

## Head 144 — GOVERNMENT SECRETARIAT: CONSTITUTIONAL AFFAIRS BUREAU

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

**Estimate 2007–08** ..... **\$123.3m**

**Establishment ceiling 2007–08** (notional annual mid-point salary value) representing an estimated 70 non-directorate posts as at 31 March 2007 and as at 31 March 2008 ..... **\$35.6m**

In addition, there will be an estimated 12 directorate posts as at 31 March 2007 and as at 31 March 2008.

### Controlling Officer's Report

#### Programmes

<b>Programme (1) Director of Bureau's Office</b>	This programme contributes to Policy Area 27: Intra-Governmental Services (Secretary for Constitutional Affairs).
<b>Programme (2) Constitutional Affairs</b>	This programme contributes to Policy Area 28: Constitutional Affairs (Secretary for Constitutional Affairs).
<b>Programme (3) Mainland Economic and Trade Offices</b>	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

	2005–06 (Actual)	2006–07 (Original)	2006–07 (Revised)	2007–08 (Estimate)
Financial provision (\$m)	5.0	5.0	5.0 (—)	5.0 (—)
				(or same as 2006–07 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

	2005–06 (Actual)	2006–07 (Original)	2006–07 (Revised)	2007–08 (Estimate)
Financial provision (\$m)	39.8#	47.3	44.5 (–5.9%)	48.9 (+9.9%)
				(or +3.4% on 2006–07 Original)

# The figure in 2005–06 includes relevant provisions transferred from Head 142—Government Secretariat: Offices of the Chief Secretary for Administration and the Financial Secretary following 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 the 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 (PPRD) 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 facilitated the HKSAR to continue to participate actively in the international arena and to maintain close contacts with our overseas partners in a manner which reflects our high degree of autonomy.

10 We have developed a good working relationship with the Government of the MSAR.

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 and investment, technology, food safety, environmental protection, cross-boundary arrangements and infrastructure, and the economic development of the Pearl River Delta (PRD). We have 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 Since the commencement of the PPRD regional co-operation in 2004, we have taken forward co-operation initiatives such as working with the PPRD partners on the implementation of sector-specific co-operation plans on transportation, environmental protection, etc. To promote tourism and linkages, the Individual Visit Scheme has been extended to cover all provincial capitals in the PPRD region since 1 May 2006. The Chief Executive also led business delegations to visit four PPRD provinces/region in this financial year. This helps facilitate Hong Kong enterprises to explore business opportunities in the PPRD region. In the coming year, we will continue to co-ordinate the HKSAR’s participation in the PPRD co-operation.

13 In April 2006, the Mainland Affairs Liaison Office was set up to enhance the communication and exchanges between the Government of HKSAR and the Central Authorities, and to oversee the operation of the HKSAR offices in the Mainland. Two new Economic and Trade Offices were established in Shanghai and Chengdu respectively in September 2006.

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

15 In March 2006, the Chief Executive Election and Legislative Council Election (Miscellaneous Amendments) Bill 2006 was introduced into the Legislative Council to ensure the smooth conduct of the 2007 Chief Executive election. The Bill was passed by the Legislative Council in May 2006.

16 The 2006 Election Committee subsector elections were conducted in December 2006. The Election Committee is responsible for electing the Third Term Chief Executive in March 2007.

17 We have continued to take forward Hong Kong's constitutional development in accordance with the Basic Law. The Commission on Strategic Development concluded discussions on the principles and concepts relating to universal suffrage and has commenced discussion on possible models for selecting the Chief Executive and forming the Legislative Council by universal suffrage.

### *Matters Requiring Special Attention in 2007–08*

18 During 2007–08, the Bureau will:

- continue to advise bureaux and departments on matters relating to the implementation of the Basic Law;
- continue our efforts in 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;
- 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 PPRD region on matters of common interest;
- co-ordinate the Government's liaison with Taiwan organisations in the HKSAR;
- work closely with the Electoral Affairs Commission to put in place practical arrangements for the District Council election to be held in November 2007, including the implementation of a financial assistance scheme for District Council election candidates and the extension to District Council elections the arrangement, adopted in Legislative Council elections since 2004, of allowing candidates to have certain particulars relating to them printed on ballot papers;
- work closely with the Electoral Affairs Commission to make preparations for the Legislative Council election to be held in 2008;
- work out and make public the proposed way forward on further developing the political appointment system taking into account the views received during the public consultation period; and
- continue to 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 selecting the Chief Executive and forming the Legislative Council in accordance with the Basic Law, including publishing in 2007 a report to summarise the discussions of the Commission, and to submit the report to the Central Authorities.

### **Programme (3): Mainland Economic and Trade Offices**

	2005–06 (Actual)	2006–07 (Original)	2006–07 (Revised)	2007–08 (Estimate)
Financial provision (\$m)	17.3#	83.4	62.5 (–25.1%)	69.4 (+11.0%)
				(or –16.8% on 2006–07 Original)

# The figure in 2005–06 includes provisions for the Economic and Trade Office in Guangdong transferred from Head 96—Government Secretariat: Overseas Economic and Trade Offices with effect from 2006–07.

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### *Aim*

19 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.

### *Brief Description*

20 Following the announcement of the Chief Executive in his 2005–06 Policy Address, the Government of the HKSAR set up two additional ETOs in Shanghai and Chengdu in September 2006 to promote our exchanges and co-operation with the eastern and southwestern regions of the Mainland, and to provide additional support services to Hong Kong people visiting the Mainland. The Chengdu ETO serves Sichuan, Yunnan, Guizhou, Shaanxi, Hunan and the Municipality of Chongqing, whilst the Shanghai ETO serves Zhejiang, Jiangsu, Anhui, Hubei and the Municipality of Shanghai. Moreover, the Guangdong ETO has expanded its current coverage to include Guangdong, Guangxi, Fujian, Jiangxi and Hainan. The Bureau oversees the work of the three ETOs. The main responsibilities of the 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 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 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, assessment of proposed initiatives, and monitoring progress etc.;
- to approach proactively Hong Kong investors in the places concerned so as to enhance communication; to reflect and follow up issues of common concern among the Hong Kong investors through appropriate channels; to assist Hong Kong investors in obtaining 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 to local enterprises, and to attract them 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; and to promote Hong Kong's professional services, so as to enhance trade relations between Hong Kong and the places concerned.

21 Guangdong ETO provides practical assistance to Hong Kong residents in distress in Guangdong, Guangxi, Jiangxi, Fujian and Hainan provinces/region, and maintains close liaison with relevant Mainland provincial/municipal departments on related matters. The Beijing Office continues 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.

22 The key performance measures are:

### *Indicators*

#### *Commercial relations*

	2005@ (Actual)	2006^ (Actual)	2007 (Estimate)
meetings on trade-related matters attended .....	110	188	235
visits to host governments and trade organisations.....	153	315	350

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	2005@ (Actual)	2006^ (Actual)	2007 (Estimate)
seminars, exhibitions and workshops			
organised .....	19	23	35
participated.....	75	111	150
public speeches given.....	23	25	40
media interviews/briefings given.....	50	46	60
circulars/newsletters/press releases issued.....	98	107	140

### Public relations

	2005@ (Actual)	2006^ (Actual)	2007 (Estimate)
call on senior government officials/organisations .....	350	547	660
public relations functions/events			
organised .....	70	89	115
participated.....	90	122	185
newsletters, pamphlets, press releases issued .....	65	81	120
no. of visitors assisted .....	700	952	1 380
public speeches given.....	40	50	65
media interviews/briefings given.....	100	116	170
enquiries handled by the Immigration Division of Guangdong ETO .....	N.A.	631 <sup>Ψ</sup>	840
other enquiries handled .....	5 800	7 187	9 350

### Investment promotion

	2005@ (Actual)	2006^ (Actual)	2007 (Estimate)
projects pursued .....	44	115	160
projects completed§ .....	16	25	35

@ Figures in 2005 cover Guangdong ETO only.

^ Starting from 2006, the figures also cover the ETOs in Shanghai and Chengdu upon their establishment in September 2006.

Ψ The actual figure for 2006 shows a decrease from the estimated figure of 3 750 which was assessed on the basis of the actual number of enquiries handled by the Beijing Office in the past years. The 631 enquiries were received during the nine-month period since the establishment of the Immigration Division in Guangdong ETO in April 2006. The variance from the estimate reflects mainly a sharp decrease in the number of enquiries relating to loss of travel document cases. This can be attributed to the establishment of a new mechanism among Immigration Department, Shenzhen Visa Office and the China Travel Service (HK) Limited (CTS) in August 2005 to provide fast-track assistance service to those Hong Kong residents who had lost their Home Visit Permit in the Mainland.

§ 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.

### Handling of distress cases (Guangdong ETO only)

	Target	2006 (Actual)	2007 (Estimate)
<b>Target</b>			
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	96	96

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### Indicator

	2005 (Actual)	2006 (Actual)	2007 (Estimate)
providing practical assistance to Hong Kong residents in distress in the areas within Guangdong ETO's coverage, including handling cases involving the detention of Hong Kong residents (no. of cases) .....	N.A.	124	165

Ω The estimate of 1 025 distress cases was made on the basis of the actual number of cases handled by the Immigration Division of the Beijing Office in 2004 and 2005 that had taken place in the areas under the purview of Guangdong ETO. The actual figure of 124 reflects a substantial decline, as compared with the estimate, due mainly to the sharp decrease in the number of assistance cases relating to loss of travel document cases. This can be attributed to the establishment of a new mechanism among Immigration Department, Shenzhen Visa Office and CTS in August 2005 to provide fast-track assistance service to those Hong Kong residents who had lost their Home Visit Permit in the Mainland. The average number of cases handled by CTS's office in Shenzhen since August 2005 is about 33 per day. The 124 distress cases handled in 2006 covers the nine-month period since the establishment of the Immigration Division in Guangdong ETO in April 2006. They are generally the more difficult and complex cases requiring follow up.

### Matters Requiring Special Attention in 2007–08

23 During 2007–08, the Bureau will:

- oversee the work of the Mainland offices, in particular the new ETOs set up in Chengdu and Shanghai in September 2006; and
- oversee the organisation of celebration activities by the Mainland offices on the occasion of the 10th Anniversary of the Establishment of the HKSAR.

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### ANALYSIS OF FINANCIAL PROVISION

<b>Programme</b>	2005-06 (Actual) (\$m)	2006-07 (Original) (\$m)	2006-07 (Revised) (\$m)	2007-08 (Estimate) (\$m)
(1) Director of Bureau's Office .....	5.0	5.0	5.0	<b>5.0</b>
(2) Constitutional Affairs.....	39.8	47.3	44.5	<b>48.9</b>
(3) Mainland Economic and Trade Offices .....	17.3	83.4	62.5	<b>69.4</b>
	<hr/> 62.1	<hr/> 135.7	<hr/> 112.0 (-17.5%)	<hr/> <b>123.3</b> (+10.1%)
				(or -9.1% on 2006-07 Original)

#### Analysis of Financial and Staffing Provision

##### Programme (1)

Provision for 2007-08 is the same as the revised estimate for 2006-07.

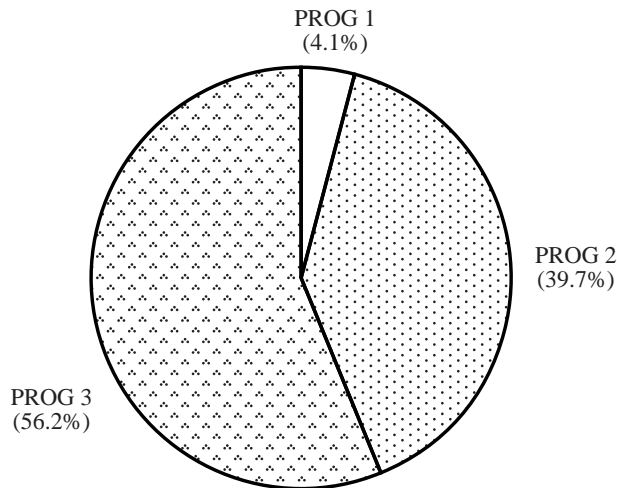
##### Programme (2)

Provision for 2007-08 is \$4.4 million (9.9%) higher than the revised estimate for 2006-07. This is mainly due to the increased requirement for general departmental expenses, and increased salary provision for posts created but not filled in 2006-07.

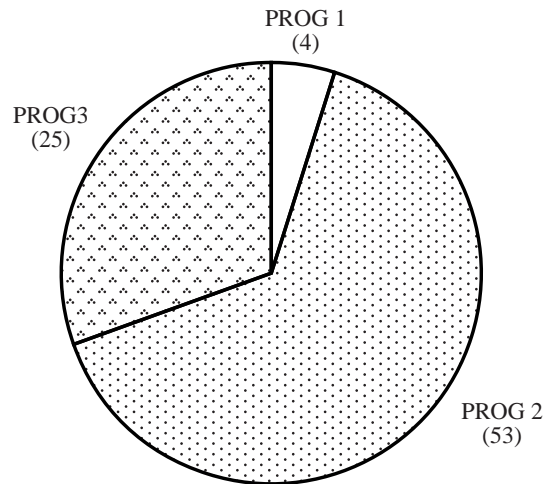
##### Programme (3)

Provision for 2007-08 is \$6.9 million (11.0%) higher than the revised estimate for 2006-07. This is mainly due to the provision of full-year operating expenses for the new ETOs in Shanghai and Chengdu which were established in September 2006, and the new requirement for organising activities to celebrate the 10th Anniversary of the Establishment of the HKSAR, partly offset by reduced provision for the setting up costs for the Mainland ETOs.

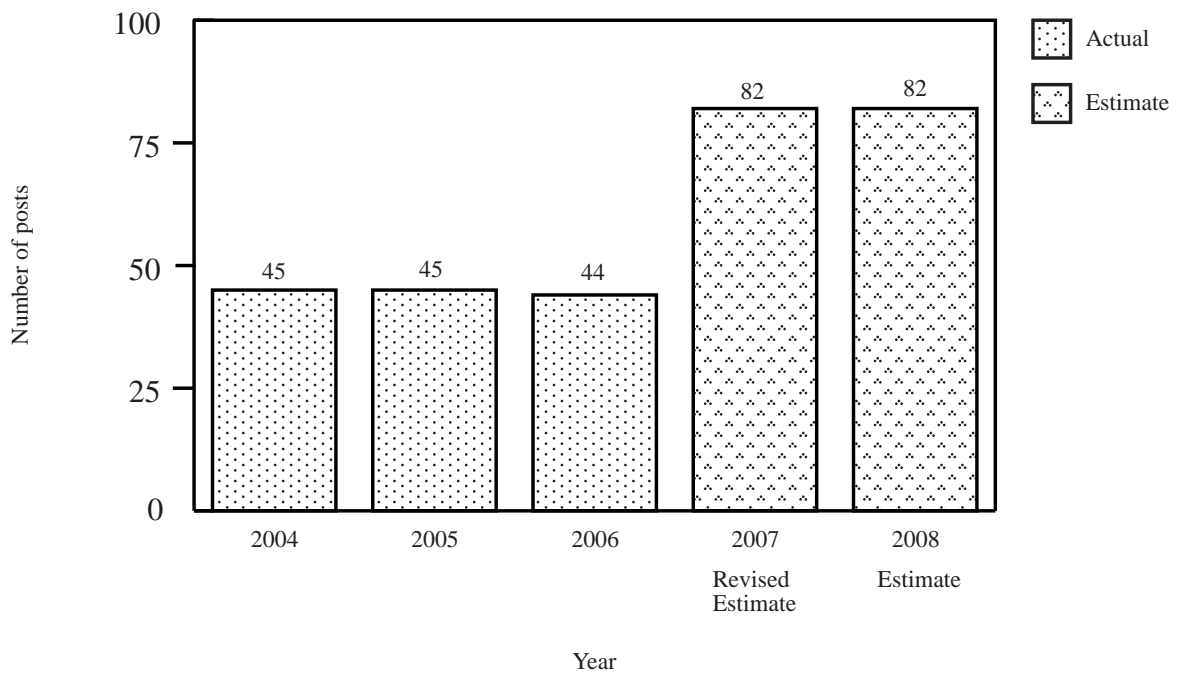
*Allocation of provision to programmes (2007-08)*



*Staff by programme (as at 31 March 2008)*



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





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Sub-head (Code)	Actual expenditure 2005-06	Approved estimate 2006-07	Revised estimate 2006-07	<b>Estimate 2007-08</b>	
	\$'000	\$'000	\$'000	<b>\$'000</b>	
<b>Operating Account</b>					
Recurrent					
000	Operational expenses.....	32,965	114,533	102,126	<b>123,349</b>
	Total, Recurrent .....	32,965	114,533	102,126	<b>123,349</b>
Non-Recurrent					
	General non-recurrent.....	4,369	19,639	9,828	—
	Total, Non-Recurrent .....	4,369	19,639	9,828	—
	Total, Operating Account.....	37,334	134,172	111,954	<b>123,349</b>
<b>Capital Account</b>					
Plant, Equipment and Works					
	Minor plant, vehicles and equipment (block vote).....	—	1,495	—	—
	Total, Plant, Equipment and Works .....	—	1,495	—	—
	Total, Capital Account .....	—	1,495	—	—
	Total Expenditure.....	37,334	135,667	111,954	<b>123,349</b>

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### Details of Expenditure by Subhead

The estimate of the amount required in 2007–08 for the salaries and expenses of the Constitutional Affairs Bureau is \$123,349,000. This represents an increase of \$11,395,000 over the revised estimates for 2006–07 and of \$86,015,000 over actual expenditure in 2005–06.

#### Operating Account

##### Recurrent

2 Provision of \$123,349,000 under *Subhead 000 Operational expenses* is for the salaries, allowances and other operating expenses of the Constitutional Affairs Bureau. The increase of \$21,223,000 (20.8%) over the revised estimate for 2006–07 is mainly due to the provision of full-year operating expenses for the new ETOs in Shanghai and Chengdu which were established in September 2006, and the new requirement for organising activities to celebrate the 10th Anniversary of the Establishment of the HKSAR.

3 The establishment as at 31 March 2007 will be 82 permanent posts. No change in establishment is expected in 2007–08. Subject to certain conditions, the controlling officer may under delegated power create or delete non-directorate posts during 2007–08, 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:

	2005–06 (Actual) (\$'000)	2006–07 (Original) (\$'000)	2006–07 (Revised) (\$'000)	2007–08 (Estimate) (\$'000)
Personal Emoluments				
- Salaries.....	23,122	51,128	45,987	51,261
- Allowances.....	1,479	5,295	5,771	6,292
- Job-related allowances .....	—	2	—	2
Personnel Related Expenses				
- Mandatory Provident Fund contribution.....	79	108	113	115
- Civil Service Provident Fund contribution.....	—	323	109	397
- Disturbance allowance .....	—	1,551	910	362
Departmental Expenses				
- General departmental expenses.....	8,285	56,126	49,236	64,920
	<u>32,965</u>	<u>114,533</u>	<u>102,126</u>	<u>123,349</u>