

立法會
Legislative Council

(12 pages in total)
LC Paper No. CB(3) 568/10-11

Ref. : CB(3)/M/OR

Tel : 2869 9270

Date : 10 March 2011

From : Clerk to the Legislative Council

To : All Members of the Legislative Council

Council meeting of 16 March 2011

**Proposed resolution under
section 7(1) of the Public Finance Ordinance**

I forward for Members' consideration a proposed resolution (**Appendix I**) which the Secretary for Financial Services and the Treasury ("SFST") will move at the Council meeting of 16 March 2011 under section 7(1) of the Public Finance Ordinance.

2. Given the explanations provided by SFST in his letter of 9 March 2011 (**Appendix II**), the President has waived the required notice of the proposed resolution and directed that the resolution "be printed in the terms in which it was handed in" on the Agenda for the Council meeting of 16 March 2011.

3. The speech, in both Chinese and English, which SFST will deliver when moving the proposed resolution is in **Appendix III**.

(Ms Dora WAI)
for Clerk to the Legislative Council

Encl.

(Note: English version will be forwarded to Members through daily despatch service and the Lotus Notes system.)

Public Finance Ordinance

Resolution

(Under section 7(1) of the Public Finance Ordinance (Cap. 2))

Resolved that—

1. Authority is hereby given for a sum not exceeding \$59,720,429,000 to be charged on the general revenue for expenditure on the services of the Government in respect of the financial year commencing on 1 April 2011.
2. Subject to this Resolution, the sum so charged may be expended against the heads of expenditure as shown in the Estimates of Expenditure 2011–12 laid before the Legislative Council on 23 February 2011 or, if the Estimates are changed under the provisions of the Public Finance Ordinance (Cap. 2) as applied by section 7(2) of that Ordinance, as shown in the Estimates as so changed.
3. Expenditure in respect of any head of expenditure must not exceed the aggregate of the amounts authorized by paragraph 4 to be expended in respect of the subheads in that head of expenditure.
4. Expenditure in respect of each subhead in a head of expenditure must not exceed—
 - (a) for an Operating Account Recurrent subhead of expenditure, an amount equivalent to—
 - (i) except if the subhead is listed in Schedule 1 to this Resolution, 20% of the provision shown in the Estimates in respect of that subhead;

- (ii) if the subhead is listed in Schedule 1 to this Resolution, the percentage of the provision shown in the Estimates in respect of that subhead that is specified in that Schedule in relation to that subhead; and
- (b) for an Operating Account Non-Recurrent subhead of expenditure or a Capital Account subhead of expenditure, an amount equivalent to—
 - (i) except if the subhead is listed in Schedule 2 to this Resolution, 100% of the provision shown in the Estimates in respect of that subhead;
 - (ii) if the subhead is listed in Schedule 2 to this Resolution, the amount that is specified in that Schedule in relation to that subhead,

or such other amount, not exceeding an amount equivalent to 100% of the provision shown in the Estimates in respect of that subhead, as may in any case be approved by the Financial Secretary.

Schedule 1		[para. 4(a)]	
Head of Expenditure	Subhead	Percentage of provision shown in Estimates	
90 Labour Department	280 Contribution to the Occupational Safety and Health Council	30	
	295 Contribution to the Occupational Deafness Compensation Board	30	
106 Miscellaneous Services	284 Compensation	40	
120 Pensions	026 Employees' compensation, injury, incapacity and death related payments and expenses	40	
170 Social Welfare Department	157 Assistance for patients and their families	100	
	176 Criminal and law enforcement injuries compensation	25	
	177 Emergency relief	100	
	179 Comprehensive social security assistance scheme	30	
	180 Social security allowance scheme	30	

Schedule 2		[para. 4(b)]	
Head of Expenditure	Subhead	Amount	\$
106 Miscellaneous Services	689 Additional commitments	0	
	789 Additional commitments	500,000,000	
184 Transfers to Funds	984 Payment to the Capital Works Reserve Fund	0	

財經事務及庫務局局長

香港雪廠街
中區政府合署



SECRETARY FOR FINANCIAL
SERVICES AND THE TREASURY

Central Government Offices
Ice House Street, Hong Kong

電話號碼 Tel. No.: 2810 2280

傳真號碼 Fax No.: 2537 1736

本函檔號 Our Ref.:

來函檔號 Your Ref.:

9 March 2011

The Hon Jasper TSANG Yok-sing, GBS, JP
The President
Legislative Council
Hong Kong Special Administrative Region

BY FAX
/ Fax No. : 2537 1204 /

Dear President,

Proposed Resolution under the Public Finance Ordinance

I would like to seek your agreement to waive the notice requirement under Rule 29(1) of the Rules of Procedure (RoP) of the Legislative Council to enable the Administration to move a motion under section 7(1) of the Public Finance Ordinance at the Legislative Council Meeting on 16 March 2011. The notice is at Annex.

As you know, the Administration moved the Vote on Account (VoA) Resolution today seeking funds on account to enable the Government to carry on its services between the start of the financial year on 1 April 2011 and the time when the Appropriation Ordinance 2011 comes into operation (the VoA period). This is a long established and essential procedure. The specific arrangements also follow those of last year. Unfortunately, the Resolution was negatived at the Council Meeting.

We consider it imperative to move a fresh VoA Resolution at the next Council Meeting on 16 March 2011. Let me explain the urgency. First of all, we have the responsibility to ensure that sufficient funds will be available to enable uninterrupted public service, including essential services, across all

policy areas during the VoA period. The Council's decision today on the VoA Resolution has given rise to wide public concerns that education, social welfare, healthcare and other public services may come to a halt by end of the current financial year for lack of funds. We must do all we can, promptly, to assure the public that this will not happen. Secondly, further deferral of the VoA Resolution would not allow reasonable lead time for government bureaux and departments as well as subvented organizations to plan their services and related expenditure.

The fresh VoA Resolution that I propose to move is substantially different from the previous VoA Resolution. The expenditure in respect of Head 106 Miscellaneous Services Subhead 789 Additional commitments is \$500,000,000. In the previous VoA Resolution, it was \$1,000,000,000. This represents a 50% reduction. While the Administration remains of the view that the amount sought for this Subhead in the previous Resolution is in order, we have proposed the reduction in order to comply with the RoP. As the amount sought in this Subhead is to cater for contingency requirements during the VoA period, the reduction will not affect services provided to the public. As a result of the reduction, the aggregate amount we seek on account is reduced from \$60,220,429,000 to \$59,720,429,000. In view of the substantive change, moving the Resolution will not be inconsistent with Rule 32 of the RoP.

I should be most grateful for your favourable decision.



(Professor K C Chan)

Secretary for Financial Services and the Treasury

Encl. (not attached)

(Draft and Subject to Change)

**Speech by the Secretary for Financial Services and the Treasury
Moving the Vote on Account Resolution
in the Legislative Council on 16 March 2011**

President,

I move the motion, as printed on the Agenda, be passed.

2. The purpose of this motion is to seek funds on account to enable the Government to carry on its services between the start of the financial year on 1 April 2011 and the time when the Appropriation Ordinance 2011 comes into operation. This is a long established and essential procedure. The specific arrangements also follow those of last year.
3. We have determined the funds on account sought under each subhead in accordance with the fourth paragraph of the resolution, by reference to the relevant provisions shown in the 2011-12 Estimates of Expenditure. Incorporating the requirements at subhead level, the initial amount of funds on account under each head is provided in the form of a footnote to this speech. Prior to the coming into operation of the Appropriation Ordinance 2011, the aggregate amount of funds on account is **\$59,720,429,000**.
4. Subject to the above aggregate amount not being exceeded, the resolution enables the Financial Secretary to vary the funds on account in respect of any subhead, but these variations must not cause an excess over the amount of provision entered for that subhead in the 2011-12 Estimates of

Expenditure. To increase transparency, same as last year, we undertake to submit reports to the Finance Committee of this Council in case the Financial Secretary has exercised this authority to meet necessary requirements.

5. The vote on account will be subsumed upon the enactment and commencement of the Appropriation Ordinance 2011.

6. President, I beg to move.

Footnote

Head of Expenditure	Amount shown in the Estimates	Initial amount of funds on account
	\$'000	\$'000
21 Chief Executive's Office.....	85,217	17,044
22 Agriculture, Fisheries and Conservation Department	964,195	221,058
25 Architectural Services Department	1,565,434	313,087
24 Audit Commission	121,132	24,227
23 Auxiliary Medical Service	66,360	13,360
82 Buildings Department	993,996	199,796
26 Census and Statistics Department.....	827,607	170,242
27 Civil Aid Service	81,696	16,788
28 Civil Aviation Department	758,817	152,900
33 Civil Engineering and Development Department	1,996,469	404,993
30 Correctional Services Department	2,895,922	607,060
31 Customs and Excise Department	2,565,707	559,795
37 Department of Health.....	4,870,346	1,363,742
92 Department of Justice	1,043,191	209,407
39 Drainage Services Department	1,850,534	403,672
42 Electrical and Mechanical Services Department	345,418	117,254
44 Environmental Protection Department.....	2,425,515	662,291
45 Fire Services Department	4,205,211	1,184,096
49 Food and Environmental Hygiene Department	4,572,750	971,933
46 General Expenses of the Civil Service.....	2,848,009	569,602

Head of Expenditure		Amount shown in the Estimates	Initial amount of funds on account
		\$'000	\$'000
166	Government Flying Service.....	558,834	407,318
48	Government Laboratory	347,454	102,938
59	Government Logistics Department	499,456	205,012
51	Government Property Agency	1,800,542	374,075
143	Government Secretariat : Civil Service Bureau.....	420,026	84,102
152	Government Secretariat : Commerce and Economic Development Bureau (Commerce, Industry and Tourism Branch)	1,355,242	336,099
55	Government Secretariat : Commerce and Economic Development Bureau (Communications and Technology Branch)	310,890	212,533
144	Government Secretariat : Constitutional and Mainland Affairs Bureau.....	388,055	77,611
138	Government Secretariat : Development Bureau (Planning and Lands Branch)	831,364	722,273
159	Government Secretariat : Development Bureau (Works Branch).....	316,711	91,701
156	Government Secretariat : Education Bureau	41,050,152	9,511,900
137	Government Secretariat : Environment Bureau.....	80,035	21,373
148	Government Secretariat : Financial Services and the Treasury Bureau (Financial Services Branch) ...	185,493	37,339
147	Government Secretariat : Financial Services and the Treasury Bureau (The Treasury Branch)	332,979	180,036
139	Government Secretariat : Food and Health Bureau (Food Branch).....	77,031	15,407
140	Government Secretariat : Food and Health Bureau	37,322,905	8,140,145

Head of Expenditure	Amount shown in the Estimates	Initial amount of funds on account
	\$'000	\$'000
(Health Branch).....		
53 Government Secretariat : Home Affairs Bureau.....	1,358,524	312,808
155 Government Secretariat : Innovation and Technology Commission	498,232	119,244
141 Government Secretariat : Labour and Welfare Bureau	583,946	144,578
47 Government Secretariat : Office of the Government Chief Information Officer	657,581	190,077
142 Government Secretariat : Offices of the Chief Secretary for Administration and the Financial Secretary	624,800	127,593
96 Government Secretariat : Overseas Economic and Trade Offices	299,302	63,118
151 Government Secretariat : Security Bureau.....	272,961	54,593
158 Government Secretariat : Transport and Housing Bureau (Transport Branch).....	137,433	30,940
60 Highways Department.....	2,230,549	458,854
63 Home Affairs Department	1,769,413	422,576
168 Hong Kong Observatory.....	220,668	44,134
122 Hong Kong Police Force	13,157,929	2,813,693
62 Housing Department	146,083	29,217
70 Immigration Department	3,071,992	617,970
72 Independent Commission Against Corruption	824,119	165,736
121 Independent Police Complaints Council.....	35,230	7,846
74 Information Services Department	375,902	75,181

Head of Expenditure	Amount shown in the Estimates	Initial amount of funds on account
	\$'000	\$'000
76 Inland Revenue Department	1,290,339	258,068
78 Intellectual Property Department.....	97,817	19,564
79 Invest Hong Kong	110,647	22,130
174 Joint Secretariat for the Advisory Bodies on Civil Service and Judicial Salaries and Conditions of Service.....	19,244	3,849
80 Judiciary	1,137,930	250,711
90 Labour Department	1,298,408	377,360
91 Lands Department.....	1,810,067	363,738
94 Legal Aid Department.....	784,260	156,852
112 Legislative Council Commission.....	566,961	176,781
95 Leisure and Cultural Services Department	5,630,026	1,224,812
100 Marine Department	988,869	224,287
106 Miscellaneous Services	54,145,750	1,097,430
114 Office of The Ombudsman	89,391	17,939
116 Official Receiver's Office	136,331	27,395
120 Pensions.....	19,772,434	3,963,044
118 Planning Department.....	479,470	98,989
136 Public Service Commission Secretariat	18,203	3,641
160 Radio Television Hong Kong	563,106	145,860
162 Rating and Valuation Department	411,711	82,343
163 Registration and Electoral Office	411,923	82,385

Head of Expenditure	Amount shown in the Estimates	Initial amount of funds on account
	\$'000	\$'000
169 Secretariat, Commissioner on Interception of Communications and Surveillance	17,079	3,416
170 Social Welfare Department	41,265,733	11,225,937
173 Student Financial Assistance Agency	3,955,741	1,153,569
180 Television and Entertainment Licensing Authority ..	78,962	15,887
181 Trade and Industry Department	718,441	493,505
186 Transport Department	1,306,014	352,166
188 Treasury	332,454	66,491
190 University Grants Committee	11,027,723	2,205,545
194 Water Supplies Department	6,118,761	1,226,368
	<hr/>	<hr/>
	301,809,154	59,720,429
184 Transfers to Funds	25,000,000	0
	<hr/>	<hr/>
Total	326,809,154	59,720,429
	<hr/> <hr/>	<hr/> <hr/>

* The initial amount of funds on account under Head 106 includes \$500,000,000 under Subhead 789 Additional commitments mainly for contingency.