

## **LEGISLATIVE COUNCIL BRIEF**

### **SUPPLEMENTARY APPROPRIATION (2015-2016) BILL**

#### **INTRODUCTION**

A At the meeting of the Executive Council on 4 October 2016, the Council ADVISED and the Chief Executive ORDERED that the Supplementary Appropriation (2015-2016) Bill, at **Annex A**, seeking approval for supplementary appropriation of \$20,687,926,615.94 from the general revenue for the services of the Government in the 2015-16 financial year, should be introduced into the Legislative Council (LegCo).

#### **JUSTIFICATIONS AND BACKGROUND**

2. The Appropriation Ordinance 2015 authorized the expenditure of a total sum of \$361,347,460,000 from the general revenue for the services of the Government in the 2015-16 financial year and the provision for each head of expenditure as provided for in the 2015-16 estimates of expenditure.

3. In the course of the 2015-16 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 arising from the 2015-16 civil service pay adjustment, provision of \$10 billion for the Hospital Authority to establish an endowment fund for Public-Private Partnership Initiatives, 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 has provided quarterly updates to LegCo on supplementary provisions approved.

4. The annual accounts for the 2015-16 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 expenditure if these sums are exceeded.

### **THE SUPPLEMENTARY APPROPRIATION (2015-2016) BILL (THE BILL)**

5. For 49 of the 84 heads of expenditure under the General Revenue Account, the actual expenditure for the 2015-16 financial year has exceeded the original appropriation by a total of B \$20,687,926,615.94, 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 2015.

### **LEGISLATIVE TIMETABLE**

6. The legislative timetable will be as follows –

Publication in the Gazette	14 October 2016
First Reading and commencement of Second Reading debate	19 October 2016
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, family or gender 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 Mr Edmond Chu, Principal Assistant Secretary for Financial Services and the Treasury (Treasury)H, at 2810 3726.

Financial Services and the Treasury Bureau  
12 October 2016

# A BILL

## To

Approve a supplementary appropriation to the services of the Government in the financial year that ended on 31 March 2016.

Enacted by the Legislative Council.

**1. Short title**

This Ordinance may be cited as the Supplementary Appropriation (2015–2016) Ordinance.

**2. Approval of appropriation**

The appropriation in the manner expressed in the Schedule of a sum of \$20,687,926,615.94 from the general revenue for the services of the Government in the financial year that ended on 31 March 2016 is approved.

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## Schedule

[s. 2]

Number of Vote	Head of Expenditure	Amount of Vote \$
21	Chief Executive’s Office .....	4,736,919.57
24	Audit Commission .....	5,824,097.30
25	Architectural Services Department .....	52,337,353.75
28	Civil Aviation Department .....	6,474,136.87
30	Correctional Services Department .....	103,909,303.72
33	Civil Engineering and Development Department .....	15,634,458.15
37	Department of Health .....	148,585,374.30
45	Fire Services Department .....	84,526,030.67
47	Government Secretariat: Office of the Government Chief Information Officer ...	4,586,516.08
48	Government Laboratory .....	5,824,578.56
49	Food and Environmental Hygiene Department .....	112,143,904.36
53	Government Secretariat: Home Affairs Bureau .....	20,668,114.54
60	Highways Department .....	7,579,139.28
62	Housing Department .....	1,136,368,809.30
63	Home Affairs Department .....	26,217,611.88
70	Immigration Department .....	116,840,431.04

## Supplementary Appropriation (2015–2016) Bill

Schedule

3

Number of Vote	Head of Expenditure	Amount of Vote \$
72	Independent Commission Against Corruption .....	28,755,454.84
76	Inland Revenue Department .....	2,348,951.66
78	Intellectual Property Department .....	169,447.71
79	Invest Hong Kong .....	542,326.83
82	Buildings Department .....	8,714,295.74
91	Lands Department .....	57,982,823.63
94	Legal Aid Department .....	15,387,975.70
95	Leisure and Cultural Services Department .....	98,106,887.14
100	Marine Department .....	17,663,763.92
112	Legislative Council Commission .....	18,308,065.67
114	Office of The Ombudsman .....	4,150,000.00
116	Official Receiver's Office .....	2,524,935.44
118	Planning Department .....	7,074,874.92
121	Independent Police Complaints Council .....	1,621,000.00
122	Hong Kong Police Force .....	264,060,694.69
135	Government Secretariat: Innovation and Technology Bureau .....	10,959,176.94
136	Public Service Commission Secretariat .....	632,072.80
140	Government Secretariat: Food and Health Bureau (Health Branch) .....	11,652,818,972.69
144	Government Secretariat: Constitutional and Mainland Affairs Bureau .....	3,958,875.64

## Supplementary Appropriation (2015–2016) Bill

Schedule

4

Number of Vote	Head of Expenditure	Amount of Vote \$
147	Government Secretariat: Financial Services and the Treasury Bureau (The Treasury Branch) .....	17,193,567.98
148	Government Secretariat: Financial Services and the Treasury Bureau (Financial Services Branch) .....	11,298,366.49
152	Government Secretariat: Commerce and Economic Development Bureau (Commerce, Industry and Tourism Branch) .....	344,131,459.97
156	Government Secretariat: Education Bureau .....	903,784,972.57
159	Government Secretariat: Development Bureau (Works Branch) .....	21,425,086.96
160	Radio Television Hong Kong .....	17,834,997.64
166	Government Flying Service .....	439,758,924.04
168	Hong Kong Observatory .....	5,952,711.75
170	Social Welfare Department .....	4,133,675,011.40
174	Joint Secretariat for the Advisory Bodies on Civil Service and Judicial Salaries and Conditions of Service .....	1,520,880.24
188	Treasury .....	6,133,379.20
190	University Grants Committee .....	593,027,058.92
194	Water Supplies Department .....	94,152,823.45
		<u>20,637,926,615.94</u>

Number of Vote	Head of Expenditure	Amount of Vote \$
184	Transfers to Funds .....	50,000,000.00
	Total .....	20,687,926,615.94

**Explanatory Memorandum**

This Bill provides for the appropriation of \$20,687,926,615.94 for the financial year that ended on 31 March 2016 in addition to the sum appropriated by the Appropriation Ordinance 2015 (8 of 2015).

**Supplementary Appropriation (2015-2016) Bill**

	<b>Expenditure Head</b>	<b>Original Estimate</b> \$	<b>Actual Expenditure</b> \$	<b>Supplementary Appropriation</b> \$	<b>Major Reasons</b>
21	Chief Executive's Office	101,508,000	106,244,919.57	4,736,919.57	)
					)
24	Audit Commission	152,589,000	158,413,097.30	5,824,097.30	)
					)
25	Architectural Services Department	1,892,270,000	1,944,607,353.75	52,337,353.75	)
					)
28	Civil Aviation Department	903,375,000	909,849,136.87	6,474,136.87	)
					)
					) 2015-16 civil service pay adjustment
30	Correctional Services Department	3,519,735,000	3,623,644,303.72	103,909,303.72	)
					)
					)
33	Civil Engineering and Development Department	2,257,938,000	2,273,572,458.15	15,634,458.15	)
					)
					)
37	Department of Health	6,470,478,000	6,619,063,374.30	148,585,374.30	)
					)
					)
45	Fire Services Department	5,380,447,000	5,464,973,030.67	84,526,030.67	)
					)

<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	714,743,000	719,329,516.08	4,586,516.08	) ) ) )
48 Government Laboratory	445,799,000	451,623,578.56	5,824,578.56	) )
49 Food and Environmental Hygiene Department	5,923,986,000	6,036,129,904.36	112,143,904.36	) 2015-16 civil service pay adjustment ) )
53 Government Secretariat: Home Affairs Bureau	1,672,933,000	1,693,601,114.54	20,668,114.54	) ) )
60 Highways Department	2,639,769,000	2,647,348,139.28	7,579,139.28	)
62 Housing Department	280,437,000	1,416,805,809.30	1,136,368,809.30	One month's rent payments for lower income tenants living in the public rental units of the Hong Kong Housing Authority and the Hong Kong Housing Society
63 Home Affairs Department	2,370,979,000	2,397,196,611.88	26,217,611.88	) ) )
70 Immigration Department	3,910,311,000	4,027,151,431.04	116,840,431.04	) 2015-16 civil service pay adjustment )
72 Independent Commission Against Corruption	977,866,000	1,006,621,454.84	28,755,454.84	) ) )



<b>Expenditure Head</b>	<b>Original Estimate</b> \$	<b>Actual Expenditure</b> \$	<b>Supplementary Appropriation</b> \$	<b>Major Reasons</b>
76 Inland Revenue Department	1,451,062,000	1,453,410,951.66	2,348,951.66 )	)
78 Intellectual Property Department	137,480,000	137,649,447.71	169,447.71 )	)
79 Invest Hong Kong	115,139,000	115,681,326.83	542,326.83 )	)
82 Buildings Department	1,243,103,000	1,251,817,295.74	8,714,295.74 )	)
91 Lands Department	2,265,591,000	2,323,573,823.63	57,982,823.63 )	) 2015 -16 civil service pay adjustment
94 Legal Aid Department	845,148,000	860,535,975.70	15,387,975.70 )	)
95 Leisure and Cultural Services Department	7,482,663,000	7,580,769,887.14	98,106,887.14 )	)
100 Marine Department	1,178,092,000	1,195,755,763.92	17,663,763.92 )	)
112 Legislative Council Commission	758,559,000	776,867,065.67	18,308,065.67	2015-16 pay adjustment and remuneration and reimbursements for Members of the Legislative Council
114 Office of The Ombudsman	107,146,000	111,296,000.00	4,150,000.00	2015-16 pay adjustment

	<b>Expenditure Head</b>	<b>Original Estimate</b> \$	<b>Actual Expenditure</b> \$	<b>Supplementary Appropriation</b> \$	<b>Major Reasons</b>
116	Official Receiver's Office	154,373,000	156,897,935.44	2,524,935.44 )	
118	Planning Department	629,834,000	636,908,874.92	7,074,874.92 )	2015-16 civil service pay adjustment
121	Independent Police Complaints Council	57,282,000	58,903,000.00	1,621,000.00	2015-16 pay adjustment
122	Hong Kong Police Force	16,800,671,000	17,064,731,694.69	264,060,694.69	2015-16 civil service pay adjustment
135	Government Secretariat: Innovation and Technology Bureau	-	10,959,176.94	10,959,176.94	Establishment of the Innovation and Technology Bureau on 20 November 2015
136	Public Service Commission Secretariat	21,943,000	22,575,072.80	632,072.80	2015-16 civil service pay adjustment
140	Government Secretariat: Food and Health Bureau (Health Branch)	50,400,595,000	62,053,413,972.69	11,652,818,972.69	2015-16 civil service pay adjustment, provision of \$10 billion for the Hospital Authority to establish an endowment fund for Public-Private Partnership Initiatives
144	Government Secretariat: Constitutional and Mainland Affairs Bureau	580,613,000	584,571,875.64	3,958,875.64	2015-16 civil service pay adjustment

	<b>Expenditure Head</b>	<b>Original Estimate</b> \$	<b>Actual Expenditure</b> \$	<b>Supplementary Appropriation</b> \$	<b>Major Reasons</b>
147	Government Secretariat: Financial Services and the Treasury Bureau (The Treasury Branch)	408,697,000	425,890,567.98	17,193,567.98	2015-16 civil service pay adjustment
148	Government Secretariat: Financial Services and the Treasury Bureau (Financial Services Branch)	229,784,000	241,082,366.49	11,298,366.49	2015-16 civil service pay adjustment and repayment of bona vacantia receipts
152	Government Secretariat: Commerce and Economic Development Bureau (Commerce, Industry and Tourism Branch)	1,829,156,000	2,173,287,459.97	344,131,459.97	2015-16 civil service pay adjustment and additional cash flow requirement of a general non-recurrent item “SME Financing Guarantee Scheme - Special Concessionary Measures”
156	Government Secretariat: Education Bureau	51,382,677,000	52,286,461,972.57	903,784,972.57	2015-16 civil service pay adjustment
159	Government Secretariat: Development Bureau (Works Branch)	416,442,000	437,867,086.96	21,425,086.96	2015-16 civil service pay adjustment, handling the excess lead in drinking water incident and additional cash flow requirements for non-recurrent commitments on construction manpower

<b>Expenditure Head</b>	<b>Original Estimate</b> \$	<b>Actual Expenditure</b> \$	<b>Supplementary Appropriation</b> \$	<b>Major Reasons</b>
160 Radio Television Hong Kong	823,102,000	840,936,997.64	17,834,997.64	2015-16 civil service pay adjustment and purchase of broadcasting equipment for analogue TV services
166 Government Flying Service	583,253,000	1,023,011,924.04	439,758,924.04	Additional cash flow requirement of two commitment items "Procurement of seven helicopters and associated mission equipment" and "Replacement of two fixed-wing aircraft and the associated mission equipment"
168 Hong Kong Observatory	275,514,000	281,466,711.75	5,952,711.75	2015-16 civil service pay adjustment
170 Social Welfare Department	58,349,247,000	62,482,922,011.40	4,133,675,011.40	2015-16 civil service pay adjustment and provision of a one-off extra payment, equal to two months of the standard rates/allowances, to social security recipients
174 Joint Secretariat for the Advisory Bodies on Civil Service and Judicial Salaries and Conditions of Service	29,191,000	30,711,880.24	1,520,880.24 ) ) ) ) )	2015-16 civil service pay adjustment
188 Treasury	371,085,000	377,218,379.20	6,133,379.20 ) ) )	
190 University Grants Committee	16,988,115,000	17,581,142,058.92	593,027,058.92 )	

<b>Expenditure Head</b>	<b>Original Estimate</b> \$	<b>Actual Expenditure</b> \$	<b>Supplementary Appropriation</b> \$	<b>Major Reasons</b>
194 Water Supplies Department	7,564,794,000	7,658,946,823.45	94,152,823.45	2015-16 civil service pay adjustment, price adjustment on contract maintenance and handling the excess lead in drinking water incident
	<u>263,095,514,000</u>	<u>283,733,440,615.94</u>	<u>20,637,926,615.94</u>	
184 Transfers to Funds	3,130,000,000	3,180,000,000.00	50,000,000.00	Injection of funds into the Disaster Relief Fund
Total	<u><u>266,225,514,000</u></u>	<u><u>286,913,440,615.94</u></u>	<u><u>20,687,926,615.94</u></u>	