



財政司司長 曾俊華  
John C Tsang, GBM, JP  
Financial Secretary

17 April 2014

The Hon Jasper Tsang Yok-sing, GBS, JP  
President  
Legislative Council  
Legislative Council Complex  
1 Legislative Council Road  
Central  
Hong Kong

Dear President,

### **Appropriation Bill 2014**

You may recall the passage of the Appropriation Bill 2013 last year, involving over 700 Committee Stage Amendments (CSAs), was long-drawn and resource-intensive. The Legislative Council (LegCo) met for 16 days between 17 April 2013 and 21 May 2013. Members, along with government officials, attended over 130 hours of debate and voting. The disruption to LegCo and government business was serious.

This year, over 1 900 CSAs have been received. I note that you have ruled 957 CSAs inadmissible in accordance with the Rules of Procedure. I believe that the processing of the Appropriation Bill 2014 will not be prolonged by frivolous and meaningless CSAs.

Since there are still 900+ CSAs for deliberation at the Committee stage, I am concerned that it would need substantial time to complete the processing of the Appropriation Bill 2014. In light of this, I feel obliged to reiterate the importance of securing the timely passage of the Appropriation Bill 2014 and to underline the adverse consequences arising from any delay beyond mid May.

中華人民共和國香港特別行政區政府財政司司長辦公室  
Office of the Financial Secretary of the Hong Kong Special Administrative Region Government  
People's Republic of China

## **Significance of annual appropriation**

The Appropriation Bill is the legislative instrument for Government to secure authorisation from LegCo to incur expenditure under the General Revenue Account (GRA) to meet the bulk of Government's running expenses for the year. The GRA funding is needed to cover expenses for a whole spectrum of public services, including:

- (a) welfare payments, including Comprehensive Social Security Assistance (CSSA), Old Age Living Allowance (OALA), Old Age Allowance (OAA), and Disability Allowance (DA);
- (b) education services;
- (c) health services, including those operated through the Hospital Authority;
- (d) administration of justice and legal aid services;
- (e) maintenance of law and order, upkeeping of environmental hygiene and food safety and employment services;
- (f) contractual obligations, including payment for refuse collection, street cleansing and road maintenance; and
- (g) commitments towards subvented organisations, including non-governmental welfare organisations, aided schools, etc.

The timely passage of the Appropriation Bill 2014 is of utmost importance, not just to Government, LegCo and the Judiciary, but to the Hong Kong community who would legitimately expect that public services would not be unduly disrupted notwithstanding the avowed intention of a few members to filibuster. The economic and social consequences arising from delay in passing the Bill cannot be overstated.

## **Timeliness**

As an interim arrangement, LegCo has endorsed the Vote-on-Account Resolution for the 2014-15 financial year. The Resolution provides \$78.7 billion, including \$65.9 billion for recurrent subheads of expenditure. This would only be sufficient to enable Government to meet its recurrent obligations and discharge its public functions until the end of May 2014. Taking into account the need for about two weeks to complete the necessary legislative procedures and payment authorisation arrangements, the passage of the Appropriation Bill 2014 would need to be secured by mid May 2014.

Delay in the passage of the Appropriation Bill 2014 would have knock-on effects on the timely delivery of various initiatives announced in the 2014 Policy Address and the 2014-15 Budget. These include, for instance, the scaling up of the annual voucher amount under the Elderly Health Care Voucher Scheme from \$1,000 to \$2,000 and enhanced support for non-Chinese speaking students. It will also affect funding proposals scheduled for the consideration of the Finance Committee, including:

- (a) \$3.7 billion for one month's public housing rental relief and one extra month's standard rate/allowance under CSSA/OALA/OAA/DA;
- (b) \$1 billion injection into the Qualifications Framework Fund;
- (c) \$400 million injection into the Partnership Fund for the Disadvantaged;
- (d) \$130 million for manpower training and development programmes for the retail industry;

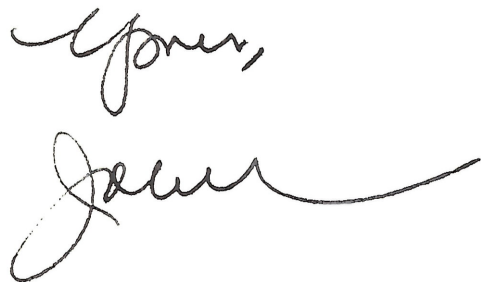
- (e) \$144 million for a pilot training and support scheme under the Vocational Training Council for industries with keen demand for labour; and
- (f) \$100 million for a scholarship scheme to subsidize undergraduate places for secondary school graduates with multi-faceted excellence.

Indeed, there are many other pressing priorities which call for the urgent attention of LegCo and Government.

Undue delay in the passage of the Appropriation Bill 2014 is clearly not in the public interest. I trust that you would no doubt consider the gravity of the situation when deciding on how Members' CSAs should be processed at the Committee stage starting on 30 April.

I appreciate the assistance LegCo Secretariat has rendered throughout the passage of the Appropriation Bill 2013 last year. Please be assured that my team in the Financial Services and the Treasury Bureau would continue to work closely with you and the Secretariat in facilitating the processing of the Appropriation Bill 2014 this year.

Best wishes,

A handwritten signature in black ink, appearing to read 'James', with a long horizontal flourish extending to the right.