

**Replies to supplementary oral and written questions
raised by Finance Committee Members in examining
the Draft Estimates of Expenditure 2001-02**

[Bureau Secretary/Controlling Officer : Secretary for the Treasury]

Bureau Serial No.	Question Serial No.	Name of Member	Head	Programme
S-FB001	S039	Lee Cheuk-yan	51	-
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S-FB012	-	Cheung Man-kwong	188	Payment of Salaries, Pensions and Benefits

Note - "S-FB012", highlighted in **RED** colour, indicates that it is an additional reply.

Bureau Serial No.

S-FB001

Question Serial No.

S039

Examination of draft Estimates of Expenditure 2001-02
**CONTROLLING OFFICER'S REPLY TO
WRITTEN/SUPPLEMENTARY QUESTION**

Head : 51 Government Property Agency Subhead (No. & title) :

Programme :

Controlling Officer : Government Property Administrator

Bureau Secretary : Secretary for the Treasury

Question(s) : In 2000-01, the services contracted out are equivalent to the workload of how many civil servants in the junior, middle and senior levels#? If these services are provided by civil servants, what are the corresponding expenditures on salaries and allowances of the civil servants involved?

Posts in junior level: equivalent to MPS 9 or below;
Posts in middle level: equivalent to MPS 10 to 33;
Posts in senior level: equivalent to MPS 34 or above.

Asked by : Hon LEE Cheuk-yan

Reply : Having regard to the broad scope of contracted out work, it is not possible in the time available to quantify the requirement in terms of numbers of civil servants at different ranks. However, as a rough indicator, a typical smaller joint user government office block costs about \$1.56 million per annum to manage. The provision of a similar level of service would have required one civil service post at middle level and 11 civil service posts at junior level, with an estimated total staff cost of \$2.50 million per annum.

Signature _____

Name in block letters _____ ALBERT LAI _____

Post Title _____ Government Property Administrator _____

Date _____ 28 March 2001 _____

Bureau Serial No.

S-FB002

Question Serial No.

S040

Examination of draft Estimates of Expenditure 2001-02

**CONTROLLING OFFICER'S REPLY TO
WRITTEN/SUPPLEMENTARY QUESTION**

Head : 51 Government Property Agency Subhead (No. & title) :

Programme :

Controlling Officer : Government Property Administrator

Bureau Secretary : Secretary for the Treasury

Question(s) : What is the percentages of services contracted out by Government Property Agency by 2000-01?

Asked by : Hon LEE Cheuk-yan

Reply : GPA's services comprise acquisition, allocation, disposal, commercialisation and property management of government properties as well as ensuring optimum utilisation of government sites. For 2000-01, GPA has contracted out 99% of property management work which comprises building management, cleansing and security services. The other services including, for example, acquisition, allocation and disposal of government properties, are provided in-house by GPA.

Signature _____

Name in block letters _____ ALBERT LAI _____

Post Title _____ Government Property Administrator _____

Date _____ 27 March 2001 _____

Bureau Serial No.

S-FB003

Question Serial No.

S041

Examination of draft Estimates of Expenditure 2001-02
**CONTROLLING OFFICER'S REPLY TO
WRITTEN QUESTION**

Head : 51 Government Property Agency Subhead (No. & title) :

Programme :

Controlling Officer : Government Property Administrator

Bureau Secretary : Secretary for the Treasury

Question(s) : Regarding the monitoring of the performance of the contractors, what is the existing staff establishment for this aspect? What are the expenditures on salaries and allowances involved?

Asked by : Hon LEE Cheuk-yan

Reply : The number of civil service posts and the estimated expenditure on salaries and allowances deployed on management and supervision of property management service contracts in 2000-01 are as follows -

Salary Bands	No. of Posts	Annual Salaries	Annual Staff On-costs	Total
		\$ million		
senior : MPS 34 or above	7	5.6	3.3	8.9
middle : MPS 10-33	25	8.9	4.6	13.5
junior : MPS 9 or below	-	-	-	-

Signature _____

Name in block letters _____ ALBERT LAI

Post Title _____ Government Property Administrator

Date _____ 28 March 2001

Bureau Serial No.

S-FB004

Question Serial No.

S107

Examination of draft Estimates of Expenditure 2001-02

**CONTROLLING OFFICER'S REPLY TO
WRITTEN/SUPPLEMENTARY QUESTION**

Head : 147 Government Secretariat: Finance Bureau Subhead (No. & title) :

Programme : (1) Revenue and Financial Control

Controlling Officer : Secretary for the Treasury

Bureau Secretary : Secretary for the Treasury

Question : (a) In the reply to FB201, it is mentioned that the Advisory Committee on New Broad-based Taxes (the Committee) has been considering broad-based taxes which include a study on a goods and services tax (also known as value-added tax), a payroll tax, a capital gains tax, "green" or environment-related taxes, etc. However, the International Monetary Fund has been invited by the Committee to conduct a study on the technical aspects of a goods and services tax (or value-added tax) only, and not on other taxes. Why?

(b) Can the Government set out in details the study being conducted by the International Monetary Fund on the invitation of the Committee and the resources thus involved?

Asked by : Hon LEE Cheuk-yan

Reply :

(a) The Advisory Committee on New Broad-based Taxes has initiated a number of studies on various broad-based taxes. It is not necessary or possible to ask the International Monetary Fund (IMF) to study all the issues considered by the Committee. It should be noted that the Committee is composed of members drawn from various backgrounds, including the legal, accounting and tax professions and is assisted by a secretariat with policy and taxation officers providing research support to the Committee. The IMF was invited to assist by addressing the technical aspects of the implementation of a goods and services tax (GST) as the relevant expertise and first-hand experience is not readily available in Hong Kong. GSTs are the most common type of consumption-based taxes levied elsewhere and the IMF has extensive experience of these.

- (b) The IMF was asked to advise if it is feasible to implement a GST in Hong Kong and the policy and technical aspects to be addressed in considering whether to introduce the tax. The IMF sent a team of four experts to Hong Kong to conduct the study. It did not charge the Government for the study.

Signature _____

Name in block letters Miss Denise YUE, JP

Post Title Secretary for the Treasury

Date 26 March 2001

Bureau Serial No.

S-FB005

Question Serial No.

S108

Examination of draft Estimates of Expenditure 2001-02

**CONTROLLING OFFICER'S REPLY TO
WRITTEN/SUPPLEMENTARY QUESTION**

Head : 147 Government Secretariat: Finance Bureau Subhead (No. & title) :

Programme : (1) Revenue and Financial Control

Controlling Officer : Secretary for the Treasury

Bureau Secretary : Secretary for the Treasury

Question : What is the scope of the consultancy studies mentioned in the reply to the first question in FB 026-0779?

Asked by : Hon Cyd Ho

Reply:

We have commissioned KPMG for a study on Hong Kong's tax base in connection with the work of the Advisory Committee on New Broad-based Taxes. The study seeks to assess the nature of the tax base of Hong Kong in comparison with other developed jurisdictions and identify the policy implications. We have commissioned Merrill Lynch (Asia Pacific) Limited for financial advice on the privatisation of MTR Corporation Limited and other major infrastructure projects (e.g. railway projects under Railway Development Strategy 2000).

Signature _____

Name in block letters Miss Denise YUE, JP

Post Title Secretary for the Treasury

Date 27 March 2001

Bureau Serial No.

S-FB006

Question Serial No.

S118

Examination of draft Estimates of Expenditure 2001-02

**CONTROLLING OFFICER'S REPLY TO
WRITTEN/SUPPLEMENTARY QUESTION**

Head : 147 Government Secretariat: Finance Bureau Subhead (No. & title) :

Programme : (1) Revenue and Financial Control

Controlling Officer : Secretary for the Treasury

Bureau Secretary : Secretary for the Treasury

Question : This is a follow up question to Q Serial No. 1163 - Bureau Serial No. FB032 - please give a detailed list of the estimated and closing figures for the expenditure and balance of government (not JUST operating) account since 1986-87. Please list the number of occasions the government had dipped into the fiscal reserves to balance the budget and the amounts involved.

Asked by : Hon Emily LAU Wai-hing

Reply :

(a) Details are as follows -

<u>Year</u>	<u>Total Government Expenditure</u>		<u>Consolidated Surplus / (Deficit)</u>	
	<u>Estimate</u> <u>\$ billion</u>	<u>Actual</u> <u>\$ billion</u>	<u>Estimate</u> <u>\$ billion</u>	<u>Actual</u> <u>\$ billion</u>
1986-87	43.0	41.1	0.5	5.9
1987-88	48.5	45.3	2.4	12.5
1988-89	55.5	53.4	5.5	18.9
1989-90	69.1	67.8	11.5	11.1
1990-91	91.0	79.1	0.7	4.0
1991-92	101.3	90.4	1.3	22.5

/.....

<u>Year</u>	<u>Total Government Expenditure</u>		<u>Consolidated Surplus / (Deficit)</u>	
	<u>Estimate</u> \$ billion	<u>Actual</u> \$ billion	<u>Estimate</u> \$ billion	<u>Actual</u> \$ billion
1992-93	115.1	107.3	7.6	22.0
1993-94	132.5	134.0	(3.4)	19.2
1994-95	146.0	143.2	7.7	10.8
1995-96	169.7	161.6	(2.6)	(3.1)
1996-97	183.7	173.6	1.6	25.7
1997-98	202.2	194.2	31.7	86.9
1998-99	233.0	218.8	10.7	(23.2)
1999-00	232.9	214.5	(36.5)	10.0
2000-01 Revised estimate	226.1		(11.4)	
2001-02 Draft estimate	252.7		(3.0)	
Forecast				
2002-03	266.9		(6.8)	
2003-04	282.8		(5.9)	
2004-05	297.5		10.2	

- (b) There were two occasions where we dipped into the fiscal reserves due to the deficits, i.e. 1995-96 \$3.1 billion, 1998-99 \$23.2 billion.

Signature _____

Name in block letters Miss Denise YUE, JP

Post Title Secretary for the Treasury

Date 26 March 2001

Bureau Serial No.

S-FB007

Question Serial No.

S120

Examination of draft Estimate of Expenditure 2001-2002

**CONTROLLING OFFICER'S REPLY TO
WRITTEN/SUPPLEMENTARY QUESTION**

Head : 147 Government Secretariat: Finance Bureau Subhead (No. & title) :

Programme : (1) Revenue and Financial Control

Controlling Officer : Secretary for the Treasury

Bureau Secretary : Secretary for the Treasury

Question : According to the reply, (a) it seems that the assumed inflation rates for 2002-03 to 2004-05 are all different from the interim projection of 2.5%. Why is it so? (b) If calculation is based on an annual real growth of 4% in operating expenditure, then apparently "government expenditure", which includes "capital expenditure", cannot be projected on the real growth of 4%. Isn't this contradictory to the comparison with the rate of real growth in government expenditure, as given in the reply to question FB030, 1161(a)? (c) How is the assumption of growth in capital expenditure projected and determined?

Asked by : Hon SIN Chung-kai

Reply :

(a) While the forecast trend GDP deflator of 2.5% is our underlying inflation assumption, it is not appropriate to apply it across the board to derive the current prices of government expenditure throughout the period of the Medium Range Forecast. It is because the components and their weights of government expenditure differ from those of the GDP. For certain items such as personal emoluments and public works expenditure, it is necessary to apply different inflation assumptions relevant to them. The overall inflation rate implicit in the Medium Range Forecast therefore reflects the net effect of a combination of various inflation assumptions and is not the same as the forecast trend GDP deflator.

- (b) We observe the expenditure guideline of allowing total government expenditure to grow by 4% p.a. in real terms from 2002-03. Due to the irregular and lumpy nature of capital expenditure, this part of the government expenditure will not grow by a straight line of 4% p.a. and our forecast reflects this fact. It is not contradictory to our spending guideline.
- (c) We project the cash flow on capital expenditure taking into account progress of capital works projects and various major systems and equipment and computerisation projects financed by the Capital Works Reserve Fund, progress of projects financed by the Innovation and Technology Fund, and projected drawdown of loans to schools, teachers, students, housing, etc. under the Loan Fund.

Signature _____

Name in block letters Miss Denise YUE, JP

Post Title Secretary for the Treasury

Date 26 March 2001

Bureau Serial No.

S-FB008

Question Serial No.

S121

Examination of draft Estimate of Expenditure 2001-2002

**CONTROLLING OFFICER'S REPLY TO
WRITTEN/SUPPLEMENTARY QUESTION**

Head : 147 Government Secretariat: Finance Bureau Subhead (No. & title) :

Programme : (1) Revenue and Financial Control

Controlling Officer : Secretary for the Treasury

Bureau Secretary : Secretary for the Treasury

Question : As regards the reduced amount of \$6.8 billion on internal expenditure, please provide a breakdown of the savings by category, namely, enhanced productivity and efficiency, lower-than-expected prices of goods and services and other factors.

Asked by : Hon SIN Chung-kai

Reply : We do not have a breakdown of the various categories of savings contributing to the reduced expenditure of \$6.8 billion. Nevertheless, in compiling the revised estimates of expenditure for 2000-01, we have noted that Controlling Officers have made real efforts to economise. Savings due to efforts of Controlling Officers to improve productivity and efficiency in delivering services are evident and reflected in the revised estimates of expenditure under different subheads in the Draft Estimates 2001-02. Examples include the rationalisation of maintenance works by the Highways Department which has resulted in reduced cost on highways maintenance. Internal re-organisation and re-distribution of duties by the Agriculture, Fisheries and Conservation Department, Buildings Department and Civil Engineering Department have resulted in reduced requirement on allowances. Improvement to cost efficiency by the Electrical and Mechanical Services Trading Fund has resulted in a lowering of its service charges to departments such as the Transport Department and the Leisure and Cultural Services Department. A general drop in the prices of goods and services as evidenced by the 3.7% fall in the Composite Consumer Price Index in 2000 also contributes to the lower than anticipated expenditure for 2000-01.

Signature _____

Name in block letters Miss Denise YUE, JP

Post Title Secretary for the Treasury

Date 26 March 2001

Bureau Serial No.

S-FB009

Question Serial No.

S122

Examination of draft Estimate of Expenditure 2001-2002

**CONTROLLING OFFICER'S REPLY TO
WRITTEN/SUPPLEMENTARY QUESTION**

Head : 147 Government Secretariat: Finance Bureau Subhead (No. & title) :

Programme : (1) Revenue and Financial Control

Controlling Officer : Secretary for the Treasury

Bureau Secretary : Secretary for the Treasury

Question : Despite the cumulative real growth in government expenditure returns to the level of the cumulative real growth in GDP in 2000-01, the percentage of government expenditure in GDP is still far higher than that in 1986-87. Please advise: (a) whether it is caused by the fact that the Government Consumption Expenditure Deflator is higher than the local inflation rate; (b) please provide a comparison of the Government Consumption Expenditure Deflator with the local inflation rate since 1986-87; (c) the government reduces the real growth in government expenditure to a level lower than the real growth in GDP in the Medium Range Forecast as a means to reduce the percentage of government expenditure in GDP, does this violate Article 107 of the Basic Law? (d) Has the government any plan to reduce the growth of the consumption expenditure deflator to a level lower than the local inflation rate?

Asked by : Hon SIN Chung-kai

Reply :

- (a) Government expenditure as a percentage of GDP in nominal terms has increased primarily because price increases on government expenditure have been higher than those of the GDP. This is unavoidable as government expenditure comprises predominantly personal emoluments and related recurrent subventions which have seen higher increases than the GDP deflators. In addition, the bulk of government expenditure, including expenditure under the various social security assistance schemes, is rigid to price changes. This phenomenon has become more obvious in the past two years when GDP deflator registered a significant fall whereas the

government consumption expenditure deflator only registered a moderate drop, hence the more pronounced rise in government expenditure as a percentage of GDP.

- (b) The deflators for Government Consumption Expenditure (GCE) and GDP respectively in calendar years 1986 to 2000 are as follows:

	GCE Deflator (%)	GDP Deflator (%)
1986	8.6	3.9
1987	8.2	8.9
1988	12.4	9.5
1989	14.8	12.3
1990	13.3	7.5
1991	10.4	9.2
1992	10.0	9.7
1993	10.9	8.5
1994	10.8	6.9
1995	9.2	2.5
1996	6.5	5.9
1997	6.4	5.8
1998	2.7	0.4
1999	-0.2	-5.1
2000	-1.8	-6.5

The above information is set out in Table 2 “Implicit price deflators (1990=100) of GDP and of its expenditure components, 1961-2000” on page 18 of the publication “2000 Gross Domestic Product”, released on the Budget Day of 7 March 2001.

- (c) There is no violation of Basic Law Article 107.
- (d) We recognise that it is not possible to bring the price level of government expenditure below the GDP deflators in a short time due to the rigidity of government expenditure to price changes. However, we have made efforts to adjust the price of government expenditure through the various public sector reform measures such as introduction of a new salary scale for new recruits to the civil service, containing the size of the civil service exercise and the Enhanced Productivity Programme. All these initiatives aim to provide more and better services and achieve optimal utilisation of resources.

Signature _____

Name in block letters Miss Denise YUE, JP

Post Title Secretary for the Treasury

Date 26 March 2001

Bureau Serial No.

S-FB010

Question Serial No.

S123

Examination of draft Estimates of Expenditure 2001-02

**CONTROLLING OFFICER'S REPLY TO
WRITTEN/SUPPLEMENTARY QUESTION**

Head : 147 Government Secretariat: Finance Bureau Subhead (No. & title) :

Programme : (1) Revenue and Financial Control

Controlling Officer : Secretary for the Treasury

Bureau Secretary : Secretary for the Treasury

Question : As the actual expenditure of Subheads 251 and 789 under Head 106 is not set out in the Expenditure Estimates, will the Administration explain the details of transfers to other Heads as an annex in future Expenditure Estimates so as to facilitate the Legislative Council to examine the expenditure of the previous year?

Asked by : Hon SIN Chung-kai

Reply :

As only very limited information relating to the likely expenditure of Subheads 251 and 789 under Head 106 is available at the cut-off date of the preparation of the annual Draft Estimates, we do not consider it would be possible to set out the details of transfers to other Heads as an annex in future Expenditure Estimates. However, we will consider how to improve upon the explanation given in the Details of Expenditure by Subhead on Head 106 for these two Subheads in future Draft Estimates.

Signature _____

Name in block letters Miss Denise YUE, JP

Post Title Secretary for the Treasury

Date 26 March 2001

Bureau Serial No.

S-FB011

Question Serial No.

S124

Examination of draft Estimates of Expenditure 2001-02

**CONTROLLING OFFICER'S REPLY TO
WRITTEN/SUPPLEMENTARY QUESTION**

Head : 147 Government Secretariat: Finance Bureau Subhead (No. & title) :

Programme : (1) Revenue and Financial Control

Controlling Officer : Secretary for the Treasury

Bureau Secretary : Secretary for the Treasury

Question : Will the Government explain in detail the comparison of the components and weighted factors of the government and public expenditure to the overall economic performance? Can the Government provide the estimates of government expenditure and public expenditure as well as the actual inflation rate from 1986-87 onwards?

Asked by : Hon SIN Chung-kai

Reply :

(a) The make-up of government and public expenditure and their respective weights as a percentage of GDP in 2001-02 are as follows:

	<u>2001-02 Estimate</u>	<u>% of GDP</u>
	\$M	%
Government Expenditure		
General Revenue Account	210,930	15.5%
Capital Works Reserve Fund	31,430	2.3%
Loan Fund	9,420	0.7%
Innovation and Technology Fund	890	0.1%
Total	<u>252,670</u>	18.6%
Expenditure By Other Public Bodies		
Trading Funds	3,375	0.2%
Lotteries Fund	1,010	0.1%
Housing Authority	33,610	2.5%
Total	<u>37,995</u>	2.8%

Public Expenditure	<u>290,665</u>	<u>21.4%</u>
GDP for 2001 (Note)	<u>1,355,630</u>	

Note : GDP is calculated by applying the trend growth rate to the latest 2000 estimate

(b) Inflation rates used to derive the real growth in government and public expenditure in the fiscal years 1986-97 to 1999-2000 are set out below. It should be noted that these rates are the resultant overall rate from the application of a number of inflation rates relevant to different expenditure components (e.g. salaries for civil servants and staff of subvented organisations, operating expenses, plant and equipment, etc.).

%	Government Expenditure	Public Expenditure
1986-87	7.4	7.3
1987-88	7.7	8.1
1988-89	11.4	12.0
1989-90	13.7	14.2
1990-91	13.8	13.6
1991-92	10.4	10.3
1992-93	10.0	9.8
1993-94	9.2	9.1
1994-95	9.3	9.4
1995-96	8.6	8.7
1996-97	7.3	7.2
1997-98	6.6	6.7
1998-99	5.1	5.2
1999-00	0.3	0.4

Signature _____

Name in block letters Miss Denise YUE, JP

Post Title Secretary for the Treasury

Date 26 March 2001

Bureau Serial No.

S-FB012

Question Serial No.

Examination of draft Estimates of Expenditure 2001-02

**CONTROLLING OFFICER'S REPLY TO
WRITTEN/SUPPLEMENTARY QUESTION**

Head : 188 Treasury

Subhead (No. & title) :

Programme : (2) Payment of Salaries, Pensions and Benefits

Controlling Officer : Director of Accounting Services

Bureau Secretary : Secretary for the Treasury

Question :

Can the Administration provide a complete list of all standard and non-standard allowances with -

- (a) the number of staff receiving each allowance;
- (b) expenditure on each allowance; and
- (c) the view of the administration on each of the allowances - whether the allowance should continue to be paid, be reviewed or cease for new recruits?

Asked by: Hon Cheung Man-kwong

Reply:

A list of standard and non-standard allowances, with the expenditure on and the number of staff receiving each allowance in 2000-01 and the view of the administration on each of the allowances, is attached at Annex 1. A list of fringe benefits payable to eligible civil servants, with the expenditure on and the number of staff receiving each benefit in 2000-01 and the view of the administration on each of the benefits, is attached at Annex 2.

Signature _____

Name in block letters Miss Denise YUE, JP

Post Title Secretary for the Treasury

Date 28 March 2001

Allowances Payable to Eligible Civil Servants

Allowances	Expenditure (\$'000)	No. of Recipients	Remarks
I. Acting Allowance	384,714	20 910	Reviewed in early 2000. Eligibility period triggering payment of the allowance tightened from 14 days to 30 days.
II. Overtime and Related Allowances			Reviewed in end 2000. Rules on control and administration of overtime strengthened.
a. Overtime Allowance for civilian staff	302,902	27 326	
b. Disciplined Service Overtime Allowance	216,996	22 534	
c. Standby Duty Allowance	62,951	4 746	
d. On-call Duty Allowance	5,759	4 409	
e. Honorarium	1,744	80	
III. Job-related Allowances¹			Being reviewed by the Administration in conjunction with the Standing Commission on Civil Service Salaries and Conditions of Service and Standing Committee on Disciplined Services Salaries and Conditions of Service.
a. Extraneous Duties Allowance for civilian staff	13,772	1 812	
b. Extra Duties Allowance for Disciplined Services	72,029	8 659	
c. Hardship Allowances			
(i) Dangerous Duties	12,733	1 453	
(ii) Obnoxious Duties	85,127	11 722	
(iii) Management Consideration	5,024	1 215	
(iv) Typhoon	10	17	
(v) Rainstorm Black Warning	640	2 618	
d. Shift Duty Allowance	93,402	16 714	
e. Special Allowances for civilian staff	7,599	604	

Allowances	Expenditure (\$'000)	No. of Recipients	Remarks
f. Special Allowances for disciplined services			
(i) Detective Allowance	18,122	8 108	
(ii) Police Special Duty Unit Allowance	2,891	95	
(iii) Remote Station Allowance	17,688	1 532	
(iv) Others	28,606	3 787	
IV. Allowances Payable on a Reimbursable Basis²			
a. Subsistence Allowance	89,830	N/A ⁴	To be reviewed.
b. Duty Mileage Allowance	25,476	N/A ⁴	Being reviewed to ensure provision is reasonable and up-to-date.
c. Supplementary Travel Allowance	44,761	N/A ⁴	Newly introduced in April 2000 to replace the former Home to Office Travelling Expenses and Home-Office Mileage Allowance. Modernised provision of subsidies for home-office travel.
d. Duty Travelling Expenses	33,466	N/A ⁴	Provision reviewed and modernised in April 2000.
V. Allowances for Officers Posted Outside Hong Kong³			Review in progress.
a. Rent Allowance	32,432	84	
b. Special Posting Allowance (including Exchange Compensation Allowance)	17,881	86	
c. Passage Allowance	1,490	86	
d. Baggage Allowance	1,410	52	

Allowances	Expenditure (\$'000)	No. of Recipients	Remarks
e. Disturbance Grant	3,202	40	
f. Necessary expenses incurred for employing locally engaged staff in offices outside HK for meeting local statutory requirements etc.	4,779	125	To meet expenses required locally, e.g. contribution to national health insurance scheme.
<u>VI. Other Allowances</u>			
a. Post Allowance	2,606	127	Payable to Survey Officers and Senior Survey Officers in the land and engineering streams who have to shoulder responsibility without professional supervision in the course of field survey works. Ceased for officers appointed on and after 1.7.1982.
b. Laundry Allowance	491	310	Payable to Traffic Wardens to meet cost of laundering uniforms. Subject to regular reviews.
c. ICAC Post Allowance	8,783	1 297	Made payable to ICAC officers in the early establishment stage of ICAC. Ceased for officers offered appointment on and after 1.6.2000.
d. Judicial Dress Allowance	103	75	Payable to Judges of the District Court on direct appointment; Judges of the High Court on direct appointment or on promotion; Justices of Appeal (on a once-and-for-all basis), and officers of the Registrar, High Court grade who discharge judicial duties by sitting as Masters (on a once-and-for-all basis) to reimburse them the cost of purchasing their required judicial attire.

Allowances	Expenditure (\$'000)	No. of Recipients	Remarks
e. Flight Allowance in Civil Aviation Department	504	5	Payable to meet retention and recruitment difficulty of Senior Operations Officers (Flight Operations Inspector). Reviewed and ceased in 2000 for recruits.
f. Special Allowance for Judicial Officers	7,642	275	Payable to judges and judicial officers for their additional responsibilities in taking up temporary appointments as Deputy Judges of the Court of First Instance of the High Court; and Deputy Judges of the District Court.
g. Others ⁵	1,984	N/A ⁴	Miscellaneous payments

¹ Extraneous Duties Allowance for civilian staff and Extra Duties Allowance for disciplined staff are granted to officers who take up duties other than those normally undertaken by their rank or grade. In other circumstances, officers may be required to perform exceptionally offensive or objectionable duties, or dangerous duties, which are not inherent in the normal work of their grade or rank. They will be eligible to claim a Hardship Allowance. Officers who are required to work irregular hours, to report for duty during tropical cyclone warning signal No.8 or Rainstorm Black Warning signals, will receive Shift Duty Allowance, Typhoon Allowance and Rainstorm Black Warning Allowance as appropriate. Other exceptional duties which are not covered by the above allowance may be compensated by Special Allowances when considered justified.

² An officer may receive Subsistence Allowance if he is directed to be on duty away from his home for a continuous period of 12 hours or more in any one day, or if he is directed to duty or training outside Hong Kong. Travelling expenses and mileage incurred by officers on duty are reimbursable by the Supplementary Travel Expenses.

³ Officers posted outside Hong Kong have to uproot their families, relocate to the cities of posting and incur additional expenses in representing the Hong Kong Special Administrative Government. They can receive the Disturbance Grant and Special Posting Allowance to cover the additional costs incurred. They will also be granted a Rent Allowance to cover the cost of accommodation, and Leave Passage Allowance to allow them to renew family ties in Hong Kong. Baggage Allowances are payable to cover the cost of transporting their households from Hong Kong to the places of posting. Their losses in salary arising from the fluctuation of the exchange rates between Hong Kong dollars and the local currencies at their places of posting may be compensated by Exchange Compensation Allowance.

⁴ Not available. The allowance is paid on a reimbursable basis. The Treasury does not have records of the number of officers who have claimed reimbursement of the allowance.

⁵ Examples are meal subsidies for locally employed staff in overseas offices, or reimbursement of necessary expense incurred to officers who are posted to overseas but who have to live in hotels for a short period in case of non-availability of accommodation.

Fringe Benefits Payable to Eligible Civil Servants

Fringe Benefits	Expenditure (\$'000)	No. of Recipients	Remarks
I. Education Allowance			
a. Local Education Allowance	221,823	16 880	To assist officers to educate their children in HK. Reviewed and ceased for officers offered appointment on and after 1.6.2000.
b. Overseas Education Allowance	342,000	2 881	To assist officers to educate their children in UK or their countries of origin. Reviewed and ceased for officers offered appointment on and after 1.8.1996.
II. Housing Benefits			
a. Home Purchase Allowance	1,118,227	14 853	To assist eligible officers to acquire property. Reviewed and ceased for officers offered appointment on and after 1.6.2000.
b. Home Financing Scheme	2,702,340	10 098	To assist eligible officers to acquire property. Reviewed and ceased for officers offered appointment on and after 1.6.2000.
c. Non-accountable Cash Allowance	130	1	To assist eligible officers to acquire property but with more flexibility and less rules. Introduced for officers offered appointment on and after 1.6.2000.
d. Cash Allowance in lieu of housing benefits	5,185	15	Payable to judicial officers at levels of District Judge or above in lieu of housing benefits.

Fringe Benefits	Expenditure (\$'000)	No. of Recipients	Remarks
e. Quartering Benefit			
(i) Hotel Subsistence Allowance	6	2	Reviewed and ceased for officers offered appointment on and after 1.5.1999.
(ii) Housing Allowance for Disciplined Services	7,069	244	The allowance is an incentive to encourage officers in the disciplined services to move out of departmental quarters (DQ). There is a need to retain the allowance which helps to alleviate the DQ shortage problem.
(iii) Hotel Allowance	383	26	To provide hotel accommodation for eligible officers. Reviewed and ceased for officers offered appointment on and after 1.6.2000 except those officers on overseas posting.
(iv) Removal Allowance	9,693	777	To assist officers who are directed to move from one quarter to another. As such direction will continue to be issued, it is necessary to retain the allowance.

Fringe Benefits	Expenditure (\$'000)	No. of Recipients	Remarks
f. Air-conditioning Allowance	397	124	Reviewed and ceased for officers offered appointment on and after 1.5.1999.
g. House Allowance, Furniture and Domestic Appliance Allowance	14,100	10 431	Furniture and Domestic Appliance Allowance was reviewed and ceased for officers offered appointment on and after 1.5.1999. Also ceased for serving officers who receive a substantive salary on MPS Pt. 34 to 44 on or after 1.7.2000. House Allowance being phased out as officers offered appointment on and after 1.10.1990 are not eligible for the allowance.
h. Accommodation Allowance Scheme	55,677	180	To assist eligible officers to rent accommodation. Reviewed and ceased for officers offered appointment on and after 1.1.1999.
i. Rent Allowance Scheme	2,001	7	To assist eligible officers to rent accommodation. Reviewed and ceased for officers offered appointment on and after 1.6.2000.

Fringe Benefits	Expenditure (\$'000)	No. of Recipients	Remarks
j. Private Tenancy Allowance	171,187	667	To assist eligible officers to rent accommodation. Reviewed and ceased for officers offered appointment on and after 1.10.1990.
III. Passage Benefits	170,591	6 227	To provide leave passage to eligible officers and school passage for dependent children receiving full-time education outside Hong Kong. Leave Passage Allowance reviewed in early 2000 as part of the review on terms for new appointees. For officers offered appointment on and after 1.6.2000, leave passage is only provided to eligible officers but not their families. School Passage Allowance was reviewed in 1996 and ceased for new appointees starting from 1.8.1996.