basic Law.

3 The establishment as at 31 March 2006 will be 44 permanent posts. It is expected that there will be a net creation of 38 posts in 2006–07. Subject to certain conditions, the controlling officer may under delegated power create or delete non-directorate posts during 2006–07, but the notional annual mid-point salary value of all such posts must not exceed \$35,591,000.

4 An analysis of the financial provision under *Subhead 000 Operational expenses* is as follows:

	2004–05 (Actual) (\$'000)	2005–06 (Original) (\$'000)	2005–06 (Revised) (\$'000)	2006–07 (Estimate) (\$'000)
Personal Emoluments				
- Salaries	22,897	23,106	23,437	51,128
- Allowances	1,993	2,045	1,364	5,295
- Job-related allowances	—	2	2	2
Personnel Related Expenses				
- Mandatory Provident Fund contribution	58	72	80	108
- Civil Service Provident Fund contribution	—	—	—	323
- Disturbance allowance	—	—	—	1,551
Departmental Expenses				
- General departmental expenses	9,890	9,413	8,645	56,126
	<u>34,838</u>	<u>34,638</u>	<u>33,528</u>	<u>114,533</u>

Capital Account

Plant, Equipment and Works

5 Provision of \$1,495,000 under *Subhead 661 Minor plant, vehicles and equipment (block vote)* is for the purchase of an office car for each of the three Mainland ETOs.

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Sub-head (Code)	Item (Code)	Ambit	Approved commitment	Accumulated expenditure to 31.3.2005	Revised estimated expenditure for 2005-06	Balance
			\$'000	\$'000	\$'000	\$'000
<i>Operating Account</i>						
700		<i>General non-recurrent</i>				
	932	Setting up cost for the Economic and Trade Office in Chengdu.....	7,900	—	—	7,900
	933	Setting up cost for the Economic and Trade Office in Shanghai	9,500	—	—	9,500
	935	Setting up cost for the new Immigration Office in the Economic and Trade Office in Guangdong.....	2,239	—	—	2,239
		Total	19,639	—	—	19,639