

LEGISLATIVE COUNCIL BRIEF

SUPPLEMENTARY APPROPRIATION (2019-2020) BILL

INTRODUCTION

A At the meeting of the Executive Council on 20 October 2020, the Council ADVISED and the Chief Executive ORDERED that the Supplementary Appropriation (2019-2020) Bill, at **Annex A**, seeking approval for supplementary appropriation of \$62,596,672,879.91 from the general revenue for the services of the Government in the 2019-2020 financial year, should be introduced into the Legislative Council (LegCo).

JUSTIFICATIONS AND BACKGROUND

2. The Appropriation Ordinance 2019 approved the expenditure of a total sum of \$515,794,785,000 from the general revenue for the services of the Government in the 2019-2020 financial year and the provision for each head of expenditure as provided for in the 2019-2020 estimates of expenditure.

3. In the course of the 2019-2020 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 injections into the Anti-epidemic Fund and the Research Endowment Fund, the 2019-2020 civil service pay adjustment and the disciplined services overtime allowance, as well as the requirements for 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. 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 2019-2020 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 (2019-2020) BILL (THE BILL)

5. For 28 of the 84 heads of expenditure under the General Revenue Account, the actual expenditure for the 2019-2020 financial year exceeded the original appropriation by a total of B \$62,596,672,879.91, 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 2019.

LEGISLATIVE TIMETABLE

6. The legislative timetable will be as follows –

Publication in the Gazette	30 October 2020
First Reading and commencement of Second Reading debate	4 November 2020
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
28 October 2020

A BILL

To

Approve a supplementary appropriation to the services of the Government in the financial year that ended on 31 March 2020.

Enacted by the Legislative Council.

1. Short title

This Ordinance may be cited as the Supplementary Appropriation (2019–2020) Ordinance.

2. Approval of appropriation

The appropriation in the manner expressed in the Schedule of a sum of \$62,596,672,879.91 from the general revenue for the services of the Government in the financial year that ended on 31 March 2020 is approved.

Schedule

[s. 2]

Number of Vote	Head of Expenditure	Amount of Vote \$
21	Chief Executive's Office	1,882,550.78
24	Audit Commission	3,585,607.24
25	Architectural Services Department	24,497,855.01
30	Correctional Services Department	80,272,221.12
39	Drainage Services Department	24,182,742.99
47	Government Secretariat: Office of the Government Chief Information Officer ...	31,585,399.13
48	Government Laboratory	13,627,164.40
62	Housing Department	1,429,830,631.41
72	Independent Commission Against Corruption	26,137,067.90
74	Information Services Department	19,698,684.11
78	Intellectual Property Department	4,045,865.53
79	Invest Hong Kong	322,373.07
82	Buildings Department	17,976,189.63
91	Lands Department	86,900,219.86
114	Office of The Ombudsman	5,364,000.00
121	Independent Police Complaints Council	9,607,000.00
122	Hong Kong Police Force	3,019,258,418.27

Supplementary Appropriation (2019–2020) Bill

Schedule

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Number of Vote	Head of Expenditure	Amount of Vote \$
136	Public Service Commission Secretariat	775,025.77
140	Government Secretariat: Food and Health Bureau (Health Branch)	2,376,575,170.97
142	Government Secretariat: Offices of the Chief Secretary for Administration and the Financial Secretary	29,926,442,966.08
147	Government Secretariat: Financial Services and the Treasury Bureau (The Treasury Branch)	740,750,391.18
156	Government Secretariat: Education Bureau	1,954,068,404.68
160	Radio Television Hong Kong	20,596,078.10
170	Social Welfare Department	1,042,777,624.55
181	Trade and Industry Department	33,726,295.05
188	Treasury	11,149,555.64
190	University Grants Committee	21,602,035,352.45
194	Water Supplies Department	89,002,024.99
	Total	62,596,672,879.91

Supplementary Appropriation (2019–2020) Bill

Schedule

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Explanatory Memorandum

This Bill provides for the appropriation of \$62,596,672,879.91 for the financial year that ended on 31 March 2020 in addition to the sum appropriated by the Appropriation Ordinance 2019 (8 of 2019).

Supplementary Appropriation (2019-2020) Bill

Head of Expenditure	Original Estimate \$	Actual Expenditure \$	Supplementary Appropriation \$	Major Reasons
21 Chief Executive's Office	120,545,000	122,427,550.78	1,882,550.78)	
24 Audit Commission	182,882,000	186,467,607.24	3,585,607.24)	
25 Architectural Services Department	2,379,893,000	2,404,390,855.01	24,497,855.01)	
30 Correctional Services Department	4,228,478,000	4,308,750,221.12	80,272,221.12)	Additional expenses arising from the 2019-2020 civil service pay adjustment
39 Drainage Services Department	2,935,378,000	2,959,560,742.99	24,182,742.99)	
47 Government Secretariat: Office of the Government Chief Information Officer	806,504,000	838,089,399.13	31,585,399.13	Additional expenses arising from the 2019-2020 civil service pay adjustment, and additional cash flow requirements for the commitment item on Internet Access for Needy Students
48 Government Laboratory	538,622,000	552,249,164.40	13,627,164.40	Additional expenses arising from the 2019-2020 civil service pay adjustment

Head of Expenditure	Original Estimate \$	Actual Expenditure \$	Supplementary Appropriation \$	Major Reasons
62 Housing Department	357,962,000	1,787,792,631.41	1,429,830,631.41	Additional requirements for 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
72 Independent Commission Against Corruption	1,167,704,000	1,193,841,067.90	26,137,067.90	Additional expenses arising from the 2019-2020 civil service pay adjustment
74 Information Services Department	545,982,000	565,680,684.11	19,698,684.11	Additional expenses arising from the 2019-2020 civil service pay adjustment, and additional requirements for enhancing communications and relaunch Hong Kong
78 Intellectual Property Department	185,778,000	189,823,865.53	4,045,865.53)
79 Invest Hong Kong	144,307,000	144,629,373.07	322,373.07)
82 Buildings Department	1,656,263,000	1,674,239,189.63	17,976,189.63) Additional expenses arising from the 2019-2020 civil service pay adjustment
91 Lands Department	3,017,840,000	3,104,740,219.86	86,900,219.86)
114 Office of The Ombudsman	122,055,000	127,419,000.00	5,364,000.00	Additional expenses arising from the 2019-2020 pay adjustment

Head of Expenditure	Original Estimate \$	Actual Expenditure \$	Supplementary Appropriation \$	Major Reasons
121 Independent Police Complaints Council	95,852,000	105,459,000.00	9,607,000.00	Additional expenses arising from the 2019-2020 pay adjustment, and requirements for IPCC Thematic Study on the Public Order Events arising from the “Fugitive Offenders and Mutual Legal Assistance in Criminal Matters Legislation (Amendment) Bill 2019” since June 2019
122 Hong Kong Police Force	20,682,101,000	23,701,359,418.27	3,019,258,418.27	Additional expenses arising from the 2019-2020 civil service pay adjustment, and additional requirements for disciplined services overtime allowance
136 Public Service Commission Secretariat	27,694,000	28,469,025.77	775,025.77)
140 Government Secretariat: Food and Health Bureau (Health Branch)	71,181,690,000	73,558,265,170.97	2,376,575,170.97) Additional expenses arising from the 2019-2020 civil service pay adjustment))
142 Government Secretariat: Offices of the Chief Secretary for Administration and the Financial Secretary	1,030,663,000	30,957,105,966.08	29,926,442,966.08	Additional cash flow requirements for injection into the Anti-epidemic Fund

	Head of Expenditure	Original Estimate \$	Actual Expenditure \$	Supplementary Appropriation \$	Major Reasons
147	Government Secretariat: Financial Services and the Treasury Bureau (The Treasury Branch)	305,311,000	1,046,061,391.18	740,750,391.18	Additional cash flow requirement for commitment item on Electricity Charges Subsidy for Eligible Residential Accounts
156	Government Secretariat: Education Bureau	67,944,609,000	69,898,677,404.68	1,954,068,404.68)
160	Radio Television Hong Kong	1,021,055,000	1,041,651,078.10	20,596,078.10) Additional expenses arising from the 2019-2020 civil service pay adjustment)
170	Social Welfare Department	85,115,708,000	86,158,485,624.55	1,042,777,624.55	Provision of a one-off extra payment, equivalent to one month of the standard rates/allowances, to social security recipients
181	Trade and Industry Department	929,794,000	963,520,295.05	33,726,295.05	Additional cash flow requirements for commitment items on SME Loan Guarantee Scheme, and Export Marketing and Trade and Industrial Organisation Support Fund
188	Treasury	432,932,000	444,081,555.64	11,149,555.64	Additional expenses arising from the 2019-2020 civil service pay adjustment

Head of Expenditure	Original Estimate \$	Actual Expenditure \$	Supplementary Appropriation \$	Major Reasons
190 University Grants Committee	22,500,710,000	44,102,745,352.45	21,602,035,352.45	Additional expenses arising from the 2019-2020 civil service pay adjustment and additional cash flow requirements for commitment items on Injection into Research Endowment Fund, Research Matching Grant Scheme and Eighth Matching Grant Scheme
194 Water Supplies Department	8,674,551,000	8,763,553,024.99	89,002,024.99	Additional expenses arising from the 2019-2020 civil service pay adjustment
Total	298,332,863,000	360,929,535,879.91	62,596,672,879.91	