

立法會
Legislative Council

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Date : 2 March 2018

From : Clerk to the Legislative Council

To : All Members of the Legislative Council

Council meeting of 21 March 2018

Proposed resolution under the Public Finance Ordinance

The Secretary for Financial Services and the Treasury will move the proposed resolution in **Appendix 1** 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 in **Appendix 2**.

(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 \$113,111,790,000 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 2018.
2. Subject to this Resolution, the sum so charged may be expended against the heads of expenditure as shown in the Estimates of Expenditure 2018–19 laid before the Legislative Council on 28 February 2018 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; or
- (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	40

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	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 21 March 2018

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 2018 and the time when the Appropriation Ordinance 2018 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 2018 at its meeting on 2 May 2018. As such, the Appropriation Ordinance 2018 would not come into operation before early May 2018. 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 2018, 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 2018-19 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. In gist, the proposed funds on account should be able to cope with around two months of the Government's operational requirements. The aggregate amount of funds on account is **\$113,111,790,000** before the Appropriation Ordinance 2018 comes into operation. This represents around 25% of the total appropriation of **\$450,477,990,000** under the Appropriation Bill 2018.

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 2018-19 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 2018-19 financial year as an example, numerous government expenditure items to be settled during the week include –

- (a) subvention payments of around \$5.1 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 universities.

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 2018 upon its enactment and commencement.

9. President, I beg to move.

Footnote

Head of Expenditure	Amount shown in the Estimates 2018-19	Initial amount of funds on account
	\$'000	\$'000
21 Chief Executive's Office	117,007	23,402
22 Agriculture, Fisheries and Conservation Department.....	1,648,525	457,027
25 Architectural Services Department.....	2,177,714	435,543
24 Audit Commission	173,725	34,745
23 Auxiliary Medical Service	100,803	20,161
82 Buildings Department	1,570,642	314,395
26 Census and Statistics Department.....	672,580	134,516
27 Civil Aid Service.....	116,899	23,380
28 Civil Aviation Department.....	1,088,247	230,855
33 Civil Engineering and Development Department.....	2,979,134	595,907
30 Correctional Services Department	3,969,152	846,477
31 Customs and Excise Department	4,426,311	1,024,765
37 Department of Health.....	11,080,699	2,327,547
92 Department of Justice	2,290,902	458,770
39 Drainage Services Department	2,821,876	632,418
42 Electrical and Mechanical Services Department	915,771	471,305
44 Environmental Protection Department	6,167,198	2,545,127
45 Fire Services Department.....	6,676,723	1,865,255
49 Food and Environmental Hygiene Department	7,589,878	1,732,616
46 General Expenses of the Civil Service	3,825,939	765,188

Head of Expenditure		Amount shown in the Estimates 2018-19	Initial amount of funds on account
		\$'000	\$'000
166	Government Flying Service	622,890	347,694
48	Government Laboratory	489,331	145,643
59	Government Logistics Department	574,635	227,191
51	Government Property Agency	2,041,673	474,180
143	Government Secretariat: Civil Service Bureau	652,846	130,570
152	Government Secretariat: Commerce and Economic Development Bureau (Commerce, Industry and Tourism Branch)	2,633,651	917,114
55	Government Secretariat: Commerce and Economic Development Bureau (Communications and Creative Industries Branch)	526,430	388,619
144	Government Secretariat: Constitutional and Mainland Affairs Bureau	676,072	140,862
138	Government Secretariat: Development Bureau (Planning and Lands Branch)	689,936	481,988
159	Government Secretariat: Development Bureau (Works Branch)	583,330	190,608
156	Government Secretariat: Education Bureau	63,702,930	14,768,555
137	Government Secretariat: Environment Bureau	91,794	21,719
148	Government Secretariat: Financial Services and the Treasury Bureau (Financial Services Branch)	770,232	592,395
147	Government Secretariat: Financial Services and the Treasury Bureau (The Treasury Branch)	304,311	98,487
139	Government Secretariat: Food and Health Bureau (Food Branch)	165,583	33,117

Head of Expenditure		Amount shown in the Estimates 2018-19	Initial amount of funds on account
		\$'000	\$'000
140	Government Secretariat: Food and Health Bureau (Health Branch).....	63,342,179	13,622,575
53	Government Secretariat: Home Affairs Bureau	2,057,808	626,909
135	Government Secretariat: Innovation and Technology Bureau.....	590,202	291,893
155	Government Secretariat: Innovation and Technology Commission	691,955	189,419
141	Government Secretariat: Labour and Welfare Bureau	849,047	258,594
47	Government Secretariat: Office of the Government Chief Information Officer.....	777,508	196,077
142	Government Secretariat: Offices of the Chief Secretary for Administration and the Financial Secretary	885,635	195,271
96	Government Secretariat: Overseas Economic and Trade Offices	425,335	87,595
151	Government Secretariat: Security Bureau	773,518	259,632
158	Government Secretariat: Transport and Housing Bureau (Transport Branch)	293,494	99,045
60	Highways Department	3,862,156	782,720
63	Home Affairs Department	2,902,836	686,462
168	Hong Kong Observatory	338,539	83,989
122	Hong Kong Police Force.....	19,662,158	4,304,748
62	Housing Department	322,650	64,530
70	Immigration Department.....	5,683,240	1,160,852

Head of Expenditure	Amount shown in the Estimates 2018-19	Initial amount of funds on account
	\$'000	\$'000
72 Independent Commission Against Corruption	1,120,424	241,501
121 Independent Police Complaints Council.....	76,841	15,369
74 Information Services Department.....	499,386	100,742
76 Inland Revenue Department	1,633,897	326,780
78 Intellectual Property Department.....	167,172	33,435
79 Invest Hong Kong	139,008	27,802
174 Joint Secretariat for the Advisory Bodies on Civil Service and Judicial Salaries and Conditions of Service.....	33,757	6,752
80 Judiciary	1,901,759	385,600
90 Labour Department	2,148,376	687,818
91 Lands Department.....	2,750,380	553,751
94 Legal Aid Department	1,116,769	223,694
112 Legislative Council Commission.....	890,077	191,504
95 Leisure and Cultural Services Department	9,091,340	2,159,145
100 Marine Department	1,540,054	430,756
106 Miscellaneous Services	16,921,008	1,224,522
180 Office for Film, Newspaper and Article Administration	50,316	10,064
114 Office of The Ombudsman	117,139	23,428
116 Official Receiver's Office.....	343,556	69,270
120 Pensions	37,934,730	7,598,606

Head of Expenditure	Amount shown in the Estimates 2018-19	Initial amount of funds on account
	\$'000	\$'000
118 Planning Department	731,245	159,721
136 Public Service Commission Secretariat.....	27,074	5,415
160 Radio Television Hong Kong	1,012,461	253,061
162 Rating and Valuation Department	555,395	112,013
163 Registration and Electoral Office	711,357	142,272
169 Secretariat, Commissioner on Interception of Communications and Surveillance	24,573	4,915
170 Social Welfare Department.....	83,769,368	28,408,524
181 Trade and Industry Department	775,251	475,051
186 Transport Department	4,485,915	1,222,391
188 Treasury	406,795	83,144
190 University Grants Committee	22,207,113	6,897,423
194 Water Supplies Department	8,403,976	1,690,931
173 Working Family and Student Financial Assistance Agency	7,907,849	2,477,938
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	447,887,990	113,051,790
184 Transfers to Funds.....	2,590,000	60,000
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Total.....	450,477,990	113,111,790
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* The initial amount of funds on account under Head 106 includes \$1 billion under Subhead 789 Additional commitments for contingency.