

APPENDIX E

GLOSSARY OF TERMS

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Note: Terms shown in *bold italic* are defined elsewhere in the glossary.

Capital expenditure. All expenditure charged to the Loan Fund, the Disaster Relief Fund, the Civil Service Pension Reserve Fund and the Works Account and Reserve Account of the Capital Works Reserve Fund (except debt repayment) plus expenditure from General Revenue Account on Plant, Equipment and Works and Capital Subventions. It does not include advances and equity investments made from the Capital Investment Fund.

Capital revenue. All revenue credited to the Funds except proceeds from borrowings and the exceptions listed under *recurrent revenue*.

Cash surplus/deficit. The difference between *total Government revenue* and *total expenditure* of the General Revenue Account, the Loan Fund, the Disaster Relief Fund, the Civil Service Pension Reserve Fund and the Works and Reserve Accounts of the Capital Works Reserve Fund.

Consolidated cash surplus/deficit. *Cash surplus/deficit* after equity investments (payments from the Capital Investment Fund).

Fiscal reserves. The accumulation of *consolidated cash surpluses*. They are also known as Government reserves.

Funds expenditure. Expenditure charged to the Capital Works Reserve Fund (Works Account or Reserve Account), the Loan Fund, the Disaster Relief Fund, the Civil Service Pension Reserve Fund and the Capital Investment Fund. Transfers to or from the funds are not relevant to the level of expenditure.

Funds revenue. All receipts, except transfers from General Revenue Account, which are credited directly to the funds. These comprise:-

Capital Works Reserve Fund

donations for projects
land premia ^(Note 1)
interest on balances
recovery from Mass Transit Railway Corporation

Loan Fund

Loan repayments received
interest on loans
interest on balances

Capital Investment Fund

loan repayments received
dividends
interest
interest on balances

Disaster Relief Fund

interest on balances

Civil Service Pension Reserve Fund

interest on balances

General Revenue Account expenditure. All expenditure charged to General Revenue Account in accordance with the Appropriation Ordinance, excluding transfers to funds.

General Revenue Account revenue. All receipts credited to any of the eleven revenue heads.

Note 1 : For the purpose of the Medium Range Forecast it has been assumed that the total income received from land transactions from 1 July 1997 will continue to be credited to the Capital Works Reserve Fund.

Government expenditure. The aggregate of *operating expenditure* and *capital expenditure*. It is not the same as *public expenditure*.

Government revenue. The aggregate of *Funds revenue* and *General Revenue Account revenue*.

Operating expenditure. All expenditure from General Revenue Account charged to any of the subheads listed in the estimates under 'Recurrent Account', *plus* Other Non-Recurrent expenditure.

Operating surplus. The difference between *General Revenue Account revenue* and *expenditure*.

Public expenditure. *Government expenditure plus:-*

gross expenditure (recurrent and capital) by the trading funds, the Hong Kong Housing Authority and the Urban and Regional Councils; and

payments from the Lotteries Fund.

It is also referred to as Consolidated Public Sector expenditure.

Recurrent revenue. All revenue credited to General Revenue Account (including interest on balances) *except* for:-

disposal proceeds of government quarters

estate duty

taxi concessions

land transactions

recovery from Housing Authority under current financial arrangement

donations

repayment of loans and advances

which are treated as *capital revenue*.

Taxation

earnings and profits tax

estate duty

duties

general rates

bets and sweeps tax

entertainments tax

hotel accommodation tax

stamp duties

air passenger departure tax

Cross-Harbour Tunnel passage tax

motor vehicle taxes

royalties and concessions