

LEGISLATIVE COUNCIL BRIEF

SUPPLEMENTARY APPROPRIATION (2013-2014) BILL

INTRODUCTION

A At the meeting of the Executive Council on 27 May 2014, the Council ADVISED and the Chief Executive ORDERED that the Supplementary Appropriation (2013-2014) Bill, at **Annex A**, seeking approval for supplementary appropriation of \$57,724,715,270.80 from the general revenue for the services of the Government in the 2013-14 financial year, should be introduced into the Legislative Council (LegCo).

JUSTIFICATIONS AND BACKGROUND

2. The Appropriation Ordinance 2013 approved a total sum of \$356,140,198,000 from the general revenue for the services of the Government in the 2013-14 financial year and the provision for each head of expenditure as provided for in the 2013-14 estimates of expenditure.

3. In the course of the 2013-14 financial year, the Government had 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 2013 civil service pay adjustment, injecting funds into the Employees Retraining Board, the Community Care Fund, the Lotteries Fund, the Language Fund and the Environment and Conservation Fund, and implementing one-off relief measures such as paying two months' rent for public housing tenants, etc. As required under section 8(8) of the PFO, the Government had provided quarterly updates to LegCo on supplementary provisions approved.

4. The annual accounts for the 2013-14 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 (2013-2014) BILL (THE BILL)

5. For 31 of the 83 heads of expenditure under the General Revenue Account, the outturn expenditure for the 2013-14 financial year has exceeded the original appropriation by a total of \$57,724,715,270.80, 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 2013.

B

LEGISLATIVE TIMETABLE

6. The legislative timetable will be as follows –

Publication in the Gazette	6 June 2014
First Reading and commencement of Second Reading debate	11 June 2014
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.

* **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.”

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

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 Susanna Cheung, Principal Assistant Secretary for Financial Services and the Treasury (Treasury)H, at 2810 3726.

Financial Services and the Treasury Bureau
4 June 2014

A BILL

To

Approve a supplementary appropriation to the services of the Government in the financial year that ended on 31 March 2014.

Enacted by the Legislative Council.

1. Short title

This Ordinance may be cited as the Supplementary Appropriation (2013–2014) Ordinance.

2. Approval of appropriation

The appropriation in the manner expressed in the Schedule of a sum of \$57,724,715,270.80 from the general revenue for the services of the Government in the financial year that ended on 31 March 2014 is approved.

Schedule

[s. 2]

Number of Vote	Head of Expenditure	Amount of Vote \$
24	Audit Commission	885,351.09
25	Architectural Services Department	26,519,646.81
28	Civil Aviation Department	1,820,443.06
30	Correctional Services Department	42,875,441.95
37	Department of Health	25,819,128.22
39	Drainage Services Department	4,633,373.98
44	Environmental Protection Department	4,828,411,026.15
49	Food and Environmental Hygiene Department	128,810,501.22
53	Government Secretariat: Home Affairs Bureau	14,994,561,143.02
60	Highways Department	10,753,961.26
62	Housing Department	2,146,339,699.50
70	Immigration Department	55,775,395.12
78	Intellectual Property Department	96,302.23
91	Lands Department	16,279,868.66
95	Leisure and Cultural Services Department	49,006,004.05
100	Marine Department	15,670,871.25
112	Legislative Council Commission	15,343,666.67
114	Office of The Ombudsman	2,921,000.00

Number of Vote	Head of Expenditure	Amount of Vote \$
121	Independent Police Complaints Council	1,082,500.00
122	Hong Kong Police Force	367,740,515.89
136	Public Service Commission Secretariat	374,648.48
140	Government Secretariat: Food and Health Bureau (Health Branch)	1,123,510,723.02
141	Government Secretariat: Labour and Welfare Bureau	14,995,323,973.68
147	Government Secretariat: Financial Services and the Treasury Bureau (The Treasury Branch)	2,718,650,492.55
156	Government Secretariat: Education Bureau	5,253,067,596.11
158	Government Secretariat: Transport and Housing Bureau (Transport Branch)	10,818,509.28
174	Joint Secretariat for the Advisory Bodies on Civil Service and Judicial Salaries and Conditions of Service	181,486.01
181	Trade and Industry Department	32,993,754.28
190	University Grants Committee	641,186,484.02
194	Water Supplies Department	63,261,763.24
		47,574,715,270.80
184	Transfers to Funds	10,150,000,000.00
	Total	57,724,715,270.80

Explanatory Memorandum

This Bill provides for the appropriation of \$57,724,715,270.80 for the financial year that ended on 31 March 2014 in addition to the sum appropriated by the Appropriation Ordinance 2013 (1 of 2013).

Supplementary Appropriation (2013-2014) Bill

Expenditure Head	Original Estimate \$	Actual Expenditure \$	Supplementary Appropriation \$	Major Reasons for the Supplementary Appropriation
24 Audit Commission	137,368,000	138,253,351.09	885,351.09	Additional expenses arising from the 2013 civil service pay adjustment.
25 Architectural Services Department	1,733,990,000	1,760,509,646.81	26,519,646.81	Additional expenses arising from the 2013 civil service pay adjustment.
28 Civil Aviation Department	853,813,000	855,633,443.06	1,820,443.06	Additional expenses arising from the 2013 civil service pay adjustment.
30 Correctional Services Department	3,235,902,000	3,278,777,441.95	42,875,441.95	Additional expenses arising from the 2013 civil service pay adjustment.
37 Department of Health	5,580,318,000	5,606,137,128.22	25,819,128.22	Injection of funds into the AIDS Trust Fund.
39 Drainage Services Department	1,996,348,000	2,000,981,373.98	4,633,373.98	Additional expenses arising from the 2013 civil service pay adjustment and additional requirements for repairs/maintenance works to stormwater drains.
44 Environmental Protection Department	3,132,891,000	7,961,302,026.15	4,828,411,026.15	Injection of funds into the Environment and Conservation Fund.

	Original Estimate \$	Actual Expenditure \$	Supplementary Appropriation \$	Major Reasons for the Supplementary Appropriation	
49	Food and Environmental Hygiene Department	5,200,542,000	5,329,352,501.22	128,810,501.22	Additional expenses arising from the 2013 civil service pay adjustment and for meeting the cash flow requirement of a commitment item "Assistance Scheme for Hawkers in Fixed-pitch Hawker Areas".
53	Government Secretariat: Home Affairs Bureau	1,393,644,000	16,388,205,143.02	14,994,561,143.02	Injection of funds into the Community Care Fund.
60	Highways Department	2,475,061,000	2,485,814,961.26	10,753,961.26	Additional expenses arising from the 2013 civil service pay adjustment.
62	Housing Department	210,178,000	2,356,517,699.50	2,146,339,699.50	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	3,546,855,000	3,602,630,395.12	55,775,395.12	Additional expenses arising from the 2013 civil service pay adjustment.
78	Intellectual Property Department	121,505,000	121,601,302.23	96,302.23	Additional expenses arising from the 2013 civil service pay adjustment.
91	Lands Department	2,071,602,000	2,087,881,868.66	16,279,868.66	Additional expenses arising from the 2013 civil service pay adjustment.
95	Leisure and Cultural Services Department	6,538,016,000	6,587,022,004.05	49,006,004.05	Additional expenses arising from the 2013 civil service pay adjustment.

Expenditure Head	Original Estimate \$	Actual Expenditure \$	Supplementary Appropriation \$	Major Reasons for the Supplementary Appropriation
100 Marine Department	1,045,050,000	1,060,720,871.25	15,670,871.25	Additional expenses arising from the 2013 civil service pay adjustment.
112 Legislative Council Commission	664,384,000	679,727,666.67	15,343,666.67	Additional expenses arising from the 2013 civil service pay adjustment and for remuneration and reimbursements for Members of the Legislative Council.
114 Office of The Ombudsman	99,540,000.00	102,461,000.00	2,921,000.00	Additional expenses arising from the 2013 civil service pay adjustment.
121 Independent Police Complaints Council	49,833,000	50,915,500.00	1,082,500.00	Additional expenses arising from the 2013 civil service pay adjustment.
122 Hong Kong Police Force	14,776,454,000	15,144,194,515.89	367,740,515.89	Additional expenses arising from the 2013 civil service pay adjustment.
136 Public Service Commission Secretariat	20,059,000	20,433,648.48	374,648.48	Additional expenses arising from the 2013 civil service pay adjustment.
140 Government Secretariat: Food and Health Bureau (Health Branch)	45,568,939,000	46,692,449,723.02	1,123,510,723.02	Additional expenses arising from the 2013 civil service pay adjustment.
141 Government Secretariat : Labour and Welfare Bureau	717,785,000	15,713,108,973.68	14,995,323,973.68	Injection of funds into the Employees Retraining Board.

	Original Estimate \$	Actual Expenditure \$	Supplementary Appropriation \$	Major Reasons for the Supplementary Appropriation	
147	Government Secretariat: Financial Services and the Treasury Bureau (The Treasury Branch)	1,812,850,000	4,531,500,492.55	2,718,650,492.55	Additional expenses arising from the 2013 civil service pay adjustment and for implementing the electricity charges subsidy scheme.
156	Government Secretariat: Education Bureau	44,478,419,000	49,731,486,596.11	5,253,067,596.11	Additional expenses arising from the 2013 civil service pay adjustment and injection of funds into the Language Fund.
158	Government Secretariat : Transport and Housing Bureau (Transport Branch)	169,179,000	179,997,509.28	10,818,509.28	Additional expenses arising from the 2013 civil service pay adjustment and for the follow up work in relation to the collision of vessels near Lamma Island on 1 October 2012.
174	Joint Secretariat for the Advisory Bodies on Civil Service and Judicial Salaries and Conditions of Service	30,070,000	30,251,486.01	181,486.01	Additional expenses arising from the 2013 civil service pay adjustment.
181	Trade and Industry Department	770,088,000	803,081,754.28	32,993,754.28	Additional expenses arising from the 2013 civil service pay adjustment, and for meeting the cash flow requirements of three commitment items (“SME Loan Guarantee Scheme”, “SME Export Marketing and Development Funds” and “Special Loan Guarantee Scheme”).

Expenditure Head	Original Estimate \$	Actual Expenditure \$	Supplementary Appropriation \$	Major Reasons for the Supplementary Appropriation
190 University Grants Committee	15,015,579,000	15,656,765,484.02	641,186,484.02	Additional expenses arising from the 2013 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	6,810,214,000	6,873,475,763.24	63,261,763.24	Additional expenses arising from the 2013 civil service pay adjustment, the increase in electricity tariff, and for replacement of specialised vehicles and procurement of equipment.
	<hr/> 170,256,476,000	<hr/> 217,831,191,270.80	<hr/> 47,574,715,270.80	
184 Transfers to Funds	743,000,000	10,893,000,000.00	10,150,000,000.00	Injection of funds into the Lotteries Fund and Disaster Relief Fund.
Total	<hr/> <hr/> 170,999,476,000	<hr/> <hr/> 228,724,191,270.80	<hr/> <hr/> 57,724,715,270.80	