

LEGISLATIVE COUNCIL BRIEF

SUPPLEMENTARY APPROPRIATION (2017-2018) BILL

INTRODUCTION

A At the meeting of the Executive Council on 2 October 2018, the Council ADVISED and the Chief Executive ORDERED that the Supplementary Appropriation (2017-2018) Bill, at **Annex A**, seeking approval for supplementary appropriation of \$4,722,520,549.17 from the general revenue for the services of the Government in the 2017-2018 financial year, should be introduced into the Legislative Council (LegCo).

JUSTIFICATIONS AND BACKGROUND

2. The Appropriation Ordinance 2017 approved the expenditure of a total sum of \$398,057,570,000 from the general revenue for the services of the Government in the 2017-2018 financial year and the provision for each head of expenditure as provided for in the 2017-2018 estimates of expenditure.

3. In the course of the 2017-2018 financial year, the Government has either sought the LegCo Finance Committee's approval for, or approved under delegated authority, supplementary provisions for various heads of expenditure mainly for meeting additional expenses arising from the 2017-2018 civil service pay adjustment and supporting quality education. As required under section 8(8) of the Public Finance Ordinance (Cap.2) (PFO), the Government has provided quarterly updates to LegCo on supplementary provisions approved.

4. The annual accounts for the 2017-2018 financial year have been finalised. In accordance with section 9 of the PFO*, we need to introduce a Supplementary Appropriation Bill into LegCo as soon as practicable. The purpose is to reconcile the differences between the sums originally appropriated for each head of expenditure under the General Revenue Account and the actual expenditure if these sums are exceeded.

THE SUPPLEMENTARY APPROPRIATION (2017-2018) BILL (THE BILL)

B 5. For 28 of the 84 heads of expenditure under the General Revenue Account, the actual expenditure for the 2017-2018 financial year exceeded the original appropriation by a total of \$4,722,520,549.17, as detailed in **Annex B**. Accordingly, the Bill provides for a supplementary appropriation of this amount over and above the sum appropriated by the Appropriation Ordinance 2017.

LEGISLATIVE TIMETABLE

6. The legislative timetable will be as follows –

Publication in the Gazette	19 October 2018
First Reading and commencement of Second Reading debate	31 October 2018
Resumption of Second Reading debate, committee stage and Third Reading	to be notified

* Section 9 of the PFO provides that: "If at the close of account for any financial year it is found that expenditure charged to any head is in excess of the sum appropriated for that head by an Appropriation Ordinance, the excess shall be included in a Supplementary Appropriation Bill which shall be introduced into the Legislative Council as soon as practicable after the close of the financial year to which the excess expenditure relates."

IMPLICATIONS OF THE PROPOSAL

7. The proposal does not have economic, financial, civil service, environmental, productivity, sustainability, family or gender implications.

8. The proposal is in conformity with the Basic Law, including the provisions concerning human rights.

PUBLIC CONSULTATION

9. The Bill is largely technical. Public consultation is considered not necessary.

PUBLICITY

10. A spokesperson will be available to handle any enquiries.

ENQUIRIES

11. Enquiries on this brief should be directed to Dr Edward Cheng, Principal Assistant Secretary for Financial Services and the Treasury (Treasury)H, at 2810 3726.

Financial Services and the Treasury Bureau
16 October 2018

A BILL

To

Approve a supplementary appropriation to the services of the Government in the financial year that ended on 31 March 2018.

Enacted by the Legislative Council.

1. Short title

This Ordinance may be cited as the Supplementary Appropriation (2017–2018) Ordinance.

2. Approval of appropriation

The appropriation in the manner expressed in the Schedule of a sum of \$4,722,520,549.17 from the general revenue for the services of the Government in the financial year that ended on 31 March 2018 is approved.

Schedule

[s. 2]

Number of Vote	Head of Expenditure	Amount of Vote \$
24	Audit Commission	356,562.71
25	Architectural Services Department	22,452,813.89
28	Civil Aviation Department	8,324,345.84
30	Correctional Services Department	25,731,747.88
39	Drainage Services Department	10,273,898.13
48	Government Laboratory	9,407,858.57
49	Food and Environmental Hygiene Department	2,815,753.53
72	Independent Commission Against Corruption	6,056,314.54
74	Information Services Department	6,566,057.65
78	Intellectual Property Department	978,183.06
79	Invest Hong Kong	3,955,265.98
82	Buildings Department	11,131,812.48
91	Lands Department	56,391,429.84
94	Legal Aid Department	9,028,892.02
95	Leisure and Cultural Services Department ..	58,164,196.97
100	Marine Department	19,288,127.31
112	Legislative Council Commission	11,662,453.83

Schedule	Supplementary Appropriation (2017–2018) Bill	3
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Number of Vote	Head of Expenditure	Amount of Vote \$
114	Office of The Ombudsman	2,576,000.00
116	Official Receiver's Office	508,518.97
121	Independent Police Complaints Council	1,280,000.00
122	Hong Kong Police Force	289,283,139.68
140	Government Secretariat: Food and Health Bureau (Health Branch)	1,070,906,965.17
156	Government Secretariat: Education Bureau	2,693,979,955.58
160	Radio Television Hong Kong	13,197,884.19
162	Rating and Valuation Department	5,552,789.48
188	Treasury	4,562,827.87
190	University Grants Committee	338,084,704.70
194	Water Supplies Department	40,002,049.30
	Total	<u>4,722,520,549.17</u>

Explanatory Memorandum Paragraph 1	Supplementary Appropriation (2017–2018) Bill	4
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Explanatory Memorandum

This Bill provides for the appropriation of \$4,722,520,549.17 for the financial year that ended on 31 March 2018 in addition to the sum appropriated by the Appropriation Ordinance 2017 (2 of 2017).

Supplementary Appropriation (2017-2018) Bill

Expenditure Head	Original Estimate \$	Actual Expenditure \$	Supplementary Appropriation \$	Major Reasons
24 Audit Commission	169,191,000	169,547,562.71	356,562.71)	
)	
25 Architectural Services Department	2,042,983,000	2,065,435,813.89	22,452,813.89)	
)	
28 Civil Aviation Department	994,730,000	1,003,054,345.84	8,324,345.84)	Additional expenses arising from the 2017-2018 civil service pay adjustment
)	
30 Correctional Services Department	3,839,053,000	3,864,784,747.88	25,731,747.88)	
)	
39 Drainage Services Department	2,636,654,000	2,646,927,898.13	10,273,898.13)	Additional requirements for maintenance and operation of sewage facilities
)	
48 Government Laboratory	463,918,000	473,325,858.57	9,407,858.57)	Additional expenses arising from the 2017-2018 civil service pay adjustment, and additional requirements for testing
)	
49 Food and Environmental Hygiene Department	6,776,198,000	6,779,013,753.53	2,815,753.53)	Additional expenses arising from the 2017-2018 civil service pay adjustment

Expenditure Head	Original Estimate \$	Actual Expenditure \$	Supplementary Appropriation \$	Major Reasons
72 Independent Commission Against Corruption	1,074,206,000	1,080,262,314.54	6,056,314.54)
)
74 Information Services Department	505,545,000	512,111,057.65	6,566,057.65) Additional expenses arising from the 2017-2018 civil service pay adjustment
)
78 Intellectual Property Department	156,394,000	157,372,183.06	978,183.06)
)
79 Invest Hong Kong	130,697,000	134,652,265.98	3,955,265.98) Additional expenses arising from the 2017-2018 civil service pay adjustment, and additional requirements to cover expenses on investment promotion work
)
82 Buildings Department	1,382,930,000	1,394,061,812.48	11,131,812.48)
) Additional expenses arising from the 2017-2018 civil service pay adjustment
91 Lands Department	2,452,963,000	2,509,354,429.84	56,391,429.84)
)
94 Legal Aid Department	996,812,000	1,005,840,892.02	9,028,892.02) Additional expenses arising from the 2017-2018 civil service pay adjustment, and increase in legal aid costs
)
95 Leisure and Cultural Services Department	8,599,298,000	8,657,462,196.97	58,164,196.97)
) Additional expenses arising from the 2017-2018 civil service pay adjustment
100 Marine Department	1,362,139,000	1,381,427,127.31	19,288,127.31)
)
112 Legislative Council Commission	841,862,000	853,524,453.83	11,662,453.83) Additional expenses arising from the 2017-2018 pay adjustment

Expenditure Head	Original Estimate \$	Actual Expenditure \$	Supplementary Appropriation \$	Major Reasons
114 Office of The Ombudsman	114,068,000	116,644,000.00	2,576,000.00	Additional expenses arising from the 2017-2018 pay adjustment
116 Official Receiver's Office	180,311,000	180,819,518.97	508,518.97	Additional expenses arising from the 2017-2018 civil service pay adjustment
121 Independent Police Complaints Council	73,393,000	74,673,000.00	1,280,000.00	Additional expenses arising from the 2017-2018 pay adjustment
122 Hong Kong Police Force	18,495,744,000	18,785,027,139.68	289,283,139.68)
140 Government Secretariat: Food and Health Bureau (Health Branch)	55,990,015,000	57,060,921,965.17	1,070,906,965.17) Additional expenses arising from the 2017-2018 civil service pay adjustment
156 Government Secretariat: Education Bureau	57,393,829,000	60,087,808,955.58	2,693,979,955.58)
160 Radio Television Hong Kong	995,202,000	1,008,399,884.19	13,197,884.19) Additional cash flow requirements for commitment items on Establishment of Fill-in Stations for Digital Terrestrial Television (DTT), Virtual Set Studio and Equipment for Enhancement of DTT Services, and Minor plant, vehicles and equipment (block vote)

Expenditure Head		Original Estimate	Actual Expenditure	Supplementary Appropriation	Major Reasons
		\$	\$	\$	
162	Rating and Valuation Department	525,906,000	531,458,789.48	5,552,789.48)
188	Treasury	391,910,000	396,472,827.87	4,562,827.87)
190	University Grants Committee	18,661,695,000	18,999,779,704.70	338,084,704.70) Additional expenses arising from the 2017-2018 civil service pay adjustment
194	Water Supplies Department	8,282,094,000	8,322,096,049.30	40,002,049.30)
Total		195,529,740,000	200,252,260,549.17	4,722,520,549.17	