

LEGISLATIVE COUNCIL BRIEF

SUPPLEMENTARY APPROPRIATION (2012-2013) BILL

INTRODUCTION

A At the meeting of the Executive Council on 4 June 2013, the Council ADVISED and the Chief Executive ORDERED that the Supplementary Appropriation (2012-2013) Bill, at **Annex A**, seeking approval for supplementary appropriation of \$26,681,366,702.04 from the general revenue for the services of the Government in the 2012-13 financial year, should be introduced into the Legislative Council (LegCo).

JUSTIFICATIONS AND BACKGROUND

2. The Appropriation Ordinance 2012 approved a total sum of \$319,676,883,000 from the general revenue for the services of the Government in the 2012-13 financial year and the provision for each head of expenditure as provided for in the 2012-13 estimates of expenditure.

3. In the course of the 2012-13 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 2012 civil service pay adjustment, injecting funds into the Samaritan Fund, the Research Endowment Fund, the Self-financing Post-secondary Education Fund, the HKSAR Government Scholarship Fund and the Supplementary Legal Aid Fund, implementing one-off relief measures such as paying two months' rent for public housing tenants and providing an extra month's allowance of standard rate for social security recipients etc. 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 2012-13 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 (2012-2013) BILL (THE BILL)

5. For 37 of the 83 heads of expenditure under the General Revenue Account, the outturn expenditure for the 2012-13 financial year has exceeded the original appropriation by a total of \$26,681,366,702.04, 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 2012.

B

LEGISLATIVE TIMETABLE

6. The legislative timetable will be as follows –

Publication in the Gazette	14 June 2013
First Reading and commencement of Second Reading debate	19 June 2013
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, sustainability or family 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
11 June 2013

A BILL

To

Approve a supplementary appropriation to the services of the Government in the financial year that ended on 31 March 2013.

Enacted by the Legislative Council.

1. Short title

This Ordinance may be cited as the Supplementary Appropriation (2012–2013) Ordinance.

2. Approval of appropriation

The appropriation in the manner expressed in the Schedule of a sum of \$26,681,366,702.04 from the general revenue for the services of the Government in the financial year that ended on 31 March 2013 is approved.

Schedule

[s. 2]

Number of Vote	Head of Expenditure	Amount of Vote \$
24	Audit Commission	3,400,287.61
25	Architectural Services Department	29,486,133.92
28	Civil Aviation Department	12,019,527.36
30	Correctional Services Department	81,229,694.24
39	Drainage Services Department	35,608,899.52
45	Fire Services Department	83,809,701.93
47	Government Secretariat: Office of the Government Chief Information Officer ..	676,398.41
48	Government Laboratory	4,887,839.28
49	Food and Environmental Hygiene Department	67,347,409.34
55	Government Secretariat: Commerce and Economic Development Bureau (Communications and Technology Branch)	9,271,881.14
60	Highways Department	1,313,878.57
62	Housing Department	1,901,262,932.50
70	Immigration Department	67,868,857.26
91	Lands Department	48,096,146.86
92	Department of Justice	21,547,656.78
94	Legal Aid Department	76,449,039.33
95	Leisure and Cultural Services Department .	93,367,887.59

Supplementary Appropriation (2012–2013) Bill

Schedule

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Number of Vote	Head of Expenditure	Amount of Vote \$
96	Government Secretariat: Overseas Economic and Trade Offices	2,809,151.33
100	Marine Department	3,943,646.52
112	Legislative Council Commission	56,305,333.48
114	Office of The Ombudsman	4,430,000.00
121	Independent Police Complaints Council	8,766,000.00
122	Hong Kong Police Force	539,070,614.93
136	Public Service Commission Secretariat	214,970.35
140	Government Secretariat: Food and Health Bureau (Health Branch)	11,543,977,149.94
143	Government Secretariat: Civil Service Bureau	5,200,540.46
147	Government Secretariat: Financial Services and the Treasury Bureau (The Treasury Branch)	1,245,646,353.06
155	Government Secretariat: Innovation and Technology Commission	18,496,489.52
156	Government Secretariat: Education Bureau	7,341,194,397.79
158	Government Secretariat: Transport and Housing Bureau (Transport Branch)	1,175,308.13
168	Hong Kong Observatory	353,314.27
170	Social Welfare Department	997,772,307.64
180	Office for Film, Newspaper and Article Administration	133,609.67
181	Trade and Industry Department	55,255,142.43

Supplementary Appropriation (2012–2013) Bill

Schedule

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Number of Vote	Head of Expenditure	Amount of Vote \$
186	Transport Department	223,777,494.37
190	University Grants Committee	2,011,647,177.63
194	Water Supplies Department	83,553,528.88
Total		<u>26,681,366,702.04</u>

Explanatory Memorandum

This Bill provides for the appropriation of \$26,681,366,702.04 for the financial year that ended on 31 March 2013 in addition to the sum appropriated by the Appropriation Ordinance 2012 (4 of 2012).

Supplementary Appropriation (2012-2013) Bill

	Expenditure Head	Original Estimate \$	Actual Expenditure \$	Supplementary Appropriation \$	Major Reasons for the Supplementary Appropriation
24	Audit Commission	129,568,000	132,968,287.61	3,400,287.61	Additional expenses arising from the 2012 civil service pay adjustment.
25	Architectural Services Department	1,643,927,000	1,673,413,133.92	29,486,133.92	Additional expenses arising from the 2012 civil service pay adjustment.
28	Civil Aviation Department	820,331,000	832,350,527.36	12,019,527.36	Additional expenses arising from the 2012 civil service pay adjustment.
30	Correctional Services Department	3,058,900,000	3,140,129,694.24	81,229,694.24	Additional expenses arising from the 2012 civil service pay adjustment.
39	Drainage Services Department	1,903,557,000	1,939,165,899.52	35,608,899.52	Additional expenses arising from the 2012 civil service pay adjustment and the repairs/maintenance works to stormwater drains.
45	Fire Services Department	4,398,921,000	4,482,730,701.93	83,809,701.93	Additional expenses arising from the 2012 civil service pay adjustment.
47	Government Secretariat: Office of the Government Chief Information Officer	626,478,000	627,154,398.41	676,398.41	Additional expenses arising from the 2012 civil service pay adjustment.

	Expenditure Head	Original Estimate \$	Actual Expenditure \$	Supplementary Appropriation \$	Major Reasons for the Supplementary Appropriation
48	Government Laboratory	375,228,000	380,115,839.28	4,887,839.28	Additional expenses arising from the 2012 civil service pay adjustment.
49	Food and Environmental Hygiene Department	4,937,174,000	5,004,521,409.34	67,347,409.34	Additional expenses arising from the 2012 civil service pay adjustment.
55	Government Secretariat: Commerce and Economic Development Bureau (Communications and Technology Branch)	298,214,000	307,485,881.14	9,271,881.14	Additional expenses for meeting the cash flow requirements of three commitments items (“Business of Design Week and Hong Kong Design Centre Awards”, “Design Incubation Programme” and “Hong Kong Design Centre”).
60	Highways Department	2,360,274,000	2,361,587,878.57	1,313,878.57	Additional expenses arising from the 2012 civil service pay adjustment.
62	Housing Department	173,196,000	2,074,458,932.50	1,901,262,932.50	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	3,312,198,000	3,380,066,857.26	67,868,857.26	Additional expenses arising from the 2012 civil service pay adjustment.
91	Lands Department	1,943,909,000	1,992,005,146.86	48,096,146.86	Additional expenses arising from the 2012 civil service pay adjustment.

	Expenditure Head	Original Estimate \$	Actual Expenditure \$	Supplementary Appropriation \$	Major Reasons for the Supplementary Appropriation
92	Department of Justice	1,250,519,000	1,272,066,656.78	21,547,656.78	Additional expenses arising from the 2012 civil service pay adjustment.
94	Legal Aid Department	794,523,000	870,972,039.33	76,449,039.33	Injection of funds into the Supplementary Legal Aid Fund.
95	Leisure and Cultural Services Department	6,146,782,000	6,240,149,887.59	93,367,887.59	Additional expenses arising from the 2012 civil service pay adjustment.
96	Government Secretariat : Overseas Economic and Trade Offices	303,546,000	306,355,151.33	2,809,151.33	Additional expenses arising from the 2012 civil service pay adjustment.
100	Marine Department	1,013,991,000	1,017,934,646.52	3,943,646.52	Additional expenses arising from the 2012 civil service pay adjustment.
112	Legislative Council Commission	585,785,000	642,090,333.48	56,305,333.48	Additional expenses arising from the 2012 civil service pay adjustment, for remuneration and reimbursements for Members of the Legislative Council in the Fifth Term, and for meeting the cash flow requirement of a commitment item “integration and application of information technology in the new LegCo Complex”.
114	Office of The Ombudsman	94,655,000	99,085,000.00	4,430,000.00	Additional expenses arising from the 2012 civil service pay adjustment.

	Expenditure Head	Original Estimate \$	Actual Expenditure \$	Supplementary Appropriation \$	Major Reasons for the Supplementary Appropriation
121	Independent Police Complaints Council	37,919,000	46,685,000.00	8,766,000.00	Additional expenses arising from the 2012 civil service pay adjustment.
122	Hong Kong Police Force	14,059,209,000	14,598,279,614.93	539,070,614.93	Additional expenses arising from the 2012 civil service pay adjustment.
136	Public Service Commission Secretariat	18,114,000	18,328,970.35	214,970.35	Additional expenses arising from the 2012 civil service pay adjustment.
140	Government Secretariat: Food and Health Bureau (Health Branch)	41,705,880,000	53,249,857,149.94	11,543,977,149.94	Additional expenses arising from the 2012 civil service pay adjustment and injection of funds into the Samaritan Fund.
143	Government Secretariat: Civil Service Bureau	459,574,000	464,774,540.46	5,200,540.46	Additional expenses arising from the 2012 civil service pay adjustment.
147	Government Secretariat: Financial Services and the Treasury Bureau (The Treasury Branch)	13,240,890,000	14,486,536,353.06	1,245,646,353.06	Additional expenses arising from implementing the electricity charges subsidy scheme.
155	Government Secretariat: Innovation and Technology Commission	515,467,000	533,963,489.52	18,496,489.52	Additional expenses arising from the 2012 civil service pay adjustment and higher than expected cash rebate disbursed under the Research and Development Cash Rebate Scheme.

	Expenditure Head	Original Estimate \$	Actual Expenditure \$	Supplementary Appropriation \$	Major Reasons for the Supplementary Appropriation
156	Government Secretariat: Education Bureau	43,193,527,000	50,534,721,397.79	7,341,194,397.79	Additional expenses arising from the 2012 civil service pay adjustment, and injection of funds into the Research Endowment Fund, Self-financing Post-secondary Education Fund and HKSAR Government Scholarship Fund.
158	Government Secretariat : Transport and Housing Bureau (Transport Branch)	145,786,000	146,961,308.13	1,175,308.13	Additional expenses arising from the 2012 civil service pay adjustment.
168	Hong Kong Observatory	238,750,000	239,103,314.27	353,314.27	Additional expenses arising from the 2012 civil service pay adjustment.
170	Social Welfare Department	43,479,215,000	44,476,987,307.64	997,772,307.64	Provision of an extra month's allowance of standard rate for social security recipients.
180	Office for Film, Newspaper and Article Administration	41,117,000	41,250,609.67	133,609.67	Additional expenses for the second round of public consultation on the review of the Control of Obscene and Indecent Articles Ordinance.
181	Trade and Industry Department	651,788,000	707,043,142.43	55,255,142.43	Additional expenses arising from the 2012 civil service pay adjustment, and for meeting the cash flow requirements of two commitment items ("Special Loan Guarantee Scheme" and "Dedicated Fund on Branding, Upgrading and Domestic Sales").

	Expenditure Head	Original Estimate \$	Actual Expenditure \$	Supplementary Appropriation \$	Major Reasons for the Supplementary Appropriation
186	Transport Department	1,334,342,000	1,558,119,494.37	223,777,494.37	Additional expenses arising from the 2012 civil service pay adjustment and implementing the Public Transport Fare Concession Scheme for the Elderly and Eligible Persons with Disabilities.
190	University Grants Committee	13,304,129,000	15,315,776,177.63	2,011,647,177.63	Additional expenses arising from the 2012 civil service pay adjustment, and for meeting the cash flow requirement of a commitment item "Sixth Matching Grant Scheme for the post-secondary education sector".
194	Water Supplies Department	6,487,026,000	6,570,579,528.88	83,553,528.88	Additional expenses arising from the 2012 civil service pay adjustment and the increase in electricity tariff.
	Total	215,084,409,000	241,765,775,702.04	26,681,366,702.04	