

**Presentation by Secretary for the Treasury  
at the Special Meeting of the Finance Committee  
on Monday, 25 March 2002**

Mr Chairman,

Finance Bureau oversees two policy areas - management of public finances and provision of some common services to users within the Government. Appearing with me today are the three Deputy Secretaries of Finance Bureau and the Controlling Officers of nine revenue and service departments under Finance Bureau's two policy areas. I would take this opportunity to mention two points.

**Doing more with less**

2. The target of the Enhanced Productivity Programme (EPP) is to achieve 5% cumulative savings in the Government's baseline operating expenditure progressively over a three-year period, from 2000-01 to 2002-03. With the full cooperation with Controlling Officers we have not only achieved the target but exceeded it. The savings now amount 5.2% or \$5.4 billion of the baseline expenditure. All EPP savings are redeployed to new or improved services.

**Restoring fiscal balance**

3. We need to meet the three targets set by the Financial Secretary in 2006-07 i.e. restoring balance in the Consolidated Account, attaining a balanced Operating Account and reducing public expenditure to 20% of GDP. The first two targets are closely related to government revenue. The last one is strictly a target for controlling expenditure and has nothing to do with government revenue. These mean a lot of work ahead of us in managing public finances. In the spirit of doing more for less, we have not made any additional provision for the purpose.

4. Mr Chairman, my colleagues and I are pleased to answer Members' questions.