

**立法會**  
***Legislative Council***

LC Paper No. LS38/10-11

**Paper for the House Committee Meeting  
on 11 March 2011**

**Legal Service Division Report on  
Proposed Resolution under section 7(1) of the  
Public Finance Ordinance (Cap. 2)**

**Background**

Members may recall that the Legal Service Division has submitted a report (LS30/10-11) for the meeting of the House Committee held on 25 February 2011 in relation to the proposed resolution moved by the Secretary for Financial Services and the Treasury (SFST) for this year's Vote on Account (the Original VoA) under section 7(1) of the Public Finance Ordinance (Cap. 2) (the Ordinance) at the Council meeting on 9 March 2011.

2. On 9 March 2011, the Original VoA was negatived. On the same day, SFST filed a new notice of motion with his draft speech, seeking to move the passing of a fresh VoA at the Council meeting on 16 March 2011 (Fresh VoA). The notice was accompanied by a letter of SFST to the President (the Letter) seeking the President's agreement to waive the 12 clear days notice period requirement under Rule 29(1) of the Rules of Procedure (RoP) to enable the Administration to move the motion at the Council meeting on 16 March 2011. The President has waived the notice period requirement and directed that the moving of the motion be placed on the Agenda for the Council meeting of 16 March 2011.

3. SFST stated in the Letter that the expenditure in respect of Head 106 Miscellaneous Services Subhead 789 in the Fresh VoA is proposed to be reduced from \$1,000,000,000 to \$500,000,000. As reported in our previous report, the Administration would seek funds on account under this subhead only on a need basis. The proposed reduction changes the aggregate total sum sought under the Fresh VoA from \$60,220,429,000 (under the Original VoA) to \$59,720,429,000.

4. SFST has explained in the Letter that as the amount sought in this Subhead 789 is to cater for contingency requirements for the period between the start of the financial year on 1 April 2011 and the time when the Appropriation Ordinance 2011 comes into operation, the reduction would not affect services provided to the public.

### **The Fresh VoA**

5. The purpose of the Fresh VoA 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 2011 and the time when the Appropriation Ordinance 2011 comes into operation.

6. Under paragraph 1 of the Fresh VoA, the aggregate total sum sought under all heads is fixed at \$59,720,429,000, which is \$500,000,000 less than the Original VoA. The sum sought last year was \$58,957,489,000. The aggregate total sum sought cannot be exceeded without the approval of the Legislative Council.

7. Similar to the practice in past years, the funds on account sought under each subhead are calculated in percentage terms by reference to the provision shown in the Estimates of Expenditure 2011 – 12 (the Estimates) laid before the Council on 23 February 2011. The percentages are determined in accordance with paragraph 4 of the Fresh VoA. The effect of paragraph 4 is that the maximum percentage in respect of an Operating Account Recurrent subhead is 20% (except where there is a different percentage stipulated in Schedule 1 to the Fresh VoA), and in respect of an Operating Account Non-Recurrent subhead or Capital Account subhead, 100% (except where there is an amount stipulated in Schedule 2 to the proposed resolution).

8. Paragraph 3 of the Fresh VoA stipulates that the expenditure in respect of any head must not exceed the aggregate of the amounts authorized by paragraph 4 to be expended in respect of the subheads in that head. Under paragraph 4 of the Fresh VoA, the Financial Secretary (FS) is empowered to vary the fund on account in respect of any subhead, provided that the varied amount does not exceed the provision shown in respect of that subhead in the Estimates.

9. According to the draft speech by SFST for the Fresh VoA, the Administration undertakes to submit reports to the Finance Committee in case FS exercises the authority to vary the funds on account in respect of any subhead.

10. Under section 7(3) of the Ordinance, expenditure charged on the general revenue pursuant to this resolution shall be set off against the amounts respectively provided in the relevant Appropriation Ordinance upon its coming into operation.

11. Except for the reduction made in Subhead 789, which reduces the aggregate total sum sought, no other changes from the first VoA have been identified in the proposed resolution for the Fresh VoA.

12. Members may refer to LC Paper No. CB(3) 568/10-11 which encloses the Letter and the draft speech of SFST for moving the Fresh VoA for reference.

LEE Ka-yun, Kelvin  
Assistant Legal Adviser  
Legal Service Division  
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