

For Information

LegCo Panel on Administration of Justice and Legal Services (“AJLS Panel”)

Budgetary Arrangements for the Judiciary

INTRODUCTION

This paper sets out the budgetary arrangements for the Judiciary, including how the budget is prepared and approved, and the respective roles of the parties involved in the appropriation of resources for the administration of justice.

BUDGETARY ARRANGEMENTS FOR THE JUDICIARY

Preparation of the Judiciary’s Budget

2. The Judiciary Administrator (JA) is the Controlling Officer for **Head 80 – Judiciary** in the Estimates. He reports only to the Chief Justice (CJ) who, by virtue of section 6(2) of the Hong Kong Court of Final Appeal Ordinance (Cap. 484), is the head of the Judiciary, and is charged with the administration of the Judiciary. As the Controlling Officer, it is the responsibility of the JA to prepare and operate the entire budget for the Judiciary. To discharge this responsibility, the JA reports to and seeks the CJ’s directions as appropriate. The CJ will involve other Court Leaders, including the Chief Judge of the High Court, the Chief District Judge and the Chief Magistrate as appropriate in the preparation of the Judiciary’s budget, including, where necessary, formulating bids for additional resources for the operation of the courts.

Allocation of Resources for the Judiciary

3. Funding for the Judiciary is an integral part of the Administration’s overall expenditure requirements, which are subject to the annual appropriation by the Legislative Council, and separate approvals by the Finance Committee or the Financial Secretary under the Public Finance Ordinance (Cap. 2) as appropriate.

4. As the Controlling Officer for **Head 80**, the JA prepares the annual estimates of expenditure for the Judiciary, monitors expenditure against approved provisions, ensures compliance with relevant financial and accounting regulations, and takes up with the Treasury Branch of the Financial Services and the Treasury Bureau (FSTB) or other relevant authorities requests for extra resources, mainly in the context of the Administration’s annual resource allocation exercises.

5. Given the Administration's budgetary constraints, it has not been possible for all bids for additional resources, whether from Government bureaux/departments or other bodies receiving direct funding from the Government, to be acceded to. For each request however, due regard is always given to the merits of the proposal and the consequences of not proceeding with it. The proponent is also given an opportunity to be heard before any final decision is reached within the Administration.

6. When preparing the draft Estimates of expenditure each year, Treasury Branch of FSTB will examine and discuss with the JA the provision sought for the Judiciary, normally on the basis of the anticipated requirements of individual expenditure components or subheads.

Allocation of Resources within the Judiciary

7. As stated in the 2003-04 Estimates, the Judiciary requires resources for the following two programme areas under **Head 80** –

- (a) Programme (1) **Courts and Tribunals**, for maintaining an independent and competent judicial system which upholds the rule of law, safeguards the rights and freedom of individuals and commands domestic and international confidence; and
- (b) Programme (2) **Support Services for Courts' Operation**, for providing efficient and effective services to support the operation of courts.

8. The approved provisions and actual expenditure for these two programme areas in recent years are detailed below –

| | \$ million | | |
|---------------|--------------------|----------------------|----------------|
| | 2001-02 | 2002-03 | 2003-04 |
| Programme (1) | 746.2 (736.2) | 764.9 (753.8) | 765.3 |
| Programme (2) | 281.6 (262.8) | 272.9 (254.0) | 266.0 |
| | 1,027.8 (999.0) | 1,037.8 (1,007.8) | 1,031.3 |

Note: Figures in brackets denote the actual expenditure.

9. With the roll out of the one-line-vote arrangement for **Head 80** in 2003-04, the bulk of the approved provision (97.1% or \$1,001.2 million) is included under **Subhead 000 – Operational expenses** to meet salaries and allowances of staff of the Judiciary and its other operating expenses. The major components of this subhead are personal emoluments, personnel related expenses and departmental expenses. The JA may flexibly deploy the approved operational expenses among various components of expenditure. Another small portion of the approved provision (0.8% or \$8.5 million) falls under a non-cash limited **Subhead 206 Expenses of witnesses and jurors**. The remaining portion of the approved provision (2.1% or \$21.6 million) is grouped under various subheads of the capital account, which in turn covers expenditure on plant, equipment and works as well as other non-recurrent one-off projects. The breakdown by subhead is as follows –

| | \$ million | | |
|--|--------------------|----------------------|----------------|
| | 2001-02 | 2002-03 | 2003-04 |
| Recurrent Account | | | |
| Subhead 000 Operational expenses | -- | -- | 1,001.2 |
| Subhead 206 Expenses of witnesses and jurors | 8.5 (7.3) | 8.5 (7.9) | 8.5 |
| Other subheads | 992.6 (976.0) | 1,004.9 (983.8) | -- |
| | 1,001.1 (983.3) | 1,013.4 (991.7) | 1,009.7 |
| Capital Account | 26.7 (15.7) | 24.4 (16.1) | 21.6 |
| Total | 1,027.8 (999.0) | 1,037.8 (1,007.8) | 1,031.3 |

Note: Figures in brackets denote the actual expenditure.

10. The establishment of the Judiciary as at 31 March 2004 is estimated to be 1 853 posts, including 180 directorate posts. Of the 180 directorate posts, 174 posts are judges and judicial officers.

Efficiency Savings in the Judiciary

11. As part of the Government-wide effort to reduce operating expenditure, the Judiciary achieved, over 2000-01 to 2002-03 under the Enhanced Productivity Programme, a 5% reduction in its baseline expenditure with savings amounting to about \$48 million. In addition, it has positively contributed a share of the 1.8% savings target for the Administration's operating expenditure for 2003-04 (\$18.4 million). The approaches being adopted by the JA to achieve these savings targets are re-engineering, organizational restructuring and re-prioritizing. As regards the provision for the Judiciary for 2004-05, discussions are underway between the Administration and the Judiciary.

Treasury Branch
Financial Services and the Treasury Bureau

Administration Wing
Chief Secretary for Administration's Office

November 2003