



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

21 April 2016

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 2016**

A few Members of the Legislative Council (LegCo) have again proposed a large number of Committee Stage Amendments (CSAs) to the Appropriation Bill.

#### **Impact of Members' CSAs**

Without prejudice to Government's position on Article 74 of the Basic Law that the introduction of Members' CSAs to the Appropriation Bill is strictly prohibited because they relate to public expenditure and the operation of Government, I welcome your ruling on 19 April 2016 to disallow 1,761 out of the total of 2,168 proposed CSAs. This would substantially reduce the impact of frivolous and meaningless CSAs in extending the proceedings of the Bill.

However, with 407 CSAs remaining admissible and as many as 26 quorum calls having been triggered since yesterday, as well as the adjournment of the meeting due to insufficient quorum today, I feel obliged to underline once again the importance of the timely passage of the Appropriation Bill 2016.

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 Appropriation Bill**

The Appropriation Bill seeks to authorize the provision of funding under the General Revenue Account for the full range of public services provided by Government, subvented organizations and public-funded agencies. In line with established practice, the interim funding sought under the Vote on Account (VoA) Resolution would only be sufficient to sustain Government's recurrent expenditure for the months of April and May. Scheduled payments due in early June would be affected if the Appropriation Bill 2016 were not passed by LegCo by **mid-May** of 2016. As such, the timely passage of the Appropriation Bill is essential to ensure the continued provision of public services, including -

- (a) welfare payments, including Comprehensive Social Security Assistance (CSSA), Old Age Living Allowance (OALA), Old Age Allowance (OAA), Disability Allowance (DA) and Low-income Working Family Allowance;
- (b) education services;
- (c) public healthcare services, including those operated through the Hospital Authority (HA);
- (d) administration of justice and legal aid services;
- (e) maintenance and enforcement of law and order;
- (f) upkeep of environmental hygiene and food safety;
- (g) provision of employment services, as well as cultural, sports and leisure facilities and programmes;
- (h) contractual obligations, including payment for purchase of water, refuse collection, street cleansing and road maintenance; and

- (i) funding commitments for subvented organisations, including non-governmental welfare organisations, aided schools, etc.

### **Timely implementation of funding initiatives**

The timely passage of the Appropriation Bill is also critical in enabling the timely implementation of new initiatives announced in the 2016 Policy Address and the 2016-17 Budget, such as strengthening service monitoring of residential care homes for the elderly, provision of additional subsidised residential and day care places for the elderly and enhancement of rehabilitation services. The new initiatives also include the following non-recurrent funding proposals scheduled for consideration of the Finance Committee or to be implemented pending the passage of Appropriation Bill 2016 -

- (a) \$2.8 billion for one extra month's standard rate/allowance under CSSA, OALA, OAA and DA;
- (b) Injection of \$2 billion to the Innovation and Technology Fund for setting up a mid-stream research programme for universities;
- (c) \$800 million for the establishment of a Gifted Education Fund; and
- (d) \$200 million for a pilot scheme to provide tuition fee subsidy for three cohorts of students admitted to designated professional part-time programmes in the disciplines of engineering, construction, technology, etc.

There are, in addition, other pressing priorities that warrant urgent attention of LegCo and Government.

### **Avoiding funding and service disruptions**

I sincerely hope that with the reduced number of admissible CSAs this year, the Council could duly complete its deliberations and voting on the Appropriation Bill by **mid-May**, as you have surmised. This would avoid the unnecessary funding and service disruptions caused by Government's contingency measures for coping with the funding shortfall, such as deferring scheduled payments to major subvented organizations, changing the payment cycles for Trading Funds, and delaying settlement of bills and virement of funds amongst Heads of expenditure etc.

### **Timeframe of proceedings**

The Financial Services and the Treasury Bureau stands ready to work closely with you and the Secretariat in facilitating the timely processing of the Appropriation Bill 2016.

With best wishes,

*Yours,  
Jen*