

**Committee Stage Amendment to Appropriation Bill 2011
to increase provision under Head 106 Subhead 789**

The Administration has given notice to move an amendment to Head 106 during Committee Stage of the Appropriation Bill 2011 to increase the provision of Subhead 789 *Additional Commitments* by \$7.1 billion. The proposed amendment aims to reflect the change in funding requirement as a result of the following adjustments to the 2011-12 Budget -

- (a) to give a sum of \$6,000 to all Hong Kong Permanent Identity Card holders aged 18 or above;
- (b) to inject funds into the Community Care Fund (CCF) to provide assistance to those who have special needs, including new arrivals; and
- (c) not to pursue the proposal to inject funds into Mandatory Provident Fund (MPF) accounts.

2. As set out in a note tabled by the Secretary for Financial Services and the Treasury at the Special Finance Committee (SFC) Meeting on 25 March 2011, the total estimated expenditure and the exact requirements in 2011-12 for proposal (a) above are not known at this stage. With a sum of \$6,000 each for some 6.1 million eligible persons, and allowing a margin for expenditure on savings bonus and administrative cost, our rough estimate is that the proposal will cost about \$37 billion. Assuming 80% of the total expenditure will be required in 2011-12, we propose to earmark \$29.6 billion under Head 106 Subhead 789. At the same SFC Meeting, the Financial Secretary (FS) also informed Members that for proposal (b), for budgeting purpose, above he proposed to provide an additional \$1.5 billion for injection into the CCF.

3. The FS has given notice to move a Committee Stage Amendment (CSA) to the Appropriation Bill 2011 to increase the provision under Head 106 Subhead 789 by \$7.1 billion to \$58.8 billion. The detailed calculation is set out below -

		(\$ '000)
	Expenditure required for proposal (a) in 2011-12	29,600,000
	Proposed additional injection into CCF	+ 1,500,000
<i>Offset by</i>	Expenditure for injection into MFP accounts	- 24,000,000
Additional provision required		7,100,000
	Provision under Head 106 Subhead 789 in the Draft Estimates 2011-12	51,731,000
Provision after CSA (i.e. with additional provision)		58,831,000

The Administration and the Steering Committee on the Community Care Fund are finalising the details of the proposals. We will submit them to the relevant Legislative Council Panels for discussion in accordance with the established procedures, and then seek funding approval from the Finance Committee.

The proposal to give Hong Kong Permanent Identity Card holders aged 18 or above a sum of \$6,000 each aims to leave wealth with the people and responds to public demands. The proposed additional injection to CCF will help those with special needs.

Financial Services and the Treasury Bureau
8 April 2011