

Head 147 — GOVERNMENT SECRETARIAT: FINANCE BUREAU

Controlling officer: the Secretary for the Treasury will account for expenditure under this Head.

Estimate 2000–01 **\$117.8m**

Establishment ceiling 2000–01 (notional annual mid-point salary value) representing an estimated 179 non-directorate posts at 31 March 2000 reducing by seven posts to 172 posts at 31 March 2001 ... **\$74.2m**

In addition there will be an estimated 18 directorate posts at 31 March 2000 and at 31 March 2001.

Controlling Officer's Report

Programmes

Programme (1) Revenue and Financial Control This programme contributes to Policy Area 25: Revenue Collection and Financial Control (Secretary for the Treasury).

Programme (2) Service Departments This programme contributes to Policy Area 27: Intra-Governmental Services (Secretary for the Treasury).

Detail

Programme (1): Revenue and Financial Control

	1998–99 (Actual)	1999–2000 (Approved)	1999–2000 (Revised)	2000–01 (Estimate)
Financial provision (\$m)	64.9	69.8 (+7.6%)	89.2 (+27.8%)	70.7 (–20.7%)

Aim

2 The aim is to ensure the prudent management of public finances and to foster economic growth by leaving resources, as far as possible, in the private sector where they can be productively employed.

Brief Description

3 Finance Bureau's work under this programme is to formulate, co-ordinate and implement policies and programmes:

- to ensure that the growth of government expenditure over time is in line with the trend growth rate of the economy;
- to ensure that the resources available are directed towards those areas where they will be of most benefit to the community;
- to promote value for money in the delivery of government services;
- to improve Hong Kong's competitiveness and living environment by investing in major infrastructure projects;
- to maintain a low, simple and predictable tax system which encourages investment and enterprise;
- to combat tax evasion and minimise opportunities for tax avoidance;
- to raise sufficient revenue to cover our spending commitments; and
- to maintain adequate fiscal reserves to provide a cushion against future uncertainties.

Matters Requiring Special Attention in 2000–01

4 During 2000–01, the bureau will:

- continue to drive the Enhanced Productivity Programme to improve productivity and efficiency across the Government (including the subvented sector) with a view to releasing further resources from the baseline to fund new initiatives and meeting the overall target of 5% savings in the baseline operating expenditure by 2002–03;
- consider major investment and loan proposals in support of economic and social development;
- continue to combat tax evasion and step up efforts to recover outstanding tax payments; and
- maintain the real value of fees and charges for government services by regular revisions, once the GDP growth rate has turned firmly positive.

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Programme (2): Service Departments

	1998–99 (Actual)	1999–2000 (Approved)	1999–2000 (Revised)	2000–01 (Estimate)
Financial provision (\$m)	43.3	46.5 (+7.4%)	47.2 (+1.5%)	47.1 (–0.2%)

Aim

5 The aim is to ensure that government departments receive the central support services necessary to enable them to maintain and upgrade the level and quality of the services they provide to the public in an efficient and cost-effective manner.

Brief Description

- 6 Finance Bureau's work under this programme is to formulate and co-ordinate policies and programmes:
- to ensure the efficient and cost-effective delivery of central support services under its purview (i.e. financial management, procurement, land transport, printing and accommodation); and
 - to ensure that service departments can provide quality support services to meet the needs of their customers.

Matters Requiring Special Attention in 2000–01

- 7 During 2000–01, the bureau will:
- continue to review, in conjunction with the service departments, the mode of delivery of central support services under its purview to improve efficiency, meet customers' operational needs and improve customer satisfaction; and
 - continue to review existing and planned use of Government, Institution and Community(GIC) sites so as to achieve optimal utilisation.

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ANALYSIS OF FINANCIAL PROVISION

Programme	1998-99 (Actual) (\$m)	1999-2000 (Approved) (\$m)	1999-2000 (Revised) (\$m)	2000-01 (Estimate) (\$m)
(1) Revenue and Financial Control	64.9	69.8	89.2	70.7
(2) Service Departments.....	43.3	46.5	47.2	47.1
	<u>108.2</u>	<u>116.3</u> (+7.5%)	<u>136.4</u> (+17.3%)	<u>117.8</u> (-13.6%)

Analysis of Financial and Staffing Provision

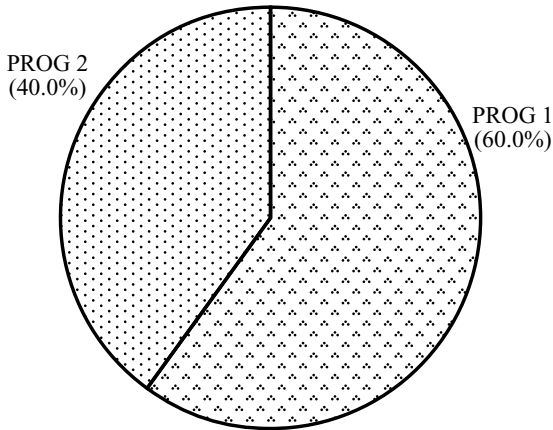
Programme (1)

Provision for 2000-01 is \$18.5 million (20.7%) lower than the revised estimate for 1999-2000. This is mainly due to completion of consultancy projects, the full-year effect of posts deleted in 1999-2000, deletion of four posts in 2000-01, and reduced operating expenses under the Enhanced Productivity Programme, partly offset by salary increments for existing staff and additional provision required for staff on pre-retirement leave.

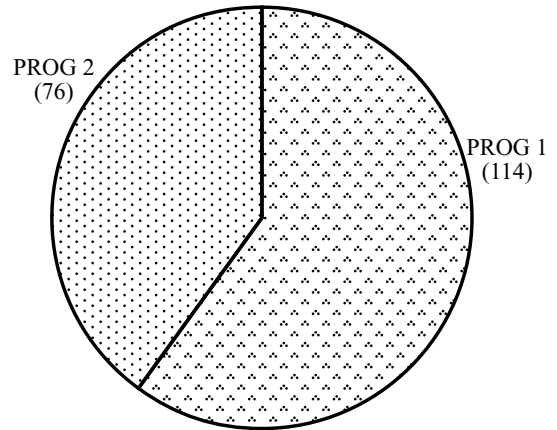
Programme (2)

Provision for 2000-01 is \$0.1 million (0.2%) lower than the revised estimate for 1999-2000. This is mainly due to the full-year effect of posts deleted in 1999-2000, deletion of three posts in 2000-01 and reduced operating expenses under the Enhanced Productivity Programme, partly offset by salary increments for existing staff and additional provision required for staff on pre-retirement leave.

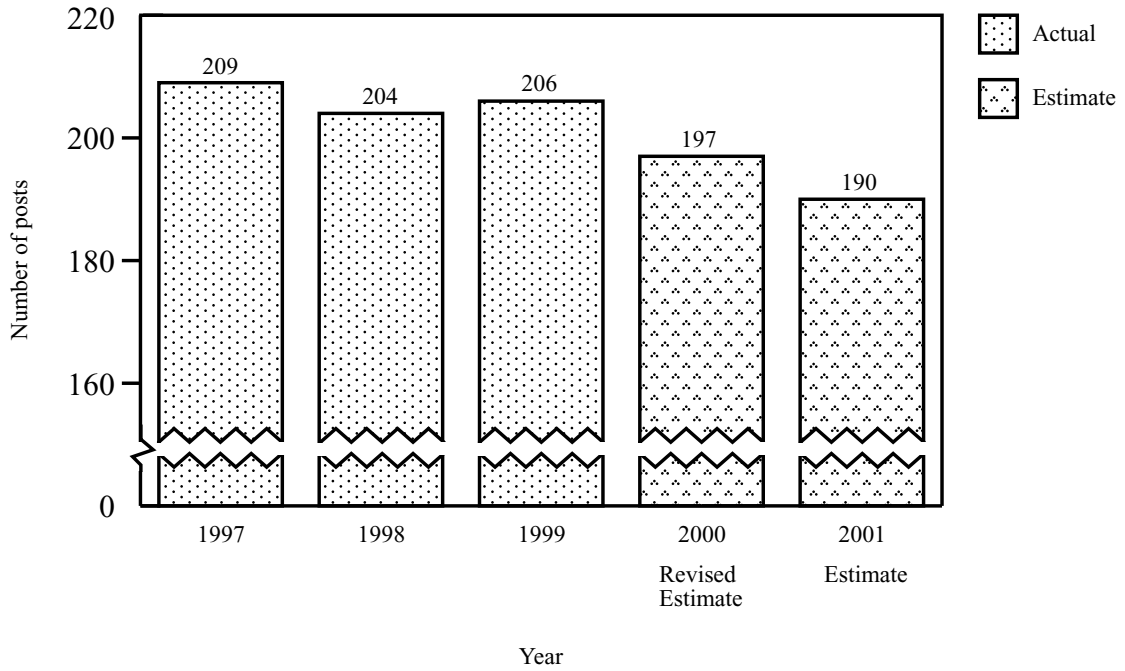
Allocation of provision to programmes (2000-01)



Staff by programme (as at 31 March 2001)



Changes in the size of the establishment (as at 31 March)



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Sub-head (Code)	Actual expenditure 1998–99	Approved estimate 1999–2000	Revised estimate 1999–2000	Estimate 2000–01	
	\$'000	\$'000	\$'000	\$'000	
Recurrent Account					
I — Personal Emoluments					
001	Salaries	93,423	95,807	95,926	96,563
002	Allowances	6,041	6,241	5,591	5,582
007	Job-related allowances	17	17	17	17
	Total, Personal Emoluments	<u>99,481</u>	<u>102,065</u>	<u>101,534</u>	<u>102,162</u>
III — Departmental Expenses					
110	Honoraria for members of committees.....	3,502	5,108	5,108	4,960
149	General departmental expenses	5,249	9,006	11,106	10,704
	Total, Departmental Expenses	<u>8,751</u>	<u>14,114</u>	<u>16,214</u>	<u>15,664</u>
	Total, Recurrent Account.....	<u>108,232</u>	<u>116,179</u>	<u>117,748</u>	<u>117,826</u>
Capital Account					
I — Plant, Equipment and Works					
	Minor plant, vehicles and equipment (block vote).....	—	160	111	—
	Total, Plant, Equipment and Works	<u>—</u>	<u>160</u>	<u>111</u>	<u>—</u>
II — Other Non-Recurrent					
	General other non-recurrent	—	—	18,550	—
	Total, Other Non-Recurrent	<u>—</u>	<u>—</u>	<u>18,550</u>	<u>—</u>
	Total, Capital Account.....	<u>—</u>	<u>160</u>	<u>18,661</u>	<u>—</u>
	Total Expenditure	<u><u>108,232</u></u>	<u><u>116,339</u></u>	<u><u>136,409</u></u>	<u><u>117,826</u></u>

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Details of Expenditure by Subhead

The estimate of the amount required in 2000–01 for the salaries and expenses of the Finance Bureau is \$117,826,000. This represents a decrease of \$18,583,000 against the revised estimate for 1999–2000 and an increase of \$9,594,000 on actual expenditure in 1998–99.

Recurrent Account

Personal Emoluments

2 Provision of \$102,162,000 for personal emoluments represents an increase of \$628,000 over the revised estimate for 1999–2000 and takes into account salary increments for existing staff and additional provision required for staff on pre-retirement leave, partly offset by reduced requirement due to deletion of posts.

3 The establishment at 31 March 2000 will be 197 permanent posts. It is expected that seven permanent posts will be deleted in 2000–01.

4 Subject to certain conditions, the controlling officer may under delegated powers create or delete non-directorate posts during 2000–01, but the notional annual mid-point salary value of all such posts must not exceed \$74,225,000 which will be reduced to \$72,384,000 upon the deletion of seven posts in the course of the year.

5 Provision of \$5,582,000 under *Subhead 002 Allowances* is for standard allowances and the following non-standard allowance—

	Rank	Master Pay Scale point	Rate per month† \$
consolidated overtime allowance for Chauffeur grade	Chauffeur	6	5,570
		7	5,940
		8	6,330
		9	6,740
		10	7,145

† These rates are payable for the first 1–100 hours overtime per month. Overtime performed in excess of 100 hours will be compensated at 1% of the monthly rate per hour.

6 Provision of \$17,000 under *Subhead 007 Job-related allowances* is for standard job-related allowances.

Departmental Expenses

7 Provision of \$4,960,000 under *Subhead 110 Honoraria for members of committees* is for the payment of remuneration and fees to the Chairman, Deputy Chairman and Members of the Board of Review (Inland Revenue).

8 Provision of \$10,704,000 under *Subhead 149 General departmental expenses* represents a decrease of \$402,000 (3.6%) against the revised estimate for 1999–2000. This is mainly due to reduced operating expenses under the Enhanced Productivity Programme.