

## Head 147 — GOVERNMENT SECRETARIAT: FINANCE BUREAU

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

**Estimate 2001–02**..... **\$118.3m**

**Establishment ceiling 2001–02** (notional annual mid-point salary value) representing an estimated 171 non-directorate posts at 31 March 2001 reducing by 11 posts to 160 posts at 31 March 2002..... **\$71.4m**

In addition there will be an estimated 18 directorate posts at 31 March 2001 and at 31 March 2002.

### 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

	1999–2000 (Actual)	2000–01 (Approved)	2000–01 (Revised)	2001–02 (Estimate)
Financial provision (\$m)	78.1	70.7 (–9.5%)	71.1 (+0.6%)	<b>71.0</b> <b>(–0.1%)</b>

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

#### Matters Requiring Special Attention in 2001–02

**4** During 2001–02, the bureau will:

- continue to drive the Enhanced Productivity Programme to improve productivity and efficiency across the Government and 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;
- support corporatisation or privatisation initiatives as they arise;
- support the work of the Advisory Committee set up to advise on what types of broad-based taxes may be suitable for Hong Kong should there be such a need to introduce such taxes, having regard to the overriding principle of maintaining a low and simple taxation regime and preserving Hong Kong's competitiveness;
- continue with the work of the Task Force set up to examine whether the Government's projected operating deficits are cyclical or structural in nature and whether and, if so, what changes should be made to the existing tax system;

## Head 147 — GOVERNMENT SECRETARIAT: FINANCE BUREAU

---

- continue to combat tax evasion and step up efforts to recover outstanding tax payments; and
- maintain the ‘ user pays’ principle for government services by regular revisions of fees and charges.

### Programme (2): Service Departments

	1999–2000 (Actual)	2000–01 (Approved)	2000–01 (Revised)	2001–02 (Estimate)
Financial provision (\$m)	52.1	47.1 (–9.6%)	47.3 (+0.4%)	47.3 (0.0%)

### 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
  - ensure that the service departments provide quality support services to meet the needs of their customers.

### Matters Requiring Special Attention in 2001–02

7 During 2001–02, 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 the existing and planned use of Government, Institution and Community (GIC) sites so as to achieve optimal utilisation.

## Head 147 — GOVERNMENT SECRETARIAT: FINANCE BUREAU

---

### ANALYSIS OF FINANCIAL PROVISION

<b>Programme</b>	1999–2000 (Actual) (\$m)	2000–01 (Approved) (\$m)	2000–01 (Revised) (\$m)	<b>2001–02 (Estimate) (\$m)</b>
(1) Revenue and Financial Control.....	78.1	70.7	71.1	<b>71.0</b>
(2) Service Departments .....	52.1	47.1	47.3	<b>47.3</b>
	<hr/>	<hr/>	<hr/>	<hr/>
	130.2	117.8 (-9.5%)	118.4 (+0.5%)	<b>118.3 (-0.1%)</b>

#### Analysis of Financial and Staffing Provision

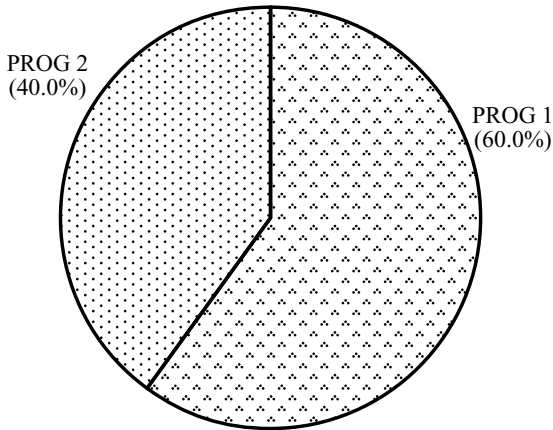
##### Programme (1)

Provision for 2001–02 is \$0.1 million (0.1%) lower than the revised estimate for 2000–01. This is mainly due to completion of a consultancy project, the full-year effect of posts deleted in 2000–01 and reduced operating expenses under the Enhanced Productivity Programme, partly offset by salary increments for existing staff. In addition, a net seven posts will be deleted in 2001–02 under the Enhanced Productivity Programme.

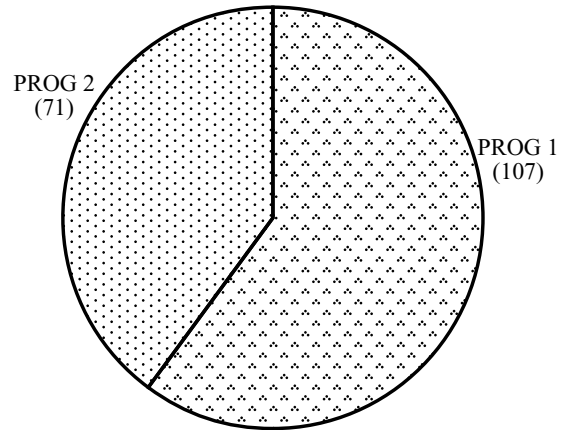
##### Programme (2)

Provision for 2001–02 is the same as the revised estimate for 2000–01. This represents the full-year effect of posts deleted in 2000–01 and reduced operating expenses under the Enhanced Productivity Programme, partly offset by salary increments for existing staff. In addition, four posts will be deleted in 2001–02 under the Enhanced Productivity Programme.

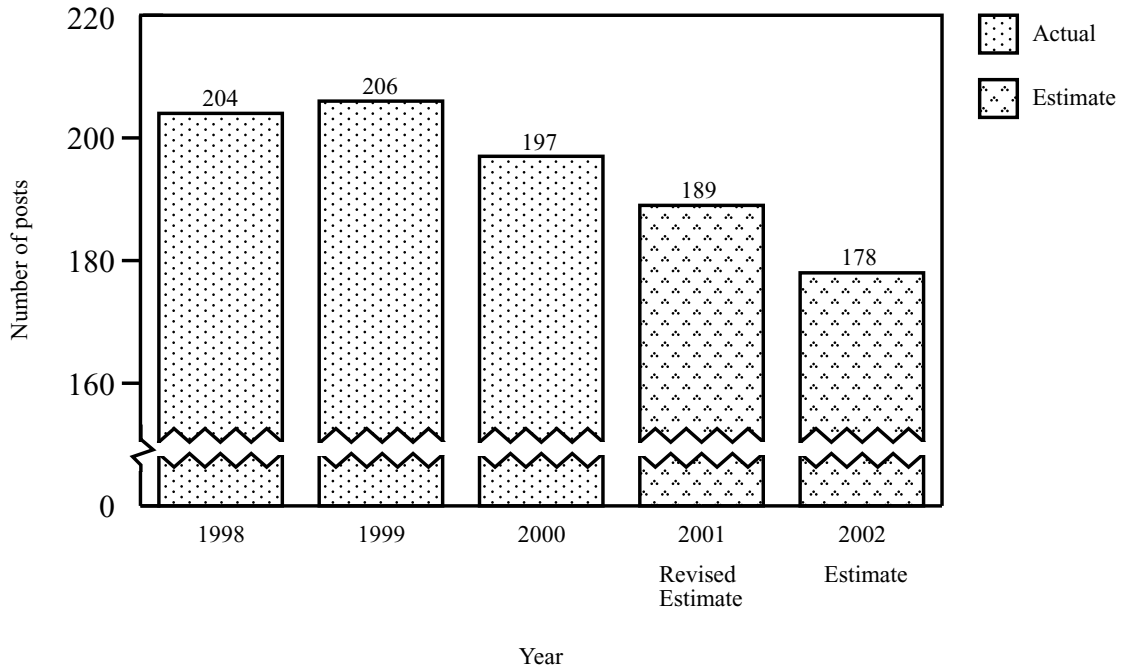
*Allocation of provision to programmes (2001-02)*



*Staff by programme (as at 31 March 2002)*



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



## Head 147 — GOVERNMENT SECRETARIAT: FINANCE BUREAU

Sub-head (Code)	Actual expenditure 1999–2000	Approved estimate 2000–01	Revised estimate 2000–01	Estimate 2001–02	
	\$ 000	\$ 000	\$ 000	\$'000	
<b>Recurrent Account</b>					
I — Personal Emoluments					
001	Salaries.....	94,248	96,563	97,986	<b>99,158</b>
002	Allowances.....	6,025	5,582	4,682	<b>4,682</b>
007	Job-related allowances.....	17	17	6	<b>6</b>
	Total, Personal Emoluments .....	100,290	102,162	102,674	<b>103,846</b>
III — Departmental Expenses					
110	Honoraria for members of committees .....	3,792	4,960	4,718	<b>5,272</b>
149	General departmental expenses.....	8,409	10,704	10,404	<b>9,140</b>
	Total, Departmental Expenses .....	12,201	15,664	15,122	<b>14,412</b>
	Total, Recurrent Account .....	112,491	117,826	117,796	<b>118,258</b>
<b>Capital Account</b>					
I — Plant, Equipment and Works					
	Minor plant, vehicles and equipment (block vote).....	111	—	—	—
	Total, Plant, Equipment and Works .....	111	—	—	—
II — Other Non-Recurrent					
	General other non-recurrent.....	17,599	—	643	—
	Total, Other Non-Recurrent.....	17,599	—	643	—
	Total, Capital Account.....	17,710	—	643	—
	Total Expenditure .....	<u>130,201</u>	<u>117,826</u>	<u>118,439</u>	<u><b>118,258</b></u>

## Head 147 — GOVERNMENT SECRETARIAT: FINANCE BUREAU

### Details of Expenditure by Subhead

The estimate of the amount required in 2001–02 for the salaries and expenses of the Finance Bureau is \$118,258,000. This represents a decrease of \$181,000 against the revised estimate for 2000–01 and of \$11,943,000 against actual expenditure in 1999–2000.

#### Recurrent Account

##### Personal Emoluments

2 Provision of \$103,846,000 for personal emoluments represents an increase of \$1,172,000 over the revised estimate for 2000–01.

3 The establishment at 31 March 2001 will be 189 permanent posts. It is expected that a net 11 permanent posts will be deleted in 2001–02.

4 Subject to certain conditions, the controlling officer may under delegated powers create or delete non-directorate posts during 2001–02, but the notional annual mid-point salary value of all such posts must not exceed \$71,397,000 which will be reduced to \$67,630,000 upon the deletion of 11 posts in the course of the year.

5 Provision of \$4,682,000 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	5	5,240
		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 \$6,000 under *Subhead 007 Job-related allowances* is for standard job-related allowances.

##### Departmental Expenses

7 Provision of \$5,272,000 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) and the chairman and members of the Advisory Committee on New Broad-based Taxes. The increase of \$554,000 (11.7%) over the revised estimate for 2000–01 is mainly due to an anticipated increase in the number of appeal cases to be heard by the Board of Review (Inland Revenue) in 2001–02 and the full-year provision for the payment of remuneration and fees to the chairman and members of the Advisory Committee on New Broad-based Taxes which was set up in June 2000.

8 Provision of \$9,140,000 under *Subhead 149 General departmental expenses* represents a decrease of \$1,264,000 (12.1%) against the revised estimate for 2000–01. This is mainly due to reduced operating expenses under the Enhanced Productivity Programme.