

**Presentation by the Secretary for Financial Services and the Treasury  
at the session on Public Finance  
at the Special Meeting of the Finance Committee  
on Monday 29 March 2004  
(Translation)**

Mr Chairman,

This session is mainly on the subject of Public Finance under The Treasury Branch. The branch oversees mainly two policy areas – revenue collection and financial control, and provision of some common services to users within the Government. I would like to highlight the resource provision and the more important work under this portfolio in 2004-05.

**Total Provision**

2. I have allocated about \$5,668 million from my operating expenditure envelope for 2004-05 to the Treasury Branch and its departments. This is \$284 million less compared with \$5,952 million last year. Of the decrease, about \$102 million are due to the civil service salary reduction for 2004 and 2005 and the rest are savings from our various measures that we will continue to adopt for reducing expenditure.

**Revenue Collection and Financial Control**

3. The work of the Treasury Branch in 2004-05 will focus on –

(a) continuing the drive to control government expenditure in

order to balance the operating and consolidated accounts by 2008-09;

- (b) conducting a detailed study on the Goods and Services Tax;
- (c) continuing with the implementation of the Asset Sale and Securitisation Programme, and
- (d) planning for the issue of government bonds.

### **Provision of Common Services**

4. The Treasury Branch also continue to provide essential support services to other bureaux and departments in an efficient and cost-effective manner, in turn enabling them to better serve the public. Last year, we merged Government Land Transport Agency, Government Supplies Department and Printing Department into a new Government Logistics Department. The provision for this new department in the coming year is about \$50 million less than that for the former three departments taken together last year. Its establishment by 31 March 2005 will be reduced by 79, more than the planned savings of 60. The other departments under the Treasury Branch will also reduce their expenditure as far as possible to help achieve the target of reducing Government's operating expenditure to \$200 billion by 2008-09.

### **Improvements on the presentation of the Estimates**

5 Last year, there were suggestions, during this session, that the many subheads and items under Head 106 – Miscellaneous Services should be listed under the Heads of expenditure of the respective

controlling officers. We have implemented this proposal in the 2004-05 Estimates and have taken it further by doing the same with the former Head 176 – Subventions : Miscellaneous and Head 177 – Subventions : Non-departmental Public Bodies to more appropriately reflect the resources allocated under the “Operating Expenditure Envelopes”.

6. My colleagues and I are pleased to answer Members' questions.

7. Thank you Chairman.

Treasury Branch

29 March 2004