

LEGISLATIVE COUNCIL BRIEF

SUPPLEMENTARY APPROPRIATION (2016-2017) BILL

INTRODUCTION

A At the meeting of the Executive Council on 26 September 2017, the Council ADVISED and the Chief Executive ORDERED that the Supplementary Appropriation (2016-2017) Bill, at **Annex A**, seeking approval for supplementary appropriation of \$8,260,644,566.27 from the general revenue for the services of the Government in the 2016-17 financial year, should be introduced into the Legislative Council (LegCo).

JUSTIFICATIONS AND BACKGROUND

2. The Appropriation Ordinance 2016 authorised the expenditure of a total sum of \$426,197,511,000 from the general revenue for the services of the Government in the 2016-17 financial year and the provision for each head of expenditure as provided for in the 2016-17 estimates of expenditure.

3. In the course of the 2016-17 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 2016-17 civil service pay adjustment and provision of extra allowances to social security recipients. 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 2016-17 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 (2016-2017) BILL (THE BILL)

5. For 34 of the 84 heads of expenditure under the General Revenue Account, the actual expenditure for the 2016-17 financial year has exceeded the original appropriation by a total of B \$8,260,644,566.27, 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 2016.

LEGISLATIVE TIMETABLE

6. The legislative timetable will be as follows –

Publication in the Gazette	6 October 2017
First Reading and commencement of Second Reading debate	18 October 2017
Resumption of Second Reading debate, committee stage and Third Reading	to be notified

* **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
4 October 2017

A BILL

To

Approve a supplementary appropriation to the services of the Government in the financial year that ended on 31 March 2017.

Enacted by the Legislative Council.

1. Short title

This Ordinance may be cited as the Supplementary Appropriation (2016–2017) Ordinance.

2. Approval of appropriation

The appropriation in the manner expressed in the Schedule of a sum of \$8,260,644,566.27 from the general revenue for the services of the Government in the financial year that ended on 31 March 2017 is approved.

Schedule

[s. 2]

Number of Vote	Head of Expenditure	Amount of Vote \$
24	Audit Commission	3,220,384.56
25	Architectural Services Department	56,692,801.44
26	Census and Statistics Department	9,349,032.99
28	Civil Aviation Department	4,339,235.87
30	Correctional Services Department	119,997,834.47
31	Customs and Excise Department	65,931,657.07
33	Civil Engineering and Development Department	29,446,796.61
39	Drainage Services Department	23,496,586.95
48	Government Laboratory	8,517,414.35
49	Food and Environmental Hygiene Department	110,018,604.66
63	Home Affairs Department	32,326,660.42
70	Immigration Department	6,927,463.68
72	Independent Commission Against Corruption	33,068,911.51
74	Information Services Department	8,777,575.57
82	Buildings Department	51,261,227.84
91	Lands Department	45,586,857.15
94	Legal Aid Department	15,977,367.22

Supplementary Appropriation (2016–2017) Bill

Schedule

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Number of Vote	Head of Expenditure	Amount of Vote \$
95	Leisure and Cultural Services Department	58,784,279.72
112	Legislative Council Commission	23,945,185.26
114	Office of The Ombudsman	4,275,000.00
118	Planning Department	5,245,978.64
121	Independent Police Complaints Council	1,952,000.00
122	Hong Kong Police Force	551,460,314.41
140	Government Secretariat: Food and Health Bureau (Health Branch)	1,811,348,299.89
144	Government Secretariat: Constitutional and Mainland Affairs Bureau	840,454.39
155	Government Secretariat: Innovation and Technology Commission	2,392,973.56
156	Government Secretariat: Education Bureau	1,631,227,292.43
160	Radio Television Hong Kong	6,990,781.57
168	Hong Kong Observatory	5,767,901.32
170	Social Welfare Department	2,802,269,197.48
174	Joint Secretariat for the Advisory Bodies on Civil Service and Judicial Salaries and Conditions of Service	1,198,949.25
188	Treasury	6,502,594.65
190	University Grants Committee	644,357,251.27

Supplementary Appropriation (2016–2017) Bill

Schedule

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Number of Vote	Head of Expenditure	Amount of Vote \$
194	Water Supplies Department	77,149,700.07
	Total	<u>8,260,644,566.27</u>

Explanatory Memorandum

This Bill provides for the appropriation of \$8,260,644,566.27 for the financial year that ended on 31 March 2017 in addition to the sum appropriated by the Appropriation Ordinance 2016 (5 of 2016).

Supplementary Appropriation (2016-2017) Bill

Expenditure Head	Original Estimate \$	Actual Expenditure \$	Supplementary Appropriation \$	Major Reasons
24 Audit Commission	161,137,000	164,357,384.56	3,220,384.56	2016-17 civil service pay adjustment
25 Architectural Services Department	1,975,984,000	2,032,676,801.44	56,692,801.44	2016-17 civil service pay adjustment
26 Census and Statistics Department	768,519,000	777,868,032.99	9,349,032.99)
)
28 Civil Aviation Department	945,666,000	950,005,235.87	4,339,235.87)
)
30 Correctional Services Department	3,655,769,000	3,775,766,834.47	119,997,834.47) 2016-17 civil service pay adjustment
)
31 Customs and Excise Department	3,432,065,000	3,497,996,657.07	65,931,657.07)
)
)
33 Civil Engineering and Development Department	2,607,215,000	2,636,661,796.61	29,446,796.61	2016-17 civil service pay adjustment and additional requirement for urgent maintenance work of the North Point Vehicular Ferry Pier

Expenditure Head	Original Estimate \$	Actual Expenditure \$	Supplementary Appropriation \$	Major Reasons
39 Drainage Services Department	2,570,653,000	2,594,149,586.95	23,496,586.95	2016-17 civil service pay adjustment, additional requirements for conducting inspections/cleansing/repairs of sewers, and additional cash flow requirements of commitment items on replacement/procurement of pumping/sewage equipment
48 Government Laboratory	464,970,000	473,487,414.35	8,517,414.35)
49 Food and Environmental Hygiene Department	6,401,904,000	6,511,922,604.66	110,018,604.66)
63 Home Affairs Department	2,393,355,000	2,425,681,660.42	32,326,660.42)
70 Immigration Department	4,268,122,000	4,275,049,463.68	6,927,463.68)
72 Independent Commission Against Corruption	1,011,622,000	1,044,690,911.51	33,068,911.51) 2016-17 civil service pay adjustment
74 Information Services Department	457,589,000	466,366,575.57	8,777,575.57)
82 Buildings Department	1,308,654,000	1,359,915,227.84	51,261,227.84)
91 Lands Department	2,357,013,000	2,402,599,857.15	45,586,857.15)

Expenditure Head	Original Estimate \$	Actual Expenditure \$	Supplementary Appropriation \$	Major Reasons
94 Legal Aid Department	1,007,656,000	1,023,633,367.22	15,977,367.22))
95 Leisure and Cultural Services Department	8,372,380,000	8,431,164,279.72	58,784,279.72)) 2016-17 civil service pay adjustment))
112 Legislative Council Commission	850,107,000	874,052,185.26	23,945,185.26	2016-17 pay adjustment and remuneration and reimbursements for Members of the Legislative Council
114 Office of The Ombudsman	110,820,000	115,095,000.00	4,275,000.00	2016-17 pay adjustment
118 Planning Department	657,196,000	662,441,978.64	5,245,978.64	2016-17 civil service pay adjustment
121 Independent Police Complaints Council	62,263,000	64,215,000.00	1,952,000.00	2016-17 pay adjustment
122 Hong Kong Police Force	17,303,546,000	17,855,006,314.41	551,460,314.41))))
140 Government Secretariat: Food and Health Bureau (Health Branch)	52,238,020,000	54,049,368,299.89	1,811,348,299.89)) 2016-17 civil service pay adjustment))

	Expenditure Head	Original Estimate \$	Actual Expenditure \$	Supplementary Appropriation \$	Major Reasons
144	Government Secretariat: Constitutional and Mainland Affairs Bureau	607,974,000	608,814,454.39	840,454.39))))	
155	Government Secretariat : Innovation and Technology Commission	588,346,000	590,738,973.56	2,392,973.56))))	
156	Government Secretariat: Education Bureau	53,184,149,000	54,815,376,292.43	1,631,227,292.43))	2016-17 civil service pay adjustment
160	Radio Television Hong Kong	978,448,000	985,438,781.57	6,990,781.57)))	
168	Hong Kong Observatory	292,276,000	298,043,901.32	5,767,901.32))	
170	Social Welfare Department	61,631,797,000	64,434,066,197.48	2,802,269,197.48	2016-17 civil service pay adjustment and provision of a one-off extra payment, equal to one month 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	29,211,000	30,409,949.25	1,198,949.25	2016-17 civil service pay adjustment

Expenditure Head		Original Estimate	Actual Expenditure	Supplementary Appropriation	Major Reasons
		\$	\$	\$	
188	Treasury	376,380,000	382,882,594.65	6,502,594.65)
)
190	University Grants Committee	17,966,125,000	18,610,482,251.27	644,357,251.27)
) 2016-17 civil service pay adjustment
)
194	Water Supplies Department	7,923,917,000	8,001,066,700.07	77,149,700.07)
)
	Total	<hr/> 258,960,848,000	<hr/> 267,221,492,566.27	<hr/> 8,260,644,566.27	
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