

LEGISLATIVE COUNCIL BRIEF

SUPPLEMENTARY APPROPRIATION (2018-2019) BILL

INTRODUCTION

A At the meeting of the Executive Council on 8 October 2019, the Council ADVISED and the Chief Executive ORDERED that the Supplementary Appropriation (2018-2019) Bill, at **Annex A**, seeking approval for supplementary appropriation of \$36,753,650,048.95 from the general revenue for the services of the Government in the 2018-2019 financial year, should be introduced into the Legislative Council (LegCo).

JUSTIFICATIONS AND BACKGROUND

2. The Appropriation Ordinance 2018 authorised the expenditure of a total sum of \$462,228,990,000 from the general revenue for the services of the Government in the 2018-2019 financial year and the provision for each head of expenditure as provided for in the 2018-2019 estimates of expenditure.

3. In the course of the 2018-2019 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 2018-2019 civil service pay adjustment, injections into the Innovation and Technology Fund and the Elite Athletes Development Fund, as well as establishment of the Student Activities Support Fund. As required under section 8(8) of the Public Finance Ordinance (Cap.2) (PFO), the Government has provided quarterly updates to LegCo on supplementary provisions approved.

4. The annual accounts for the 2018-2019 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 (2018-2019) BILL (THE BILL)

B 5. For 32 of the 84 heads of expenditure under the General Revenue Account, the actual expenditure for the 2018-2019 financial year exceeded the original appropriation by a total of \$36,753,650,048.95, 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 2018.

LEGISLATIVE TIMETABLE

6. The legislative timetable will be as follows –

Publication in the Gazette	18 October 2019
First Reading and commencement of Second Reading debate	30 October 2019
Resumption of Second Reading debate, committee stage and Third Reading	to be notified

* Section 9 of the PFO provides that: “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 Dr Edward Cheng, Principal Assistant Secretary for Financial Services and the Treasury (Treasury)H, at 2810 3726.

Financial Services and the Treasury Bureau
16 October 2019

A BILL

To

Approve a supplementary appropriation to the services of the Government in the financial year that ended on 31 March 2019.

Enacted by the Legislative Council.

1. Short title

This Ordinance may be cited as the Supplementary Appropriation (2018–2019) Ordinance.

2. Approval of appropriation

The appropriation in the manner expressed in the Schedule of a sum of \$36,753,650,048.95 from the general revenue for the services of the Government in the financial year that ended on 31 March 2019 is approved.

Schedule

[s. 2]

Number of Vote	Head of Expenditure	Amount of Vote \$
24	Audit Commission	3,549,198.92
25	Architectural Services Department	53,772,668.15
30	Correctional Services Department	91,935,379.94
39	Drainage Services Department	6,724,117.80
48	Government Laboratory	13,641,049.35
53	Government Secretariat: Home Affairs Bureau	6,936,578,195.71
72	Independent Commission Against Corruption	26,955,604.53
74	Information Services Department	22,115,991.04
78	Intellectual Property Department	10,311,994.88
79	Invest Hong Kong	4,977,749.35
91	Lands Department	3,373,868.58
94	Legal Aid Department	15,810,579.89
114	Office of The Ombudsman	4,407,000.00
121	Independent Police Complaints Council	2,358,000.00
122	Hong Kong Police Force	374,043,348.85
136	Public Service Commission Secretariat	367,757.42
137	Government Secretariat: Environment Bureau	268,654,781.10

Supplementary Appropriation (2018–2019) Bill

Schedule

3

Number of Vote	Head of Expenditure	Amount of Vote \$
140	Government Secretariat: Food and Health Bureau (Health Branch)	1,940,681,855.22
144	Government Secretariat: Constitutional and Mainland Affairs Bureau	2,992,004.16
147	Government Secretariat: Financial Services and the Treasury Bureau (The Treasury Branch)	426,951.66
156	Government Secretariat: Education Bureau	3,942,330,074.45
158	Government Secretariat: Transport and Housing Bureau (Transport Branch)	8,200,280.94
159	Government Secretariat: Development Bureau (Works Branch)	930,698,782.44
160	Radio Television Hong Kong	25,123,501.18
166	Government Flying Service	431,804,339.11
170	Social Welfare Department	854,001,106.16
174	Joint Secretariat for the Advisory Bodies on Civil Service and Judicial Salaries and Conditions of Service	3,448,995.46
181	Trade and Industry Department	5,400,832.20
188	Treasury	6,268,428.34
190	University Grants Committee	681,532,535.64
194	Water Supplies Department	71,163,076.48
		<u>16,743,650,048.95</u>

Supplementary Appropriation (2018–2019) Bill

Schedule

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Number of Vote	Head of Expenditure	Amount of Vote \$
184	Transfers to Funds	20,010,000,000.00
	Total	<u><u>36,753,650,048.95</u></u>

Explanatory Memorandum

This Bill provides for the appropriation of \$36,753,650,048.95 for the financial year that ended on 31 March 2019 in addition to the sum appropriated by the Appropriation Ordinance 2018 (19 of 2018).

Supplementary Appropriation (2018-2019) Bill

Expenditure Head	Original Estimate \$	Actual Expenditure \$	Supplementary Appropriation \$	Major Reasons
24 Audit Commission	173,725,000	177,274,198.92	3,549,198.92)	
25 Architectural Services Department	2,177,714,000	2,231,486,668.15	53,772,668.15)	Additional expenses arising from the 2018-2019 civil service pay adjustment
30 Correctional Services Department	3,969,152,000	4,061,087,379.94	91,935,379.94)	
39 Drainage Services Department	2,821,876,000	2,828,600,117.80	6,724,117.80)	
48 Government Laboratory	489,331,000	502,972,049.35	13,641,049.35	Additional expenses arising from the 2018-2019 civil service pay adjustment
53 Government Secretariat: Home Affairs Bureau	2,057,808,000	8,994,386,195.71	6,936,578,195.71	Additional cash flow requirements for commitment items on Injection into Arts and Sport Development Fund (Sports Portion) and Injection into Elite Athletes Development Fund
72 Independent Commission Against Corruption	1,120,424,000	1,147,379,604.53	26,955,604.53	Additional expenses arising from the 2018-2019 civil service pay adjustment

Expenditure Head	Original Estimate \$	Actual Expenditure \$	Supplementary Appropriation \$	Major Reasons
74 Information Services Department	499,386,000	521,501,991.04	22,115,991.04	Additional expenses arising from the 2018-2019 civil servant pay adjustment, and enhanced publicity outside Hong Kong
78 Intellectual Property Department	167,172,000	177,483,994.88	10,311,994.88	Additional expenses arising from the 2018-2019 civil service pay adjustment, and additional requirements for enhancing the capacity in delivering statutory registration functions
79 Invest Hong Kong	139,008,000	143,985,749.35	4,977,749.35	Additional expenses arising from the 2018-2019 civil service pay adjustment, and additional requirements for investment promotion
91 Lands Department	2,750,380,000	2,753,753,868.58	3,373,868.58	Additional requirements for removing and clearing fallen trees and debris arising from typhoons
94 Legal Aid Department	1,116,769,000	1,132,579,579.89	15,810,579.89	Additional expenses arising from the 2018-2019 civil service pay adjustment, and increase in legal aid costs
114 Office of The Ombudsman	117,139,000	121,546,000.00	4,407,000.00) Additional expenses arising from the 2018-2019 pay adjustment
121 Independent Police Complaints Council	76,841,000	79,199,000.00	2,358,000.00	

	Expenditure Head	Original Estimate \$	Actual Expenditure \$	Supplementary Appropriation \$	Major Reasons
122	Hong Kong Police Force	19,662,158,000	20,036,201,348.85	374,043,348.85) Additional expenses arising from the 2018-2019 civil service pay adjustment
136	Public Service Commission Secretariat	27,074,000	27,441,757.42	367,757.42	
137	Government Secretariat: Environment Bureau	91,794,000	360,448,781.10	268,654,781.10	Additional cash flow requirements for commitment item on Electricity Charges Relief Scheme
140	Government Secretariat: Food and Health Bureau (Health Branch)	63,342,179,000	65,282,860,855.22	1,940,681,855.22	Additional expenses arising from the 2018-2019 civil service pay adjustment
144	Government Secretariat: Constitutional and Mainland Affairs Bureau	676,072,000	679,064,004.16	2,992,004.16	Additional requirements for organisation of various celebration activities
147	Government Secretariat: Financial Services and the Treasury Bureau (The Treasury Branch)	304,311,000	304,737,951.66	426,951.66	Additional expenses arising from the 2018-2019 civil service pay adjustment

	Expenditure Head	Original Estimate \$	Actual Expenditure \$	Supplementary Appropriation \$	Major Reasons
156	Government Secretariat: Education Bureau	63,702,930,000	67,645,260,074.45	3,942,330,074.45	Additional expenses arising from the 2018-2019 civil service pay adjustment, and additional cash flow requirements for commitment items on Establishment of the Student Activities Support Fund, Injection into the Gifted Education Fund and Payment of examination fees for school candidates sitting for the 2019 Hong Kong Diploma of Secondary Education Examination
158	Government Secretariat: Transport and Housing Bureau (Transport Branch)	293,494,000	301,694,280.94	8,200,280.94	Additional expenses arising from the 2018-2019 civil service pay adjustment
159	Government Secretariat: Development Bureau (Works Branch)	583,330,000	1,514,028,782.44	930,698,782.44	Additional cash flow requirements for injection into the Construction Innovation and Technology Fund
160	Radio Television Hong Kong	1,012,461,000	1,037,584,501.18	25,123,501.18	Additional expenses arising from the 2018-2019 civil service pay adjustment, and additional cash flow requirements for commitment item on Establishment of Fill-in Stations for the Digital Terrestrial Television service of Radio Television Hong Kong and Minor plant, vehicles and equipment (block vote)

Expenditure Head	Original Estimate \$	Actual Expenditure \$	Supplementary Appropriation \$	Major Reasons
166 Government Flying Service	622,890,000	1,054,694,339.11	431,804,339.11	Additional cash flow requirements for commitment item on Procurement of seven helicopters and the associated mission equipment
170 Social Welfare Department	84,204,368,000	85,058,369,106.16	854,001,106.16	Additional expenses for the Social Security Allowance Scheme to meet the higher than expected increase in number of cases of Old Age Living Allowance (OALA) and proportion of Higher OALA cases
174 Joint Secretariat for the Advisory Bodies on Civil Service and Judicial Salaries and Conditions of Service	33,757,000	37,205,995.46	3,448,995.46	Additional expenses arising from the 2018-2019 civil service pay adjustment, and additional expenses arising from the need for additional manpower to support the conduct of grade structure reviews
181 Trade and Industry Department	775,251,000	780,651,832.20	5,400,832.20	Additional cash flow requirements for commitment items on Export Marketing and Trade and Industrial Organisation Support Fund and Dedicated Fund on Branding, Upgrading and Domestic Sales
188 Treasury	406,795,000	413,063,428.34	6,268,428.34) Additional expenses arising from the 2018-2019 civil service pay adjustment
190 University Grants Committee	22,207,113,000	22,888,645,535.64	681,532,535.64	

Expenditure Head	Original Estimate \$	Actual Expenditure \$	Supplementary Appropriation \$	Major Reasons
194 Water Supplies Department	8,403,976,000	8,475,139,076.48	71,163,076.48	Additional expenses arising from the 2018-2019 civil service pay adjustment
	<hr/> 284,026,678,000	<hr/> 300,770,328,048.95	<hr/> 16,743,650,048.95	
184 Transfers to Funds	2,590,000,000	22,600,000,000	20,010,000,000	Injection of funds into the Innovation and Technology Fund
Total	<hr/> 286,616,678,000	<hr/> 323,370,328,048.95	<hr/> 36,753,650,048.95	
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