

財經事務及庫務局
(庫務科)



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中區政府合署

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**FINANCIAL SERVICES AND
THE TREASURY BUREAU**

Central Government Offices,
Lower Albert Road
Hong Kong

28 February 2008

Miss Polly Yeung
Clerk to Subcommittee
Legislative Council Building
8 Jackson Road
Central
Hong Kong

Dear Miss Yeung,

**Subcommittee on Proposed Resolution under Section 7(1) of the
Public Finance Ordinance (Cap.2)**

Further to my discussion with the Hon Emily Lau this afternoon, I would like to supplement the information paper we provided on 27 February 2008 with the following –

- (a) Section 7(2) of the Public Finance Ordinance stipulates that expenditure charged on the general revenue under the Resolution shall be arranged in accordance with the heads and subheads shown in the Estimates of expenditure laid under section 5, which is for the next following financial year. It follows therefore that the Resolution seeking the funding to cover the expenditure in respect of the period from 1 April to the enactment of the respective Appropriation Ordinance has to be prepared based on the draft Estimates for the next financial year, and not the current financial year as in the case of the United Kingdom and Canada.
- (b) From time to time, there may be reorganisation in the Government which will result in changes in heads and subheads in the Estimates of expenditure. It may not be appropriate to work out the funding sought

on the basis of the Estimates of the current financial year as it may not truly reflect the funding requirements under the respective heads and subheads of the following financial year. For example, the reorganisation of the policy bureaux in July 2007 has resulted in the creation of two new heads of expenditure in 2008-09 while two other heads will be deleted at the same time. Calculating the vote on account for the two new heads on the basis of the provisions for the previous year may result in insufficient funding. In this respect, a table comparing the Estimates for 2007-08 and 2008-09 is attached for reference.

- (c) To ensure that funds are voted before 1 April each year, we normally move the motion not later than the last but one Legislative Council meeting before the close of the current financial year. Working backwards and to give sufficient notice for moving the motion, the notice is usually served in the middle of February, i.e. in advance of the release of the Budget but the motion is passed after the draft Estimates are tabled in the Legislative Council.
- (d) The Resolution is to cover expenditure to be charged to the General Revenue Account only. Other expenditure to be charged to the Capital Works Reserve Fund (e.g. the proposed injection of \$21.6 billion to the West Kowloon Cultural District Authority) and other Funds will not be covered by the Resolution.

2. I should be grateful if you could pass the information to Members of the Subcommittee for reference.

Yours sincerely,



(Miss Amy Tse)
for Financial Services and the Treasury Bureau

c.c. Law Draftsman
(Attn : Mr Michael Lam)

Encl.

Comparison between the Estimates of 2007-08 and 2008-09

Head of Expenditure	Approved estimate	Estimate	Comparison	
	2007-08	2008-09	between two years	
	\$'000	\$'000	\$'000	%
137 Government Secretariat: Environment Bureau	-	63,731	63,731	-
138 Government Secretariat: Development Bureau (Planning and Lands Branch)	85,417	96,604	11,187	13.1
139 Government Secretariat: Food and Health Bureau (Food Branch)	89,934	65,423	-24,511	-27.3
140 Government Secretariat: Food and Health Bureau (Health Branch)	29,124,646	30,762,021	1,637,375	5.6
141 Government Secretariat: Labour and Welfare Bureau	-	498,688	498,688	-
142 Government Secretariat: Offices of the Chief Secretary for Administration and the Financial Secretary	595,274	498,406	-96,868	-16.3
143 Government Secretariat: Civil Service Bureau	396,685	397,937	1,252	0.3
144 Government Secretariat: Constitutional and Mainland Affairs Bureau	123,349	345,684	222,335	180.2
145 Government Secretariat: Economic Development and Labour Bureau (Economic Development Branch)	729,662	-	-729,662	-100.0
147 Government Secretariat: Financial Services and the Treasury Bureau (The Treasury Branch)	184,560	188,737	4,177	2.3
148 Government Secretariat: Financial Services and the Treasury Bureau (Financial Services Branch)	123,757	127,327	3,570	2.9
151 Government Secretariat: Security Bureau	131,732	160,491	28,759	21.8
152 Government Secretariat: Commerce and Economic Development Bureau (Commerce, Industry and Tourism Branch)	523,923	1,180,197	656,274	125.3
155 Government Secretariat: Innovation and Technology Commission	464,046	507,943	43,897	9.5
156 Government Secretariat: Education Bureau	35,799,128	37,640,728	1,841,600	5.1
158 Government Secretariat: Transport and Housing Bureau (Transport Branch)	71,832	121,693	49,861	69.4
159 Government Secretariat: Development Bureau (Works Branch)	190,984	221,117	30,133	15.8
160 Radio Television Hong Kong	456,081	490,757	34,676	7.6
162 Rating and Valuation Department	361,433	386,329	24,896	6.9
163 Registration and Electoral Office	230,058	352,739	122,681	53.3
166 Government Flying Service	235,108	257,280	22,172	9.4
168 Hong Kong Observatory	195,204	203,416	8,212	4.2
169 Secretariat, Commissioner on Interception of Communications and Surveillance	11,092	11,524	432	3.9
170 Social Welfare Department	34,089,366	34,424,527	335,161	1.0
173 Student Financial Assistance Agency	3,758,681	3,649,222	-109,459	-2.9
174 Joint Secretariat for the Advisory Bodies on Civil Service and Judicial Salaries and Conditions of Service	13,446	25,791	12,345	91.8
180 Television and Entertainment Licensing Authority	95,428	147,820	52,392	54.9
181 Trade and Industry Department	490,627	454,395	-36,232	-7.4
186 Transport Department	947,050	1,108,874	161,824	17.1
188 Treasury	322,808	331,093	8,285	2.6
190 University Grants Committee	11,170,250	11,926,403	756,153	6.8
194 Water Supplies Department	5,079,074	5,139,042	59,968	1.2
Total Expenditure	216,670,735	258,425,674	41,754,939	19.3
184 Transfers to Funds	1,616,800	740,400	-876,400	-54.2
Total Appropriation	218,287,535	259,166,074	40,878,539	18.7