

立法會
Legislative Council

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Date : 23 February 2017

From : Clerk to the Legislative Council

To : All Members of the Legislative Council

Council meeting of 22 March 2017

Proposed resolution under the Public Finance Ordinance

The Secretary for Financial Services and the Treasury will move the attached proposed resolution under section 7(1) of the Public Finance Ordinance (Cap. 2) at the above meeting. The President has directed that the proposed resolution be printed in the terms in which it was handed in on the Agenda of the Council.

2. The speech, in both Chinese and English, which the Secretary will deliver when moving the proposed resolution is also attached.

(Dora WAI)
for Clerk to the Legislative Council

Encl.

Public Finance Ordinance

Resolution

(Under section 7(1) of the Public Finance Ordinance (Cap. 2))

Resolved that—

1. Authority is given for a sum not exceeding \$95,216,178,000 to be charged on the general revenue for expenditure on the services of the Government in respect of the financial year commencing on 1 April 2017.
2. Subject to this Resolution, the sum so charged may be expended against the heads of expenditure as shown in the Estimates of Expenditure 2017–18 laid before the Legislative Council on 22 February 2017 or, if the Estimates are changed under the provisions of the Public Finance Ordinance (Cap. 2) as applied by section 7(2) of that Ordinance, as shown in the Estimates as so changed.
3. Expenditure in respect of any head of expenditure must not exceed the aggregate of the amounts authorized by paragraph 4 to be expended in respect of the subheads in that head of expenditure.
4. Expenditure in respect of each subhead in a head of expenditure must not exceed—
 - (a) for an Operating Account Recurrent subhead of expenditure, an amount equivalent to—

- (i) except if the subhead is listed in Schedule 1 to this Resolution, 20% of the provision shown in the Estimates in respect of that subhead;
 - (ii) if the subhead is listed in Schedule 1 to this Resolution, the percentage of the provision shown in the Estimates in respect of that subhead that is specified in that Schedule in relation to that subhead; and
- (b) for an Operating Account Non-Recurrent subhead of expenditure or a Capital Account subhead of expenditure, an amount equivalent to—
 - (i) except if the subhead is listed in Schedule 2 to this Resolution, 100% of the provision shown in the Estimates in respect of that subhead;
 - (ii) if the subhead is listed in Schedule 2 to this Resolution, the amount that is specified in that Schedule in relation to that subhead,

or such other amount, not exceeding an amount equivalent to 100% of the provision shown in the Estimates in respect of that subhead, as may in any case be approved by the Financial Secretary.

Schedule 1

Head of Expenditure		Subhead		[para. 4(a)] Percentage of provision shown in Estimates
59	Government Logistics Department	225	Traffic Accident Victims Assistance Scheme—levies	100
90	Labour Department	280	Contribution to the Occupational Safety and Health Council	30
		295	Contribution to the Occupational Deafness Compensation Board	30
120	Pensions	026	Employees' compensation, injury, incapacity and death related payments and expenses	35
136	Public Service Commission Secretariat	000	Operational expenses	30

Head of Expenditure		Subhead		Percentage of provision shown in Estimates
152	Government Secretariat: Commerce and Economic Development Bureau (Commerce, Industry and Tourism Branch)	000	Operational expenses	25
155	Government Secretariat: Innovation and Technology Commission	000	Operational expenses	25
170	Social Welfare Department	157	Assistance for patients and their families	100
		176	Criminal and law enforcement injuries compensation	25
		177	Emergency relief	100
		179	Comprehensive social security assistance scheme	30
		180	Social security allowance scheme	30

Schedule 2

[para. 4(b)]

Head of Expenditure		Subhead	Amount \$
106	Miscellaneous Services	689 Additional commitments	0
		789 Additional commitments	1,000,000,000
184	Transfers to Funds	984 Payment to the Capital Works Reserve Fund	0
		988 Payment to the Loan Fund	0
		991 Payment to the Civil Service Pension Reserve Fund	0

Speech by the Secretary for Financial Services and the Treasury
Moving the Vote on Account Resolution
in the Legislative Council on 22 March 2017

President,

I move that the motion, as printed on the Agenda, be passed.

2. The purpose of this motion is to seek funds on account to enable the Government to carry on its services between the start of the financial year on 1 April 2017 and the time when the Appropriation Ordinance 2017 comes into operation. This is a long established and essential procedure. The specific arrangements also follow those of recent years.

3. According to the Budget timetable this year, the Legislative Council will resume the Second Reading Debate of the Appropriation Bill 2017 at its meeting on 26 April 2017. As such, the Appropriation Ordinance 2017 would not come into operation before late April 2017. To ensure that Government will not need to halt public services, including services closely related to people's livelihood such as education, social welfare, healthcare and security due to the lack of funds when the new financial year starts on 1 April 2017, we need to propose this motion.

4. The funds on account sought under each subhead in accordance with the fourth paragraph of the resolution have been determined with reference to the relevant provisions in the 2017-18 Estimates of Expenditure. The initial amount of funds on account under each head which has incorporated requirements at subhead level is provided in the form of a footnote to this speech. The aggregate amount of funds on account is **\$95,216,178,000** before the Appropriation Ordinance 2017 comes into operation. This represents around 24% of the total appropriation of **\$398,057,570,000** under the Appropriation Bill 2017. The proposed funds on account should be able to cope with only around two months of the Government's operational requirements.
5. Subject to the above aggregate amount not being exceeded, the resolution enables the Financial Secretary to vary the funds on account in respect of any subhead, but these variations must not exceed the provision for that subhead in the 2017-18 Estimates of Expenditure. To enhance transparency and in line with the established practice, we will report to the Finance Committee of this Council if the Financial Secretary has exercised this authority to meet necessary requirements.
6. The Government has to make payments for a large number of expenditure items every day. Taking the first week between 1 April and 7 April of the 2017-18 financial year as an example, numerous government expenditure items to be settled during the week include –

- (a) subvention payments of around \$4.5 billion to the Hospital Authority;
- (b) payments for the Comprehensive Social Security Assistance and Social Security Allowance totalling around \$500 million to about 50 000 families and 80 000 individuals respectively;
- (c) pension gratuities of around \$700 million to retired civil servants;
- (d) subvention payments of around \$700 million to the Vocational Training Council; and
- (e) grants of around \$1.5 billion to UGC-funded institutions.

There are also other expenses such as salaries of contract staff as well as accounts payable to suppliers.

7. It takes at least two to three working days for government departments and banks to process a large number of payments made by autopay. It also takes some days to complete the statutory procedures after passage of the Vote on Account resolution including the gazettal process and procedures for issuance of the Vote on Account warrant, so that the Government can make payments starting from 1 April as usual. In order to ensure that Government has the necessary resources to continue those services provided to the public, I urge Members to support the motion today.

8. The vote on account will be subsumed under the Appropriation Ordinance 2017 upon its enactment and commencement.

9. President, I beg to move.

Footnote

Head of Expenditure		Amount shown in the Estimates 2017-18	Initial amount of funds on account
		\$'000	\$'000
21	Chief Executive's Office.....	117,363	23,473
22	Agriculture, Fisheries and Conservation Department	1,521,847	462,678
25	Architectural Services Department.....	2,042,983	410,277
24	Audit Commission.....	169,191	33,839
23	Auxiliary Medical Service.....	97,935	20,979
82	Buildings Department.....	1,382,930	276,586
26	Census and Statistics Department	665,767	133,154
27	Civil Aid Service	109,468	21,894
28	Civil Aviation Department	994,730	209,746
33	Civil Engineering and Development Department	2,845,479	573,086
30	Correctional Services Department.....	3,839,053	811,206
31	Customs and Excise Department.....	3,652,909	800,798
37	Department of Health	8,780,758	1,845,266
92	Department of Justice	1,971,926	394,974
39	Drainage Services Department	2,636,654	556,455
42	Electrical and Mechanical Services Department.....	668,166	281,553
44	Environmental Protection Department.....	6,133,742	2,966,103
45	Fire Services Department	6,049,824	1,581,440
49	Food and Environmental Hygiene Department.....	6,776,198	1,494,429
46	General Expenses of the Civil Service	3,826,740	765,348

Head of Expenditure		Amount shown in the Estimates 2017-18	Initial amount of funds on account
		\$'000	\$'000
166	Government Flying Service.....	776,275	520,918
48	Government Laboratory	463,918	139,134
59	Government Logistics Department.....	619,790	283,391
51	Government Property Agency	1,942,714	429,640
143	Government Secretariat: Civil Service Bureau	600,626	120,126
152	Government Secretariat: Commerce and Economic Development Bureau (Commerce, Industry and Tourism Branch).....	2,515,634	993,553
55	Government Secretariat: Commerce and Economic Development Bureau (Communications and Creative Industries Branch).....	409,369	278,445
144	Government Secretariat: Constitutional and Mainland Affairs Bureau	698,066	150,147
138	Government Secretariat: Development Bureau (Planning and Lands Branch)	392,650	202,530
159	Government Secretariat: Development Bureau (Works Branch)	505,678	154,793
156	Government Secretariat: Education Bureau	57,393,829	13,117,541
137	Government Secretariat: Environment Bureau	80,845	20,169
148	Government Secretariat: Financial Services and the Treasury Bureau (Financial Services Branch).....	343,588	118,898
147	Government Secretariat: Financial Services and the Treasury Bureau (The Treasury Branch).....	318,842	121,425
139	Government Secretariat: Food and Health Bureau (Food Branch).....	162,081	32,417

Head of Expenditure		Amount shown in the Estimates 2017-18	Initial amount of funds on account
		\$'000	\$'000
140	Government Secretariat: Food and Health Bureau (Health Branch)	55,990,015	12,081,683
53	Government Secretariat: Home Affairs Bureau	2,025,752	533,132
135	Government Secretariat: Innovation and Technology Bureau.....	178,215	123,643
155	Government Secretariat: Innovation and Technology Commission.....	621,176	161,768
141	Government Secretariat: Labour and Welfare Bureau.....	840,546	252,662
47	Government Secretariat: Office of the Government Chief Information Officer.....	765,961	195,157
142	Government Secretariat: Offices of the Chief Secretary for Administration and the Financial Secretary	993,951	206,651
96	Government Secretariat: Overseas Economic and Trade Offices	431,946	92,618
151	Government Secretariat: Security Bureau	606,630	121,326
158	Government Secretariat: Transport and Housing Bureau (Transport Branch).....	280,433	95,306
60	Highways Department	3,148,719	639,535
63	Home Affairs Department	2,607,074	628,392
168	Hong Kong Observatory.....	303,083	69,674
122	Hong Kong Police Force	18,495,744	4,008,577
62	Housing Department.....	304,587	60,918
70	Immigration Department	4,558,514	932,675

Head of Expenditure	Amount shown in the Estimates 2017-18	Initial amount of funds on account
	\$'000	\$'000
72 Independent Commission Against Corruption	1,074,206	223,538
121 Independent Police Complaints Council	73,393	16,275
74 Information Services Department.....	505,545	102,495
76 Inland Revenue Department	1,566,548	315,886
78 Intellectual Property Department	156,394	31,279
79 Invest Hong Kong.....	130,697	26,140
174 Joint Secretariat for the Advisory Bodies on Civil Service and Judicial Salaries and Conditions of Service	33,107	6,622
80 Judiciary.....	1,762,725	366,391
90 Labour Department.....	1,953,176	641,242
91 Lands Department.....	2,452,963	496,715
94 Legal Aid Department	996,812	199,363
112 Legislative Council Commission	841,862	174,666
95 Leisure and Cultural Services Department.....	8,599,298	1,935,530
100 Marine Department.....	1,362,139	347,159
106 Miscellaneous Services	3,912,906	1,206,906
180 Office for Film, Newspaper and Article Administration	48,345	9,669
114 Office of The Ombudsman	114,068	22,814
116 Official Receiver's Office	180,311	36,111
120 Pensions	35,385,040	7,084,973

Head of Expenditure	Amount shown in the Estimates 2017-18	Initial amount of funds on account
	\$'000	\$'000
118 Planning Department	686,700	143,836
136 Public Service Commission Secretariat.....	30,350	9,105
160 Radio Television Hong Kong	995,202	251,134
162 Rating and Valuation Department	525,906	105,662
163 Registration and Electoral Office	554,159	110,832
169 Secretariat, Commissioner on Interception of Communications and Surveillance	21,202	4,241
170 Social Welfare Department	72,151,170	22,139,899
181 Trade and Industry Department.....	802,446	506,918
186 Transport Department.....	3,097,346	789,246
188 Treasury	391,910	78,382
190 University Grants Committee.....	18,661,695	3,732,339
194 Water Supplies Department.....	8,282,094	1,665,757
173 Working Family and Student Financial Assistance Agency	8,197,941	1,834,925
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	389,207,570	95,166,178
184 Transfers to Funds	8,850,000	50,000
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Total	398,057,570	95,216,178
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* The initial amount of funds on account under Head 106 includes \$1 billion under Subhead 789 Additional commitments for contingency.