

**LC: SFST's speech in moving the Vote on Account
Resolution under the Public Finance Ordinance**

Wednesday, March 18, 2009

Following is the speech by the Secretary for Financial Services and the Treasury, Professor K C Chan, in moving the Vote on Account Resolution under the Public Finance Ordinance in the Legislative Council today (March 18):

President,

I move the motion standing in my name in the Agenda.

The purpose of this motion is to seek funds on account to enable the Government to carry on its services between the start of the financial year on April 1, 2009 and the enactment of the Appropriation Ordinance 2009. This is a long established and essential procedure.

In response to Members' comments on last year's resolution, we have made some changes to the arrangements for the resolution this year. First, we have scheduled this motion to be moved at least two weeks after the announcement of the Budget, in order to allow more time for Members to examine the resolution. Second, in respect of Subhead 689 and Subhead 789 Additional Commitments, we are seeking funds on account only on a need basis, instead of on the basis of the full-year provisions for the two subheads. We presented these changes to the Panel on Financial Affairs in December 2008 and obtained the Panel's support.

We have determined the funds on account sought under each subhead in accordance with the fourth paragraph of the resolution, by reference to the relevant provisions shown in the 2009-10 Estimates of Expenditure. Incorporating the requirements at subhead level, the initial amount of funds on account under each head is provided in the form of a footnote to this speech. Prior to the enactment of the Appropriation Ordinance 2009, the aggregate amount of funds on account is \$61,075,637,000.

Subject to the above aggregate amount not being exceeded, the resolution enables the Financial Secretary to vary the funds on account in respect of any subhead, but these variations must not cause an excess over the amount of provision entered for that subhead in the 2009-10 Estimates of Expenditure. To increase transparency, we have earlier undertaken to submit reports to the Finance Committee of this Council in case the Financial Secretary has exercised this authority to meet necessary requirements. We also consulted the Panel on Financial Affairs on this reporting arrangement in December 2008. The Panel did not object to the arrangement.

At its meeting on February 27, the House Committee of the Legislative Council decided to set up a Subcommittee to study the resolution. The Subcommittee met on March 5, during which the Administration explained the details of this year's resolution. I am very grateful to Hon Emily Lau Wai-hing, the chairman of the Subcommittee, and other members of the Subcommittee for giving their support for the motion to be moved today.

The vote on account will be subsumed upon the enactment of the Appropriation Ordinance 2009.

President, I beg to move.

Ends