

## **LEGISLATIVE COUNCIL BRIEF**

### **SUPPLEMENTARY APPROPRIATION (2014-2015) BILL**

#### **INTRODUCTION**

A At the meeting of the Executive Council on 30 June 2015, the Council ADVISED and the Chief Executive ORDERED that the Supplementary Appropriation (2014-2015) Bill, at **Annex A**, seeking approval for supplementary appropriation of \$6,521,260,654.07 from the general revenue for the services of the Government in the 2014-2015 financial year, should be introduced into the Legislative Council (LegCo).

#### **JUSTIFICATIONS AND BACKGROUND**

2. The Appropriation Ordinance 2014 approved a total sum of \$335,848,320,000 from the general revenue for the services of the Government in the 2014-2015 financial year and the provision for each head of expenditure as provided for in the 2014-2015 estimates of expenditure.

3. In the course of the 2014-2015 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 2014 civil service pay adjustment, implementing one-off relief measures such as paying one month's rent for public housing tenants and provision of extra allowances to social security recipients, etc. As required under section 8(8) of the Public Finance Ordinance (PFO), the Government had provided quarterly updates to LegCo on supplementary provisions approved.

4. The annual accounts for the 2014-2015 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 (2014-2015) BILL (THE BILL)**

B 5. For 38 of the 83 heads of expenditure under the General Revenue Account, the outturn expenditure for the 2014-2015 financial year has exceeded the original appropriation by a total of \$6,521,260,654.07, 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 2014.

### **LEGISLATIVE TIMETABLE**

6. The legislative timetable will be as follows –

Publication in the Gazette	3 July 2015
First Reading and commencement of Second Reading debate	8 July 2015
Resumption of Second Reading debate, committee stage and Third Reading	to be notified

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\* **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.”

## **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.

## **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  
30 June 2015

**A BILL**

**To**

Approve a supplementary appropriation to the services of the Government in the financial year that ended on 31 March 2015.

Enacted by the Legislative Council.

**1. Short title**

This Ordinance may be cited as the Supplementary Appropriation (2014–2015) Ordinance.

**2. Approval of appropriation**

The appropriation in the manner expressed in the Schedule of a sum of \$6,521,260,654.07 from the general revenue for the services of the Government in the financial year that ended on 31 March 2015 is approved.

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**Schedule**

[s. 2]

Number of Vote	Head of Expenditure	Amount of Vote \$
21	Chief Executive’s Office .....	1,961,430.44
23	Auxiliary Medical Service .....	963,284.28
24	Audit Commission .....	4,216,868.78
25	Architectural Services Department .....	24,928,840.49
27	Civil Aid Service .....	2,678,074.16
28	Civil Aviation Department .....	13,516,134.81
30	Correctional Services Department .....	98,320,718.20
31	Customs and Excise Department .....	85,934,288.70
33	Civil Engineering and Development Department .....	55,322,470.31
47	Government Secretariat: Office of the Government Chief Information Officer ...	4,573,058.64
49	Food and Environmental Hygiene Department .....	95,290,550.84
53	Government Secretariat: Home Affairs Bureau .....	15,670,189.92
60	Highways Department .....	60,782,504.90
62	Housing Department .....	1,051,612,321.14
63	Home Affairs Department .....	22,322,949.67
70	Immigration Department .....	134,893,832.05
72	Independent Commission Against Corruption .....	24,054,549.27

## Supplementary Appropriation (2014-2015) Bill

Schedule

3

Number of Vote	Head of Expenditure	Amount of Vote \$
76	Inland Revenue Department .....	26,245,255.14
79	Invest Hong Kong .....	981,433.53
91	Lands Department .....	48,360,202.46
94	Legal Aid Department .....	15,931,375.37
95	Leisure and Cultural Services Department .....	135,330,214.23
100	Marine Department .....	47,215,417.60
112	Legislative Council Commission .....	16,799,747.33
114	Office of The Ombudsman .....	4,355,000.00
116	Official Receiver's Office .....	2,199,663.60
121	Independent Police Complaints Council .....	1,283,510.00
122	Hong Kong Police Force .....	1,032,018,189.06
136	Public Service Commission Secretariat .....	665,784.95
140	Government Secretariat: Food and Health Bureau (Health Branch) .....	1,696,529,719.20
147	Government Secretariat: Financial Services and the Treasury Bureau (The Treasury Branch) .....	88,561,006.65
155	Government Secretariat: Innovation and Technology Commission .....	7,028,608.85
156	Government Secretariat: Education Bureau .....	606,363,716.26
168	Hong Kong Observatory .....	7,496,931.81
170	Social Welfare Department .....	233,474,535.98
174	Joint Secretariat for the Advisory Bodies on	

## Supplementary Appropriation (2014-2015) Bill

Schedule

4

Number of Vote	Head of Expenditure	Amount of Vote \$
	Civil Service and Judicial Salaries and Conditions of Service .....	1,833,986.42
190	University Grants Committee .....	764,021,957.57
194	Water Supplies Department .....	87,522,331.46
	Total .....	<u>6,521,260,654.07</u>

**Explanatory Memorandum**

This Bill provides for the appropriation of \$6,521,260,654.07 for the financial year that ended on 31 March 2015 in addition to the sum appropriated by the Appropriation Ordinance 2014 (8 of 2014).

**Supplementary Appropriation (2014-2015) Bill**

<b>Expenditure Head</b>		<b>Original Estimate</b>	<b>Actual Expenditure</b>	<b>Supplementary Appropriation</b>	<b>Major Reasons</b>
		<b>\$</b>	<b>\$</b>	<b>\$</b>	
21	Chief Executive's Office	99,112,000	101,073,430.44	1,961,430.44	)
23	Auxiliary Medical Service	80,590,000	81,553,284.28	963,284.28	)
24	Audit Commission	144,428,000	148,644,868.78	4,216,868.78	) 2014 civil service pay adjustment
25	Architectural Services Department	1,806,701,000	1,831,629,840.49	24,928,840.49	)
27	Civil Aid Service	95,687,000.00	98,365,074.16	2,678,074.16	) 2014 civil service pay adjustment, and increased pay and allowances for auxiliary services
28	Civil Aviation Department	862,098,000	875,614,134.81	13,516,134.81	)
30	Correctional Services Department	3,366,910,000	3,465,230,718.20	98,320,718.20	) 2014 civil service pay adjustment
31	Customs and Excise Department	3,056,587,000	3,142,521,288.70	85,934,288.70	)
33	Civil Engineering and Development Department	2,120,406,000	2,175,728,470.31	55,322,470.31	) 2014 civil service pay adjustment and handling surplus public fill

<b>Expenditure Head</b>	<b>Original Estimate</b> \$	<b>Actual Expenditure</b> \$	<b>Supplementary Appropriation</b> \$	<b>Major Reasons</b>
47 Government Secretariat: Office of the Government Chief Information Officer	690,227,000	694,800,058.64	4,573,058.64	) ) ) )
49 Food and Environmental Hygiene Department	5,667,222,000	5,762,512,550.84	95,290,550.84	) 2014 civil service pay adjustment ) )
53 Government Secretariat: Home Affairs Bureau	1,546,324,000	1,561,994,189.92	15,670,189.92	) )
60 Highways Department	2,549,814,000	2,610,596,504.90	60,782,504.90	2014 civil service pay adjustment, highways maintenance and electricity for public lighting
62 Housing Department	261,054,000	1,312,666,321.14	1,051,612,321.14	One month's rent payments for tenants/licencees living in the rental units of the Hong Kong Housing Authority and the Hong Kong Housing Society
63 Home Affairs Department	2,183,530,000	2,205,852,949.67	22,322,949.67	) )
70 Immigration Department	3,694,051,000	3,828,944,832.05	134,893,832.05	) 2014 civil service pay adjustment )
72 Independent Commission Against Corruption	937,127,000	961,181,549.27	24,054,549.27	) )



<b>Expenditure Head</b>	<b>Original Estimate</b> \$	<b>Actual Expenditure</b> \$	<b>Supplementary Appropriation</b> \$	<b>Major Reasons</b>
76 Inland Revenue Department	1,389,503,000	1,415,748,255.14	26,245,255.14	)
79 Invest Hong Kong	114,967,000	115,948,433.53	981,433.53	) 2014 civil service pay adjustment
91 Lands Department	2,162,090,000	2,210,450,202.46	48,360,202.46	)
94 Legal Aid Department	833,151,000	849,082,375.37	15,931,375.37	2014 civil service pay adjustment and legal aid costs
95 Leisure and Cultural Services Department	6,889,307,000	7,024,637,214.23	135,330,214.23	2014 civil service pay adjustment
100 Marine Department	1,156,473,000	1,203,688,417.60	47,215,417.60	2014 civil service pay adjustment, additional cash flow requirement of a commitment item “Salvage, removal and disposal of Sunken Wreck – River Trade Vessel”, and procurement/replacement of equipment and maintenance of Government vessels
112 Legislative Council Commission	717,691,000	734,490,747.33	16,799,747.33	2014 pay adjustment and remuneration and reimbursements for Members of the Legislative Council
114 Office of The Ombudsman	102,816,000	107,171,000.00	4,355,000.00	2014 pay adjustment
116 Official Receiver's Office	147,624,000	149,823,663.60	2,199,663.60	2014 civil service pay adjustment

<b>Expenditure Head</b>	<b>Original Estimate</b> \$	<b>Actual Expenditure</b> \$	<b>Supplementary Appropriation</b> \$	<b>Major Reasons</b>
121 Independent Police Complaints Council	55,988,000	57,271,510.00	1,283,510.00	2014 pay adjustment
122 Hong Kong Police Force	15,515,188,000	16,547,206,189.06	1,032,018,189.06	2014 civil service pay adjustment, overtime and job-related allowances, as well as enhancing the auxiliary force policing support
136 Public Service Commission Secretariat	20,782,000	21,447,784.95	665,784.95	) ) ) 2014 civil service pay adjustment
140 Government Secretariat: Food and Health Bureau (Health Branch)	48,507,848,000	50,204,377,719.20	1,696,529,719.20	) ) )
147 Government Secretariat: Financial Services and the Treasury Bureau (The Treasury Branch)	1,883,242,000	1,971,803,006.65	88,561,006.65	2014 civil service pay adjustment and electricity charges subsidy scheme
155 Government Secretariat: Innovation and Technology Commission	587,163,000	594,191,608.85	7,028,608.85	2014 civil service pay adjustment and additional cash flow requirements for replacement and procurement of laboratory equipment
156 Government Secretariat: Education Bureau	47,369,464,000	47,975,827,716.26	606,363,716.26	2014 civil service pay adjustment

<b>Expenditure Head</b>	<b>Original Estimate</b> \$	<b>Actual Expenditure</b> \$	<b>Supplementary Appropriation</b> \$	<b>Major Reasons</b>
168 Hong Kong Observatory	259,781,000	267,277,931.81	7,496,931.81	2014 civil service pay adjustment
170 Social Welfare Department	55,909,483,000	56,142,957,535.98	233,474,535.98	2014 civil service pay adjustment and provision of extra allowances to social security recipients
174 Joint Secretariat for the Advisory Bodies on Civil Service and Judicial Salaries and Conditions of Service	29,704,000	31,537,986.42	1,833,986.42	) ) ) ) 2014 civil service pay adjustment ) )
190 University Grants Committee	15,601,731,000	16,365,752,957.57	764,021,957.57	)
194 Water Supplies Department	7,095,920,000	7,183,442,331.46	87,522,331.46	2014 civil service pay adjustment, increase in electricity tariff, and procurement/replacement of equipment
Total	235,511,784,000	242,033,044,654.07	6,521,260,654.07	