

LEGISLATIVE COUNCIL BRIEF

SUPPLEMENTARY APPROPRIATION (2020-2021) BILL

INTRODUCTION

At the meeting of the Executive Council on 10 August 2021, the Council ADVISED and the Chief Executive ORDERED that the Supplementary Appropriation (2020-2021) Bill seeking approval for supplementary appropriation of \$173,025,795,082.19 from the general revenue for the services of the Government in the 2020-2021 financial year, at **Annex A**, should be introduced into the Legislative Council (LegCo).

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JUSTIFICATIONS AND BACKGROUND

2. The Appropriation Ordinance 2020 approved the expenditure of a total sum of \$627,233,901,000 from the general revenue for the services of the Government in the 2020-2021 financial year and the provision for each head of expenditure as provided for in the 2020-2021 estimates of expenditure.

3. In the course of the 2020-2021 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 Capital Investment Fund, launching the 100% Personal Loan Guarantee Scheme, as well as providing funding support to the Ocean Park Corporation. 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 2020-2021 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.

SUPPLEMENTARY APPROPRIATION (2020-2021) BILL (BILL)

5. For eight of the 84 heads of expenditure under the General Revenue Account, the actual expenditure for the 2020-2021 financial year exceeded the original appropriation by a total of B \$173,025,795,082.19, 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 2020.

LEGISLATIVE TIMETABLE

6. The legislative timetable will be as follows –

Publication in the Gazette	27 August 2021
First Reading and commencement of Second Reading debate	1 September 2021
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 Mr Ronald Fan, Principal Assistant Secretary for Financial Services and the Treasury (Treasury)H, at 2810 3726.

Financial Services and the Treasury Bureau
25 August 2021

A BILL

To

Approve a supplementary appropriation to the services of the Government in the financial year that ended on 31 March 2021.

Enacted by the Legislative Council.

1. Short title

This Ordinance may be cited as the Supplementary Appropriation (2020–2021) Ordinance.

2. Approval of appropriation

The appropriation in the manner expressed in the Schedule of a sum of \$173,025,795,082.19 from the general revenue for the services of the Government in the financial year that ended on 31 March 2021 is approved.

Schedule

[s. 2]

Number of Vote	Head of Expenditure	Amount of Vote \$
39	Drainage Services Department	13,579,895.92
47	Government Secretariat: Office of the Government Chief Information Officer	12,824,871.68
120	Pensions	28,838,299.85
140	Government Secretariat: Food and Health Bureau (Health Branch)	1,649,333,443.99
142	Government Secretariat: Offices of the Chief Secretary for Administration and the Financial Secretary	132,132,641,918.74
148	Government Secretariat: Financial Services and the Treasury Bureau (Financial Services Branch)	7,854,676,557.84
152	Government Secretariat: Commerce and Economic Development Bureau (Commerce, Industry and Tourism Branch)	7,755,450,094.17
		149,447,345,082.19
184	Transfers to Funds	23,578,450,000.00
	Total	173,025,795,082.19

Explanatory Memorandum

This Bill provides for the appropriation of \$173,025,795,082.19 for the financial year that ended on 31 March 2021 in addition to the sum appropriated by the Appropriation Ordinance 2020 (1 of 2020).

Supplementary Appropriation (2020-2021) Bill

Head of Expenditure	Original Estimate \$	Actual Expenditure \$	Supplementary Appropriation \$	Major Reasons
39 Drainage Services Department	3,117,301,000	3,130,880,895.92	13,579,895.92	Additional expenses arising from the measures in response to the COVID-19 pandemic, additional requirements for minor plant, vehicles and equipment (block vote) and additional cash flow requirements for the commitment item on ‘Replacement of control system for main pumps at Tseung Kwan O Pumping Station’
47 Government Secretariat: Office of the Government Chief Information Officer	881,583,000	894,407,871.68	12,824,871.68	Additional cash flow requirements for the commitment item on Enriched IT Programme in Schools (formerly known as “Enriched IT Programme in Secondary Schools”)
120 Pensions	42,660,595,000	42,689,433,299.85	28,838,299.85	Additional requirements for payment of pension benefits
140 Government Secretariat: Food and Health Bureau (Health Branch)	78,433,213,000	80,082,546,443.99	1,649,333,443.99	Additional expenses for the Hospital Authority to combat the epidemic, and additional cash flow requirements for a new commitment item on the “Special Support Scheme for Hospital Authority’s chronic disease patients living in the Guangdong Province to sustain their medical consultation under Coronavirus Disease 2019”

	Original Estimate	Actual Expenditure	Supplementary Appropriation	Major Reasons
Head of Expenditure	\$	\$	\$	
142 Government Secretariat: Offices of the Chief Secretary for Administration and the Financial Secretary	1,131,273,000	133,263,914,918.74	132,132,641,918.74	Additional cash flow requirements for injection into the Anti-epidemic Fund
148 Government Secretariat: Financial Services and the Treasury Bureau (Financial Services Branch)	1,165,415,000	9,020,091,557.84	7,854,676,557.84	Cash flow requirements for launching the 100% Personal Loan Guarantee Scheme
152 Government Secretariat: Commerce and Economic Development Bureau (Commerce, Industry and Tourism Branch)	3,432,635,000	11,188,085,094.17	7,755,450,094.17	Additional cash flow requirements for commitment items on Funding Support to the Ocean Park Corporation and SME Financing Guarantee Scheme – Special Concessionary Measures
	<hr/> 130,822,015,000	<hr/> 280,269,360,082.19	<hr/> 149,447,345,082.19	
184 Transfers to Funds	1,899,000,000	25,477,450,000.00	23,578,450,000.00	Injection of funds into the Capital Investment Fund, Innovation and Technology Fund and Loan Fund
Total	<hr/> <hr/> 132,721,015,000	<hr/> <hr/> 305,746,810,082.19	<hr/> <hr/> 173,025,795,082.19	