

LEGISLATIVE COUNCIL BRIEF

SUPPLEMENTARY APPROPRIATION (2011-2012) BILL

INTRODUCTION

A At the meeting of the Executive Council on 29 May 2012, the Council ADVISED and the Chief Executive ORDERED that the Supplementary Appropriation (2011-2012) Bill, at **Annex A**, seeking approval for supplementary appropriation of \$54,135,414,808.13 from the general revenue for the services of the Government in the 2011-12 financial year, should be introduced into the Legislative Council (LegCo).

JUSTIFICATIONS

2. The Appropriation Ordinance 2011 approved a total sum of \$333,909,154,000 from the general revenue for the services of the Government in the 2011-12 financial year and the provision for each head of expenditure as provided for in the 2011-12 estimates of expenditure.

3. In the course of the 2011-12 financial year, the Government has either sought the LegCo Finance Committee's approval for, or approved under delegated authority, supplementary provisions for various heads of expenditure mainly for meeting additional expenses for the 2011 civil service pay adjustment, implementing Scheme \$6,000 and injecting funds into the Community Care Fund, the Elite Athletes Development Fund and the Self-financing Post-secondary Education Fund. As required under section 8(8) of the Public Finance Ordinance (PFO), the Government has provided quarterly updates to LegCo on supplementary provisions approved.

4. The annual accounts for the 2011-12 financial year have been finalised. In accordance with section 9* of the PFO, we need to introduce a Supplementary Appropriation Bill into LegCo as soon as practicable. The purpose is to reconcile the differences between the sums originally appropriated for each head of expenditure under the General Revenue Account and the actual outturn if these sums are exceeded.

THE SUPPLEMENTARY APPROPRIATION (2011-2012) BILL (THE BILL)

5. For 38 of the 83 heads of expenditure under the General Revenue Account, the outturn expenditure for the 2011-12 financial year has exceeded the original appropriation by a total of \$54,135,414,808.13, as detailed in **Annex B**. Accordingly, the Bill provides for a supplementary appropriation of this amount over and above the sum appropriated by the Appropriation Ordinance 2011.

B

LEGISLATIVE TIMETABLE

6. The legislative timetable will be as follows –

Publication in the Gazette	8 June 2012
First Reading and commencement of Second Reading debate	13 June 2012
Resumption of Second Reading debate, committee stage and Third Reading	to be notified

IMPLICATIONS OF THE PROPOSAL

7. The proposal does not have economic, financial, civil service, environmental, productivity or sustainability implications.

8. The proposal is in conformity with the Basic Law, including the provisions concerning human rights.

* **Note** Section 9 – “If at the close of account for any financial year it is found that expenditure charged to any head is in excess of the sum appropriated for that head by an Appropriation Ordinance, the excess shall be included in a Supplementary Appropriation Bill which shall be introduced into the Legislative Council as soon as practicable after the close of the financial year to which the excess expenditure relates.”

PUBLIC CONSULTATION

9. The Bill is largely technical. Public consultation is considered not necessary.

PUBLICITY

10. A spokesperson will be available to handle any enquiries.

ENQUIRIES

11. Enquiries on this brief should be directed to Ms Shirley Lau, Principal Assistant Secretary for Financial Services and the Treasury (Treasury)H, at 2810 3726.

Financial Services and the Treasury Bureau
6 June 2012

A BILL
To

Approve a supplementary appropriation to the services of the Government in the financial year that ended on 31 March 2012.

Enacted by the Legislative Council.

1. Short title

This Ordinance may be cited as the Supplementary Appropriation (2011–2012) Ordinance.

2. Approval of appropriation

The appropriation in the manner expressed in the Schedule of a sum of \$54,135,414,808.13 from the general revenue for the services of the Government in the financial year that ended on 31 March 2012 is approved.

Schedule

[s. 2]

Number of Vote	Head of Expenditure	Amount of Vote \$
21	Chief Executive's Office	4,937,739.14
23	Auxiliary Medical Service	216,580.05
24	Audit Commission	3,622,204.38
25	Architectural Services Department	51,262,216.77
28	Civil Aviation Department	8,277,703.80
30	Correctional Services Department	87,694,636.29
39	Drainage Services Department	29,878,538.18
42	Electrical and Mechanical Services Department	10,283,647.79
44	Environmental Protection Department	544,328,300.73
49	Food and Environmental Hygiene Department	96,220,167.11
53	Government Secretariat: Home Affairs Bureau	13,405,991,091.77
60	Highways Department	32,483,073.73
62	Housing Department	1,904,294,507.50
70	Immigration Department	52,885,452.77
78	Intellectual Property Department	2,738,947.59
79	Invest Hong Kong	1,407,539.27
91	Lands Department	39,616,451.62
92	Department of Justice	76,671,058.21
95	Leisure and Cultural Services Department .	195,388,562.45

Supplementary Appropriation (2011–2012) Bill

Schedule

3

Number of Vote	Head of Expenditure	Amount of Vote \$
96	Government Secretariat: Overseas Economic and Trade Offices	2,810,144.84
112	Legislative Council Commission	1,966,482.81
114	Office of The Ombudsman	4,773,000.00
118	Planning Department	11,284,433.68
121	Independent Police Complaints Council	858,917.00
122	Hong Kong Police Force	592,934,363.84
136	Public Service Commission Secretariat	729,001.37
140	Government Secretariat: Food and Health Bureau (Health Branch)	1,646,240,667.73
143	Government Secretariat: Civil Service Bureau	20,317,787.91
147	Government Secretariat: Financial Services and the Treasury Bureau (The Treasury Branch)	29,814,841,802.99
148	Government Secretariat: Financial Services and the Treasury Bureau (Financial Services Branch)	4,848,417.13
155	Government Secretariat: Innovation and Technology Commission	4,427,942.82
156	Government Secretariat: Education Bureau	3,612,037,616.28
168	Hong Kong Observatory	4,938,477.26
170	Social Welfare Department	923,402,285.68
173	Student Financial Assistance Agency	129,666,313.24
174	Joint Secretariat for the Advisory Bodies on Civil Service and Judicial Salaries and Conditions of Service	1,165,447.79

Supplementary Appropriation (2011–2012) Bill

Schedule

4

Number of Vote	Head of Expenditure	Amount of Vote \$
190	University Grants Committee	679,826,316.96
194	Water Supplies Department	130,146,969.65
	Total	<u>54,135,414,808.13</u>

Explanatory Memorandum

This Bill provides for the appropriation of \$54,135,414,808.13 for the financial year that ended on 31 March 2012 in addition to the sum appropriated by the Appropriation Ordinance 2011 (6 of 2011).

Supplementary Appropriation (2011-2012) Bill

Expenditure Head	Original Estimate \$	Actual Expenditure \$	Supplementary Appropriation \$	Major Reasons for the Supplementary Appropriation
21 Chief Executive's Office	85,217,000	90,154,739.14	4,937,739.14	Additional expenses arising from the 2011 civil service pay adjustment and increased operating expenses.
23 Auxiliary Medical Service	66,360,000	66,576,580.05	216,580.05	Additional expenses arising from the 2011 civil service pay adjustment.
24 Audit Commission	121,132,000	124,754,204.38	3,622,204.38	Additional expenses arising from the 2011 civil service pay adjustment.
25 Architectural Services Department	1,565,434,000	1,616,696,216.77	51,262,216.77	Additional expenses arising from the 2011 civil service pay adjustment.
28 Civil Aviation Department	758,817,000	767,094,703.80	8,277,703.80	Additional expenses arising from the 2011 civil service pay adjustment.
30 Correctional Services Department	2,895,922,000	2,983,616,636.29	87,694,636.29	Additional expenses arising from the 2011 civil service pay adjustment.
39 Drainage Services Department	1,850,534,000	1,880,412,538.18	29,878,538.18	Additional expenses arising from the 2011 civil service pay adjustment.
42 Electrical and Mechanical Services Department	345,418,000	355,701,647.79	10,283,647.79	Additional expenses arising from the 2011 civil service pay adjustment.

	Expenditure Head	Original Estimate \$	Actual Expenditure \$	Supplementary Appropriation \$	Major Reasons for the Supplementary Appropriation
44	Environmental Protection Department	2,425,515,000	2,969,843,300.73	544,328,300.73	Injection of funds into the Environment and Conservation Fund.
49	Food and Environmental Hygiene Department	4,572,750,000	4,668,970,167.11	96,220,167.11	Additional expenses arising from the 2011 civil service pay adjustment.
53	Government Secretariat: Home Affairs Bureau	1,358,524,000	14,764,515,091.77	13,405,991,091.77	Injection of funds into the Community Care Fund and the Elite Athletes Development Fund.
60	Highways Department	2,230,549,000	2,263,032,073.73	32,483,073.73	Additional expenses arising from the 2011 civil service pay adjustment.
62	Housing Department	146,083,000	2,050,377,507.50	1,904,294,507.50	Two months' rent payments for tenants/licencees living in the rental units of the Hong Kong Housing Authority and the Hong Kong Housing Society.
70	Immigration Department	3,071,992,000	3,124,877,452.77	52,885,452.77	Additional expenses arising from the 2011 civil service pay adjustment.
78	Intellectual Property Department	97,817,000	100,555,947.59	2,738,947.59	Additional expenses arising from the 2011 civil service pay adjustment.
79	Invest Hong Kong	110,647,000	112,054,539.27	1,407,539.27	Additional expenses arising from the 2011 civil service pay adjustment.
91	Lands Department	1,810,067,000	1,849,683,451.62	39,616,451.62	Additional expenses arising from the 2011 civil service pay adjustment.

	Expenditure Head	Original Estimate \$	Actual Expenditure \$	Supplementary Appropriation \$	Major Reasons for the Supplementary Appropriation
92	Department of Justice	1,043,191,000	1,119,862,058.21	76,671,058.21	Higher-than-expected payment in court costs.
95	Leisure and Cultural Services Department	5,630,026,000	5,825,414,562.45	195,388,562.45	Additional expenses arising from the 2011 civil service pay adjustment and the implementation of the statutory minimum wage.
96	Government Secretariat : Overseas Economic and Trade Offices	299,302,000	302,112,144.84	2,810,144.84	Additional expenses arising from the 2011 civil service pay adjustment.
112	Legislative Council Commission	566,961,000	568,927,482.81	1,966,482.81	Additional expenses arising from the 2011 civil service pay adjustment, increased remuneration and reimbursements for Members of the Legislative Council and additional operating expenses arising from the relocation to Tamar.
114	Office of The Ombudsman	89,391,000	94,164,000.00	4,773,000.00	Additional expenses arising from the 2011 civil service pay adjustment.
118	Planning Department	479,470,000	490,754,433.68	11,284,433.68	Additional expenses arising from the 2011 civil service pay adjustment.
121	Independent Police Complaints Council	35,230,000	36,088,917.00	858,917.00	Additional expenses arising from the 2011 civil service pay adjustment.
122	Hong Kong Police Force	13,157,929,000	13,750,863,363.84	592,934,363.84	Additional expenses arising from the 2011 civil service pay adjustment.

	Expenditure Head	Original Estimate \$	Actual Expenditure \$	Supplementary Appropriation \$	Major Reasons for the Supplementary Appropriation
136	Public Service Commission Secretariat	18,203,000	18,932,001.37	729,001.37	Additional expenses arising from the 2011 civil service pay adjustment.
140	Government Secretariat: Food and Health Bureau (Health Branch)	37,322,905,000	38,969,145,667.73	1,646,240,667.73	Additional expenses arising from the 2011 civil service pay adjustment.
143	Government Secretariat: Civil Service Bureau	420,026,000	440,343,787.91	20,317,787.91	Additional expenses arising from the 2011 civil service pay adjustment.
147	Government Secretariat: Financial Services and the Treasury Bureau (The Treasury Branch)	332,979,000	30,147,820,802.99	29,814,841,802.99	Additional expenses arising from implementing Scheme \$6,000 and the electricity charges subsidy scheme.
148	Government Secretariat: Financial Services and the Treasury Bureau (Financial Services Branch)	185,493,000	190,341,417.13	4,848,417.13	Cash flow requirement of a new commitment item "Financial Dispute Resolution Centre".
155	Government Secretariat: Innovation and Technology Commission	498,232,000	502,659,942.82	4,427,942.82	Additional expenses arising from the 2011 civil service pay adjustment.

	Expenditure Head	Original Estimate \$	Actual Expenditure \$	Supplementary Appropriation \$	Major Reasons for the Supplementary Appropriation
156	Government Secretariat: Education Bureau	41,050,152,000	44,662,189,616.28	3,612,037,616.28	Additional expenses arising from the 2011 civil service pay adjustment and injection of funds into the Self-financing Post-secondary Education Fund, HKSAR Government Scholarship Fund and Education Development Fund.
168	Hong Kong Observatory	220,668,000	225,606,477.26	4,938,477.26	Additional expenses arising from the 2011 civil service pay adjustment.
170	Social Welfare Department	41,265,733,000	42,189,135,285.68	923,402,285.68	Additional expenses arising from the 2011 civil service pay adjustment and provision of an extra allowance for social security recipients.
173	Student Financial Assistance Agency	3,955,741,000	4,085,407,313.24	129,666,313.24	Additional expenses arising from relaxing the means test mechanism of the Student Financial Assistance Agency, increasing the amount of academic expenses grant to eligible post-secondary students and implementing the enhancement measures for the Kindergarten and Child Care Fee Remission Scheme in the 2011/12 academic year.
174	Joint Secretariat for the Advisory Bodies on Civil Service and Judicial Salaries and Conditions of Service	19,244,000	20,409,447.79	1,165,447.79	Additional expenses arising from the 2011 civil service pay adjustment.

Expenditure Head	Original Estimate \$	Actual Expenditure \$	Supplementary Appropriation \$	Major Reasons for the Supplementary Appropriation
190 University Grants Committee	11,027,723,000	11,707,549,316.96	679,826,316.96	Additional expenses arising from the 2011 civil service pay adjustment.
194 Water Supplies Department	6,118,761,000	6,248,907,969.65	130,146,969.65	Additional expenses arising from the 2011 civil service pay adjustment and the price increase under the new water supply agreement with Guangdong authorities for purchasing Dongjiang water.
Total	187,250,138,000	241,385,552,808.13	54,135,414,808.13	