

## Head 188 — TREASURY

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

**Estimate 2026–27** ..... **\$491.6m**

**Establishment ceiling 2026–27** (notional annual mid-point salary value) representing an estimated 497 non-directorate posts as at 31 March 2026 reducing by ten posts to 487 posts as at 31 March 2027..... **\$271.9m**

In addition, there will be an estimated ten directorate posts as at 31 March 2026 and 31 March 2027.

### Controlling Officer's Report

#### Programmes

<p><b>Programme (1) Central Accounting, Collections and Payments</b></p> <p><b>Programme (2) Payment of Salaries, Pensions and Benefits</b></p> <p><b>Programme (3) Accounting and Financial Information Systems</b></p> <p><b>Programme (4) Management of Funds</b></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

	2024–25 (Actual)	2025–26 (Original)	2025–26 (Revised)	2026–27 (Estimate)
Financial provision (\$m)	216.8	209.0	197.1 (–5.7%)	<b>188.3</b> (–4.5%)
				(or –9.9% on 2025–26 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	2024 (Actual)	2025 (Actual)	2026 (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	<b>1.0</b>
statutory annual statements of accounts.....	2.8	2.6	2.6	<b>2.8</b>
accrual-based annual statements of accounts.....	5.5	5.5	5.5	<b>5.5</b>

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	Target	2024 (Actual)	2025 (Actual)	2026 (Plan)
effecting payments to creditors				
within 30 calendar days after receipt of goods/services or invoices by bureaux/departments (%).....	98	99	99	<b>98</b>
within three working days after authorisation of payments by bureaux/departments (%).....	100	100	100	<b>100</b>
completing processing of postal remittances within				
four working days during peak periods (%) .....	100	100	100	<b>100</b>
three working days during non-peak periods (%) .....	100	100	100	<b>100</b>

### Indicators

	2024 (Actual)	2025 (Actual)	2026 (Estimate)
sets of financial statements to compile and maintain.....	12	12	<b>12</b>
payments to creditors .....	1 034 748	1 068 591	<b>1 069 000</b>
cost per \$1,000 payment made for respective financial years (\$) .....	0.06	0.06	<b>0.06</b>
revenue collections through the Treasury's agents			
counter collections .....	9 813 825φ	9 313 989φ	<b>9 518 000</b>
postal remittances.....	268 486φ	198 069φ	<b>255 000</b>
collections by autopay.....	2 564 001φ	2 601 785φ	<b>2 600 000</b>
collections by other electronic means .....	13 102 380#	14 097 193#	<b>14 781 000</b>
cost per \$1,000 revenue collected for respective financial years (\$) .....	0.26	0.27	<b>0.27</b>

φ The figures have taken into account the reduced number of collections mainly as a result of the rates concessions during the periods from April to June 2024 and April to June 2025.

# The figures have taken into account the reduced number of collections mainly as a result of the rates concessions during the periods from April to June 2024 and April to June 2025, and the consolidation of same-day multiple payments.

### Matters Requiring Special Attention in 2026–27

5 During 2026–27, the Treasury will continue exploring ways to achieve higher efficiency with lower costs for revenue collection and payment activities, including promoting of e-payments.

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

	2024–25 (Actual)	2025–26 (Original)	2025–26 (Revised)	2026–27 (Estimate)
Financial provision (\$m)	136.3	134.6	136.0 (+1.0%)	<b>129.4</b> (–4.9%)
				(or –3.9% on 2025–26 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	2024 (Actual)	2025 (Actual)	2026 (Plan)
paying punctually (%)				
salaries and allowances on the due date .....	99.9	99.9	99.9	<b>99.9</b>
pension and contract gratuities on the due date.....	99	99	99	<b>99</b>
recurrent pensions on the due date or two weeks after receipt of claim forms.....	99.9	99.9	99.9	<b>99.9</b>
passage allowances within 30 calendar days .....	99.9	99.9	99.9	<b>99.9</b>
ensuring correct payments/ deductions (%).....	99.9	99.9	99.9	<b>99.9</b>
responding to enquiries from pensioners within nine working days (%) .....	99.5	99.5	99.5	<b>99.5</b>
processing applications for various civil service housing benefits within the target time (%).....	99.9	99.9	99.9	<b>99.9</b>

### *Indicators*

	2024 (Actual)	2025 (Actual)	2026 (Estimate)
participants in various housing benefit schemes .....	24 315	24 863	<b>26 530</b>
pensioners paid.....	172 544	175 694	<b>179 930</b>
passage allowances applications processed .....	13 465	10 077	<b>9 680</b>
participants in CSPF Scheme .....	107 004	112 007	<b>118 250</b>

### *Matters Requiring Special Attention in 2026–27*

9 During 2026–27, the Treasury will continue exploring 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**

	2024–25 (Actual)	2025–26 (Original)	2025–26 (Revised)	2026–27 (Estimate)
Financial provision (\$m)	181.9	174.2	185.1 (+6.3%)	<b>167.3</b> (–9.6%)
				(or –4.0% on 2025–26 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	2024 (Actual)	2025 (Actual)	2026 (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	98.4	98.2	92.0

### *Indicators*

	2024 (Actual)	2025 (Actual)	2026 (Estimate)
providing professional support and advisory services to bureaux/departments on accounting, costing and financial management matters			
requests handled.....	585	648	650
providing application support and maintenance to computer applications			
maintenance/enhancement tasks completed.....	289	289	290

### *Matters Requiring Special Attention in 2026–27*

14 During 2026–27, the Treasury will continue exploring further improvements to accounting and financial information systems and procedures to ensure that they are secure, efficient and effective.

### **Programme (4): Management of Funds**

	2024–25 (Actual)	2025–26 (Original)	2025–26 (Revised)	2026–27 (Estimate)
Financial provision (\$m)	8.1	8.0	7.6 (–5.0%)	6.6 (–13.2%)
				(or –17.5% on 2025–26 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	2024 (Actual)	2025 (Actual)	2026 (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)+7.8%	CPI(B)+12.6%	CPI(B)+2%

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### *Indicators*

	2024 (Actual)	2025 (Actual)	2026 (Estimate) $\Delta$
<i>funds managed (\$m)</i>			
Schools Provident Funds.....	91,080.4	102,717.0	<b>102,469.0</b>
Quality Education Fund.....	9,088.6	9,875.4	<b>9,165.0</b>
Sir David Trench Fund for Recreation.....	4,297.1	3,981.9	<b>2,965.0</b>
Beat Drugs Fund.....	4,091.4	4,448.9	<b>4,072.0§</b>
AIDS Trust Fund.....	24.9	20.9	<b>3.0</b>
HKSAR Government Scholarship Fund.....	4,505.9#	5,074.5	<b>5,050.0§</b>
Self-financing Post-secondary Education Fund.....	4,388.5	4,971.0	<b>4,962.0§</b>
<i>portfolio managers</i>			
Schools Provident Funds.....	10	9	<b>9</b>
Quality Education Fund.....	4	4	<b>4</b>
Sir David Trench Fund for Recreation.....	2	2	<b>2</b>
Beat Drugs Fund.....	3	3	<b>0§</b>
HKSAR Government Scholarship Fund.....	3	3	<b>0§</b>
Self-financing Post-secondary Education Fund.....	3	3	<b>0§</b>
dividend declared for Schools Provident Funds (%).....	5	5	<b>5</b>

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

§ With a view to consolidating and optimising the use of government financial resources, the Government plans to transfer part of these funds to the Government's accounts within 2026–27. Services from portfolio managers for these funds will not be needed by end 2026.

# In 2024, an injection of \$1 billion was received from the Government.

### *Matters Requiring Special Attention in 2026–27*

**18** During 2026–27, the Treasury will continue reviewing and refining strategic asset allocation of the Funds consistent with the risk and return perspectives and market development.

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### ANALYSIS OF FINANCIAL PROVISION

	2024–25 (Actual) (\$m)	2025–26 (Original) (\$m)	2025–26 (Revised) (\$m)	2026–27 (Estimate) (\$m)
<b>Programme</b>				
(1) Central Accounting, Collections and Payments .....	216.8	209.0	197.1	<b>188.3</b>
(2) Payment of Salaries, Pensions and Benefits .....	136.3	134.6	136.0	<b>129.4</b>
(3) Accounting and Financial Information Systems .....	181.9	174.2	185.1	<b>167.3</b>
(4) Management of Funds.....	8.1	8.0	7.6	<b>6.6</b>
	543.1	525.8	525.8	<b>491.6</b>
			(—)	<b>(–6.5%)</b>
				<b>(or –6.5% on 2025–26 Original)</b>

#### Analysis of Financial and Staffing Provision

##### Programme (1)

Provision for 2026–27 is \$8.8 million (4.5%) lower than the revised estimate for 2025–26. This is due to decrease in requirement for operating expenses. There will be a decrease of one post in 2026–27.

##### Programme (2)

Provision for 2026–27 is \$6.6 million (4.9%) lower than the revised estimate for 2025–26. This is due to decrease in requirement for operating expenses. There will be a decrease of four posts in 2026–27.

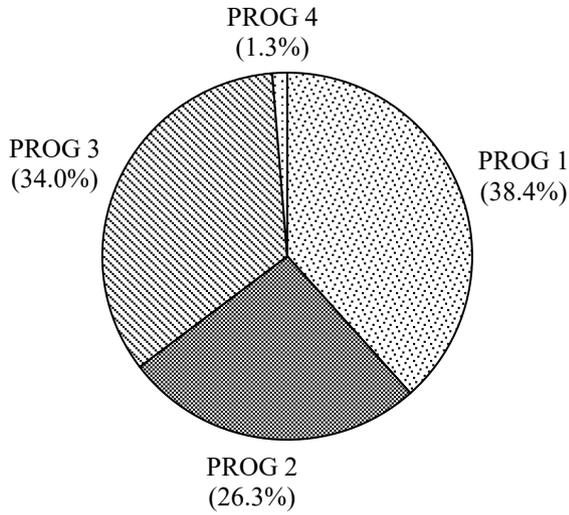
##### Programme (3)

Provision for 2026–27 is \$17.8 million (9.6%) lower than the revised estimate for 2025–26. This is due to decrease in requirement for operating expenses. There will be a decrease of four posts in 2026–27.

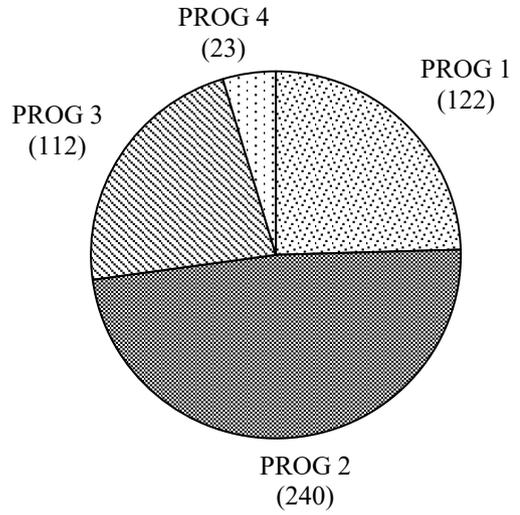
##### Programme (4)

Provision for 2026–27 is \$1.0 million (13.2%) lower than the revised estimate for 2025–26. This is due to decrease in requirement for operating expenses resulting from the projected decrease in the number of portfolio managers. There will be a decrease of one post in 2026–27.

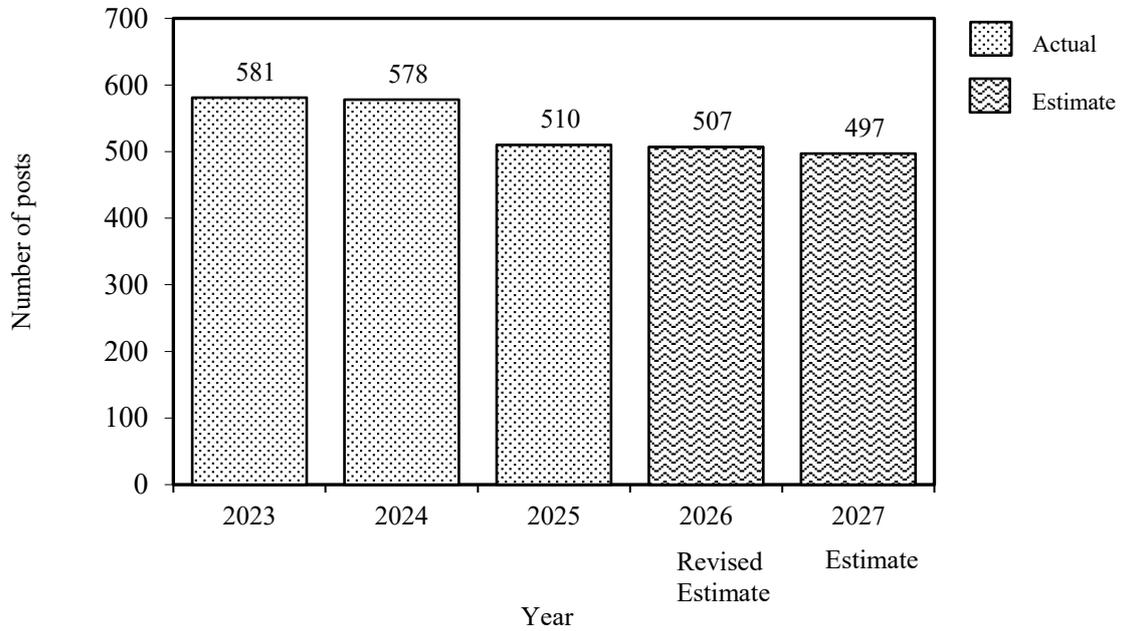
*Allocation of provision to programmes (2026-27)*



*Staff by programme (as at 31 March 2027)*



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



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Sub-head (Code)		Actual expenditure 2024–25	Approved estimate 2025–26	Revised estimate 2025–26	<b>Estimate 2026–27</b>
	\$'000	\$'000	\$'000	\$'000	<b>\$'000</b>
<b>Operating Account</b>					
Recurrent					
000	Operational expenses .....	539,584	521,883	522,019	<b>487,459</b>
003	Recoverable salaries and allowances (General).....	11,095			
	<i>Deduct</i> reimbursements .....	<i>Cr. 11,095</i>			
187	Agents' commission and expenses .....	3,478	3,900	3,750	<b>4,100</b>
	Total, Recurrent.....	543,062	525,783	525,769	<b>491,559</b>
	Total, Operating Account .....	543,062	525,783	525,769	<b>491,559</b>
<hr/>					
	Total Expenditure .....	543,062	525,783	525,769	<b>491,559</b>
		<u>543,062</u>	<u>525,783</u>	<u>525,769</u>	<u><b>491,559</b></u>

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### Details of Expenditure by Subhead

The estimate of the amount required in 2026–27 for the salaries and expenses of the Treasury is \$491,559,000. This represents a decrease of \$34,210,000 against the revised estimate for 2025–26 and \$51,503,000 against the actual expenditure in 2024–25.

#### *Operating Account*

#### Recurrent

**2** Provision of \$487,459,000 under *Subhead 000 Operational expenses* is for the salaries, allowances and other operating expenses of the Treasury.

**3** The establishment as at 31 March 2026 will be 507 posts. It is expected that there will be a decrease of ten posts in 2026–27. Subject to certain conditions, the controlling officer may under delegated power create or delete non-directorate posts during 2026–27, but the notional annual mid-point salary value of all such posts must not exceed \$271,926,000.

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

	2024–25 (Actual) (\$'000)	2025–26 (Original) (\$'000)	2025–26 (Revised) (\$'000)	2026–27 (Estimate) (\$'000)
Personal Emoluments				
- Salaries.....	262,210	262,703	259,542	<b>251,424</b>
- Allowances.....	6,106	6,633	7,433	<b>6,539</b>
- Job-related allowances.....	26	45	53	<b>45</b>
Personnel Related Expenses				
- Mandatory Provident Fund contribution.....	1,044	739	934	<b>698</b>
- Civil Service Provident Fund contribution.....	22,606	25,754	25,698	<b>28,886</b>
Departmental Expenses				
- General departmental expenses .....	247,592	226,009	228,359	<b>199,867</b>
	539,584	521,883	522,019	<b>487,459</b>

**5** Provision of \$11,095,000 under *Subhead 003 Recoverable salaries and allowances (General)* is for the 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 \$4,100,000 under *Subhead 187 Agents' commission and expenses* is for the commission and other expenses in respect of payments made through banks and other agencies.