

Head 188 — TREASURY

Controlling officer: the Director of Accounting Services will account for expenditure under this Head.

Estimate 2024–25 **\$554.8m**

Establishment ceiling 2024–25 (notional annual mid-point salary value) representing an estimated 571 non-directorate posts as at 31 March 2024 reducing by 47 posts to 524 posts as at 31 March 2025 **\$307.8m**

In addition, there will be an estimated ten directorate posts as at 31 March 2024 and as at 31 March 2025.

Controlling Officer's Report

Programmes

<p>Programme (1) Central Accounting, Collections and Payments</p> <p>Programme (2) Payment of Salaries, Pensions and Benefits</p> <p>Programme (3) Accounting and Financial Information Systems</p> <p>Programme (4) Management of Funds</p>	<p>These programmes contribute to Policy Area 25: Revenue Collection and Financial Control (Secretary for Financial Services and the Treasury).</p>
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Detail

Programme (1): Central Accounting, Collections and Payments

	2022–23 (Actual)	2023–24 (Original)	2023–24 (Revised)	2024–25 (Estimate)
Financial provision (\$m)	214.1	232.1	235.3 (+1.4%)	223.6 (–5.0%)
				(or –3.7% on 2023–24 Original)

Aim

2 The aim is to produce the accounts of the Government and to arrange for the provision of centralised collection and payment services.

Brief Description

3 The Treasury compiles and maintains the accounts of the Government. It serves as the Government's central paymaster in respect of goods and services procured and subventions. It also arranges for the provision of a centralised collection service in respect of rates, government rent, land premium, water and sewage charges as well as other types of revenue.

4 The key performance measures in respect of central accounting, collections and payments are:

Targets

	Target	2022 (Actual)	2023 (Actual)	2024 (Plan)
producing financial statements after end of the relevant period within a stated time frame (months)				
monthly financial results	1.0	0.9	0.9	1.0
statutory annual statements of accounts	2.8	2.6	2.6	2.8
accrual-based annual statements of accounts	5.5	5.5	5.5	5.5

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	Target	2022 (Actual)	2023 (Actual)	2024 (Plan)
effecting payments to creditors				
within 30 calendar days after receipt of goods/services or invoices by bureaux/departments (%).....	98	99	99	98
within three working days after authorisation of payments by bureaux/departments (%).....	100	100	100	100
completing processing of postal remittances within				
four working days during peak periods (%)	100	100	100	100
three working days during non-peak periods (%)	100	100	100	100

Indicators

	2022 (Actual)	2023 (Actual)	2024 (Estimate)
sets of financial statements to compile and maintain.....	12	12	12
payments to creditors	913 902	887 955	888 000
cost per \$1,000 payment made for respective financial years (\$)	0.06	0.06	0.06
revenue collections through the Treasury's agents			
counter collections ϕ	9 759 258	9 816 799	10 507 000
postal remittances ϕ	293 563	281 014	287 000
collections by autopay ϕ	2 333 988	2 487 336	2 611 000
collections by other electronic means#	12 244 585	12 399 068	13 651 000
cost per \$1,000 revenue collected for respective financial years (\$)	0.26	0.26	0.26

ϕ The figures have taken into account the reduced number of collections mainly as a result of the rates concessions during the period from January 2022 to September 2023.

The figures have taken into account the reduced number of collections mainly as a result of the rates concessions during the period from January 2022 to September 2023 and the consolidation of same-day multiple payments.

Matters Requiring Special Attention in 2024–25

5 During 2024–25, the Treasury will continue to explore ways to achieve higher efficiency with lower costs for revenue collection and payment activities, including promotion of e-payments.

Programme (2): Payment of Salaries, Pensions and Benefits

	2022–23 (Actual)	2023–24 (Original)	2023–24 (Revised)	2024–25 (Estimate)
Financial provision (\$m)	136.8	140.8	142.8 (+1.4%)	136.1 (–4.7%)
				(or –3.3% on 2023–24 Original)

Aim

6 The aim is to process and pay salaries, pensions, allowances, and housing and certain other benefits to civil servants.

Brief Description

7 The Treasury serves as the Government's paymaster for salaries, allowances, contract gratuities, mandatory provident fund and Civil Service Provident Fund (CSPF) contributions, and other benefits for civil servants as well as pensions for retired civil servants and other eligible persons under relevant legislation, regulations and rules. It also operates and maintains the Government's centralised payroll and pensions systems.

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8 The key performance measures in respect of payment of salaries, pensions and benefits are:

Targets

	Target	2022 (Actual)	2023 (Actual)	2024 (Plan)
paying punctually (%)				
salaries and allowances on the due date	99.9	99.9	99.9	99.9
pension and contract gratuities on the due date.....	99	99	99	99
recurrent pensions on the due date or two weeks after receipt of claim forms.....	99.9	99.9	99.9	99.9
passage allowances within 30 calendar days	99.9	99.9	99.9	99.9
ensuring correct payments/ deductions (%).....	99.9	99.9	99.9	99.9
responding to enquiries from pensioners within nine working days (%)	99.5	99.5	99.5	99.5
processing applications for various civil service housing benefits within the target time (%).....	99.9	99.9	99.9	99.9

Indicators

	2022 (Actual)	2023 (Actual)	2024 (Estimate)
participants in various housing benefit schemes	23 350	23 933	25 910
pensioners paid.....	164 844	168 709	174 100
passage allowances applications processed#	6 567	15 942	16 060
participants in CSPF Scheme	95 665	100 728	107 620

Increase in applications is in line with the gradual resumption of outbound travel.

Matters Requiring Special Attention in 2024–25

9 During 2024–25, the Treasury will continue to explore ways for greater use of e-means to enhance communication with civil servants and pensioners on matters relating to payment of salaries, pensions and benefits.

Programme (3): Accounting and Financial Information Systems

	2022–23 (Actual)	2023–24 (Original)	2023–24 (Revised)	2024–25 (Estimate)
Financial provision (\$m)	178.9	194.0	196.7 (+1.4%)	186.9 (–5.0%)
				(or –3.7% on 2023–24 Original)

Aim

10 The aim is to provide secure, efficient and effective accounting and financial information systems and procedures throughout the Government.

Brief Description

11 The Treasury runs and maintains the centralised accounting and financial information systems for the budgetary control of expenditure and revenue by bureaux and departments and for the production of the accounts of the Government, as well as other accounting and costing systems to assist bureaux and departments in better managing the resources at their disposal.

12 The Treasury provides a full range of accounting and financial support and advisory services to bureaux and departments, which include setting accounting instructions and costing policies, and advising on accounting, costing and financial management matters. It also provides regular training for Treasury Grades staff to ensure that their services will continue to be of high professional quality.

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13 The key performance measures in respect of accounting and financial information systems are:

Targets

	Target	2022 (Actual)	2023 (Actual)	2024 (Plan)
providing preliminary response to requests for accounting and financial support and advisory services within three working days (%).....	95	99	99	95
ensuring that computer services are provided efficiently and with minimal interruptions				
average system availability (%)	99.5	99.9	99.9	99.5
average system response time (percentage of cases within five seconds) (%).....	92.0	96.7	98.6	92.0

Indicators

	2022 (Actual)	2023 (Actual)	2024 (Estimate)
providing professional support and advisory services to bureaux/departments on accounting, costing and financial management matters			
requests handled.....	634	590	620
providing application support and maintenance to computer applications			
maintenance/enhancement tasks completed.....	282	284	290

Matters Requiring Special Attention in 2024–25

14 During 2024–25, the Treasury will continue to explore further improvements to accounting and financial information systems and procedures to ensure that they are secure, efficient and effective.

Programme (4): Management of Funds

	2022–23 (Actual)	2023–24 (Original)	2023–24 (Revised)	2024–25 (Estimate)
Financial provision (\$m)	8.5	8.5	8.6 (+1.2%)	8.2 (–4.7%)
				(or –3.5% on 2023–24 Original)

Aim

15 The aim is to manage the investments of designated funds in accordance with approved guidelines and to achieve a reasonable return through prudent investment.

Brief Description

16 The Treasury manages the investment portfolios of the Grant and Subsidized Schools Provident Funds, the Quality Education Fund, the Sir David Trench Fund for Recreation, the Beat Drugs Fund, the AIDS Trust Fund, the HKSAR Government Scholarship Fund and the Self-financing Post-secondary Education Fund with a view to achieving a reasonable return through prudent investment. It also ensures that the Funds are managed efficiently and that all disbursements from the Funds are correctly and promptly made.

17 The key performance measures in respect of management of funds are:

Target

	Target	2022 (Actual)	2023 (Actual)	2024 (Plan)
achieving the strategic target investment return of two per cent above the Consumer Price Index B (CPI(B)) for the two Schools Provident Funds in each school year.....	CPI(B)+2%	CPI(B)–16.9%	CPI(B)+1.7%	CPI(B)+2%

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Indicators

	2022 (Actual)	2023 (Actual)	2024 (Estimate) Δ
funds managed (\$m)			
Schools Provident Funds.....	85,543.3	86,928.8	86,948.3
Quality Education Fund	8,724.2	8,800.4	7,939.8
Sir David Trench Fund for Recreation.....	4,699.5 [#]	4,569.9	4,042.2
Beat Drugs Fund	3,970.9	3,922.3	3,674.9
AIDS Trust Fund.....	91.2	48.6	30.0
HKSAR Government Scholarship Fund.....	3,191.3	3,266.9	3,219.2
Self-financing Post-secondary Education Fund.....	4,014.2	4,145.4	4,137.2
portfolio managers			
Schools Provident Funds.....	10	10	10
Quality Education Fund	6	6	6
Sir David Trench Fund for Recreation.....	2	2	2
Beat Drugs Fund	4	4	4
HKSAR Government Scholarship Fund.....	5	5	5
Self-financing Post-secondary Education Fund.....	4	4	4
dividend declared for Schools Provident Funds (%).....	5	5	5

Δ Given market volatility, no gain or loss on disposal or revaluation of investments in securities has been included in the estimated fund balances.

[#] In 2022, a matching injection of \$150 million into the sports portion of the Arts and Sport Development Fund set up under the aegis of the Sir David Trench Fund for Recreation was received from the Hong Kong Jockey Club Charities Trust.

Matters Requiring Special Attention in 2024–25

18 During 2024–25, the Treasury will continue to review and refine the strategic asset allocation of the Funds consistent with the risk and return perspectives and market development.

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ANALYSIS OF FINANCIAL PROVISION

Programme	2022–23 (Actual) (\$m)	2023–24 (Original) (\$m)	2023–24 (Revised) (\$m)	2024–25 (Estimate) (\$m)
(1) Central Accounting, Collections and Payments.....	214.1	232.1	235.3	223.6
(2) Payment of Salaries, Pensions and Benefits.....	136.8	140.8	142.8	136.1
(3) Accounting and Financial Information Systems.....	178.9	194.0	196.7	186.9
(4) Management of Funds	8.5	8.5	8.6	8.2
	538.3	575.4	583.4 (+1.4%)	554.8 (-4.9%)
				(or -3.6% on 2023–24 Original)

Analysis of Financial and Staffing Provision

Programme (1)

Provision for 2024–25 is \$11.7 million (5.0%) lower than the revised estimate for 2023–24. This is mainly due to decrease in requirement for operating expenses and decrease of 25 posts in 2024–25.

Programme (2)

Provision for 2024–25 is \$6.7 million (4.7%) lower than the revised estimate for 2023–24. This is mainly due to decrease in requirement for operating expenses.

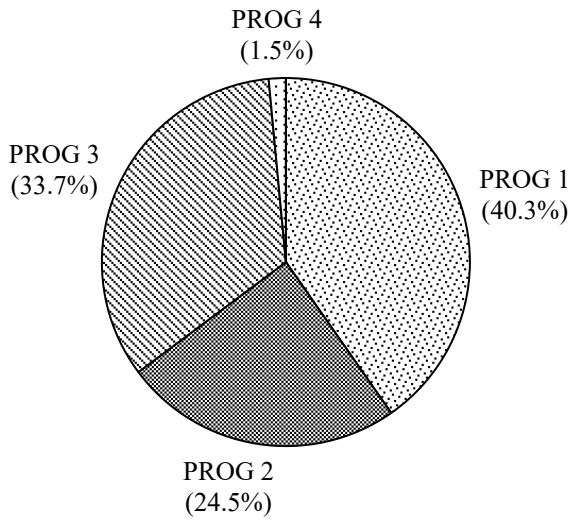
Programme (3)

Provision for 2024–25 is \$9.8 million (5.0%) lower than the revised estimate for 2023–24. This is mainly due to decrease in requirement for operating expenses and decrease of 22 posts in 2024–25.

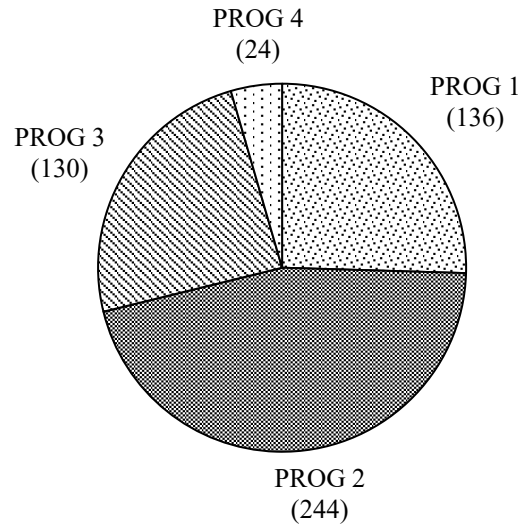
Programme (4)

Provision for 2024–25 is \$0.4 million (4.7%) lower than the revised estimate for 2023–24. This is mainly due to decrease in requirement for operating expenses.

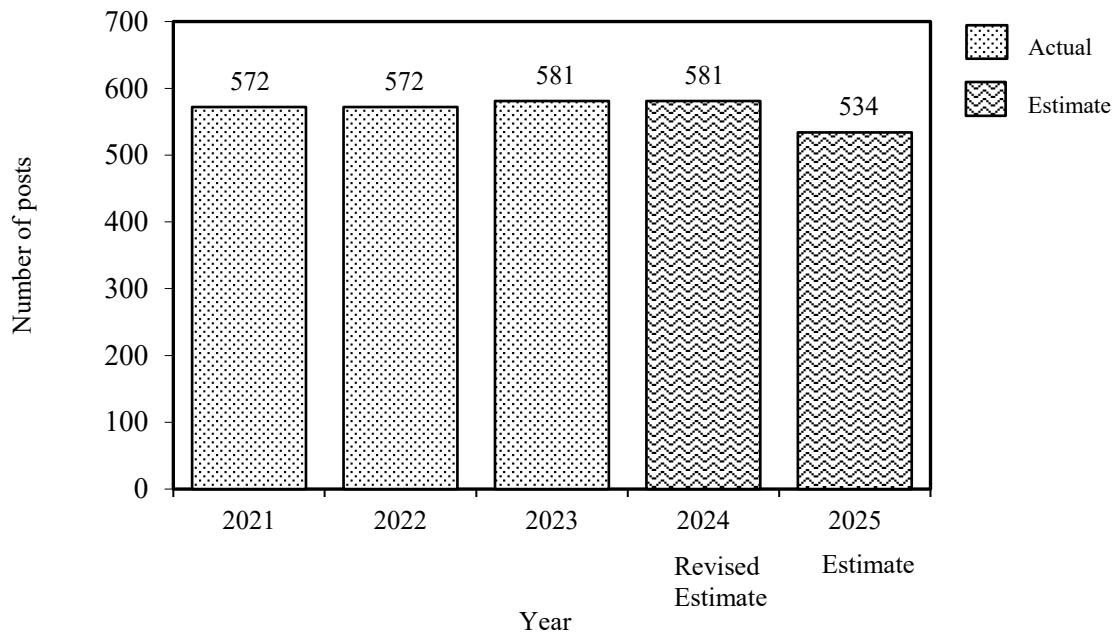
Allocation of provision to programmes (2024-25)



Staff by programme (as at 31 March 2025)



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



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Sub-head (Code)		Actual expenditure 2022-23	Approved estimate 2023-24	Revised estimate 2023-24	Estimate 2024-25
	\$'000	\$'000	\$'000	\$'000	\$'000
Operating Account					
Recurrent					
000	Operational expenses	534,742	571,218	579,557	550,876
003	Recoverable salaries and allowances (General)..... 10,324				
	<i>Deduct</i> reimbursements <i>Cr. 10,324</i>	—	—	—	—
187	Agents' commission and expenses	3,561	4,200	3,800	3,900
	Total, Recurrent.....	538,303	575,418	583,357	554,776
	Total, Operating Account	538,303	575,418	583,357	554,776
Total Expenditure					
		538,303	575,418	583,357	554,776

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Details of Expenditure by Subhead

The estimate of the amount required in 2024–25 for the salaries and expenses of the Treasury is \$554,776,000. This represents a decrease of \$28,581,000 against the revised estimate for 2023–24 and an increase of \$16,473,000 over the actual expenditure in 2022–23.

Operating Account

Recurrent

2 Provision of \$550,876,000 under *Subhead 000 Operational expenses* is for the salaries, allowances and other operating expenses of the Treasury.

3 The establishment as at 31 March 2024 will be 581 posts. It is expected that there will be a decrease of 47 posts in 2024–25. Subject to certain conditions, the controlling officer may under delegated power create or delete non-directorate posts during 2024–25, but the notional annual mid-point salary value of all such posts must not exceed \$307,816,000.

4 An analysis of the financial provision under *Subhead 000 Operational expenses* is as follows:

	2022–23 (Actual) (\$'000)	2023–24 (Original) (\$'000)	2023–24 (Revised) (\$'000)	2024–25 (Estimate) (\$'000)
Personal Emoluments				
- Salaries	267,332	281,515	285,073	274,525
- Allowances	7,302	6,759	7,518	6,655
- Job-related allowances.....	154	146	45	45
Personnel Related Expenses				
- Mandatory Provident Fund contribution	1,140	930	1,278	937
- Civil Service Provident Fund contribution	17,076	23,679	20,579	23,625
Departmental Expenses				
- General departmental expenses	241,738	258,189	265,064	245,089
	534,742	571,218	579,557	550,876

5 Provision of \$10,324,000 under *Subhead 003 Recoverable salaries and allowances (General)* is for salaries and allowances of civil servants working for the Grant and Subsidized Schools Provident Funds and the Self-financing Post-secondary Education Fund. The gross provision must not be exceeded without the prior approval of the Secretary for Financial Services and the Treasury. Expenditure under this subhead is reimbursed by the aforementioned Funds.

6 Provision of \$3,900,000 under *Subhead 187 Agents' commission and expenses* is for commission and other expenses in respect of payments made through banks and other agencies.