

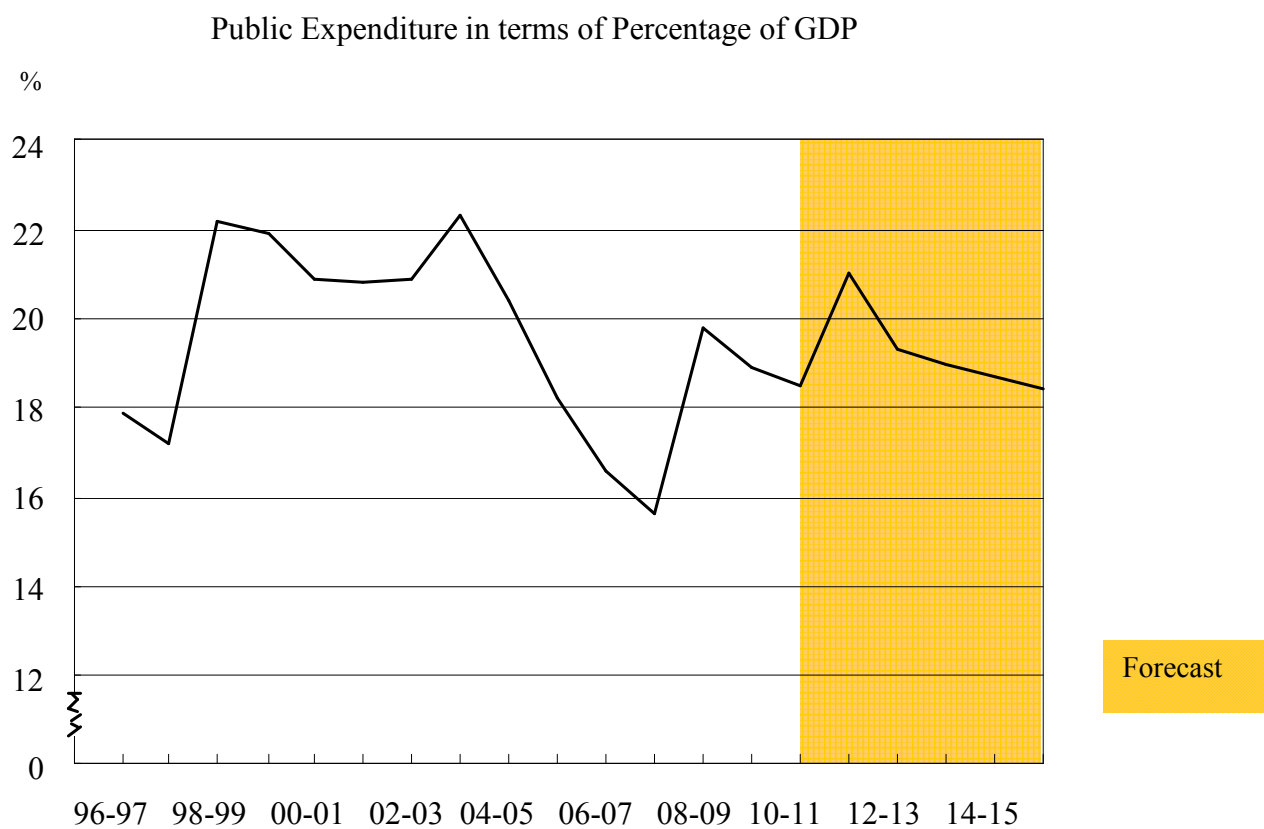
APPENDIX B

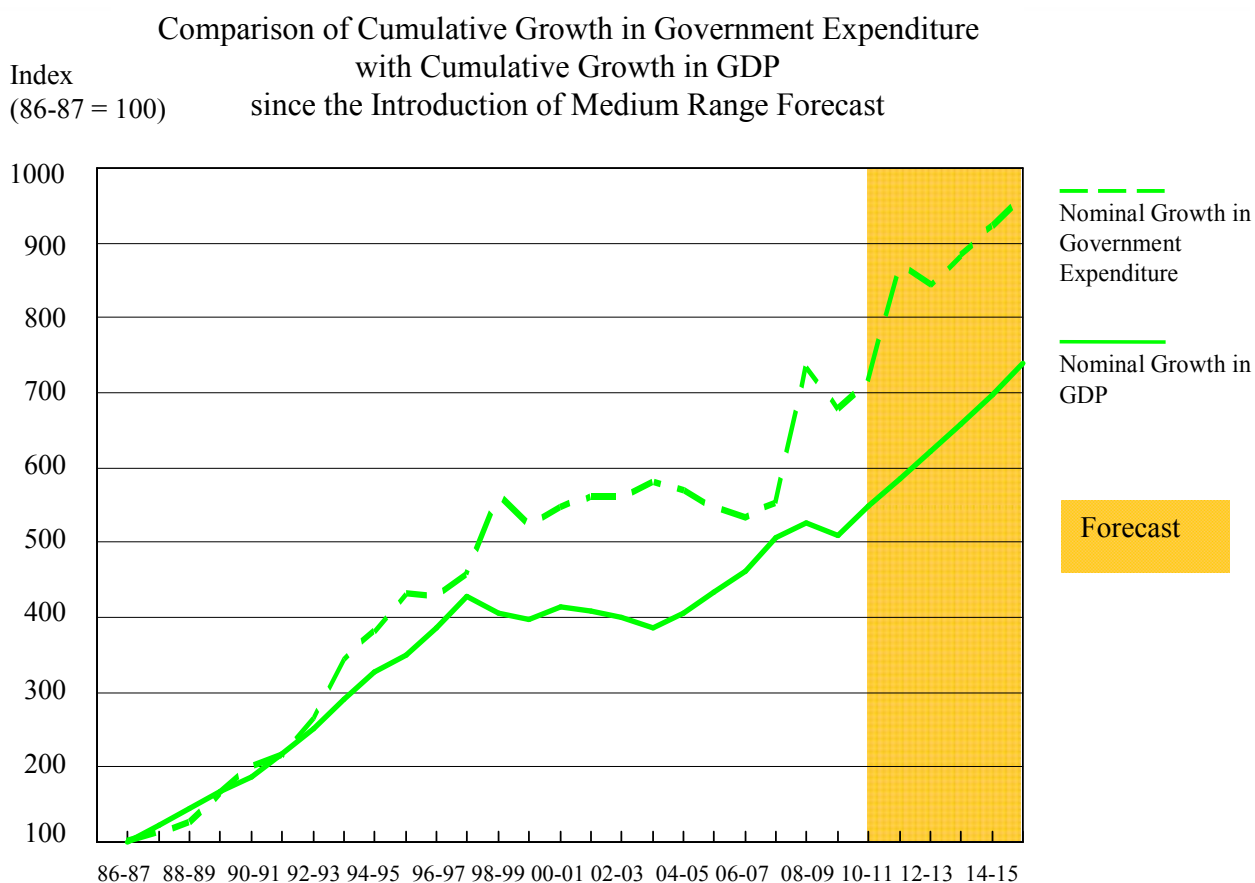
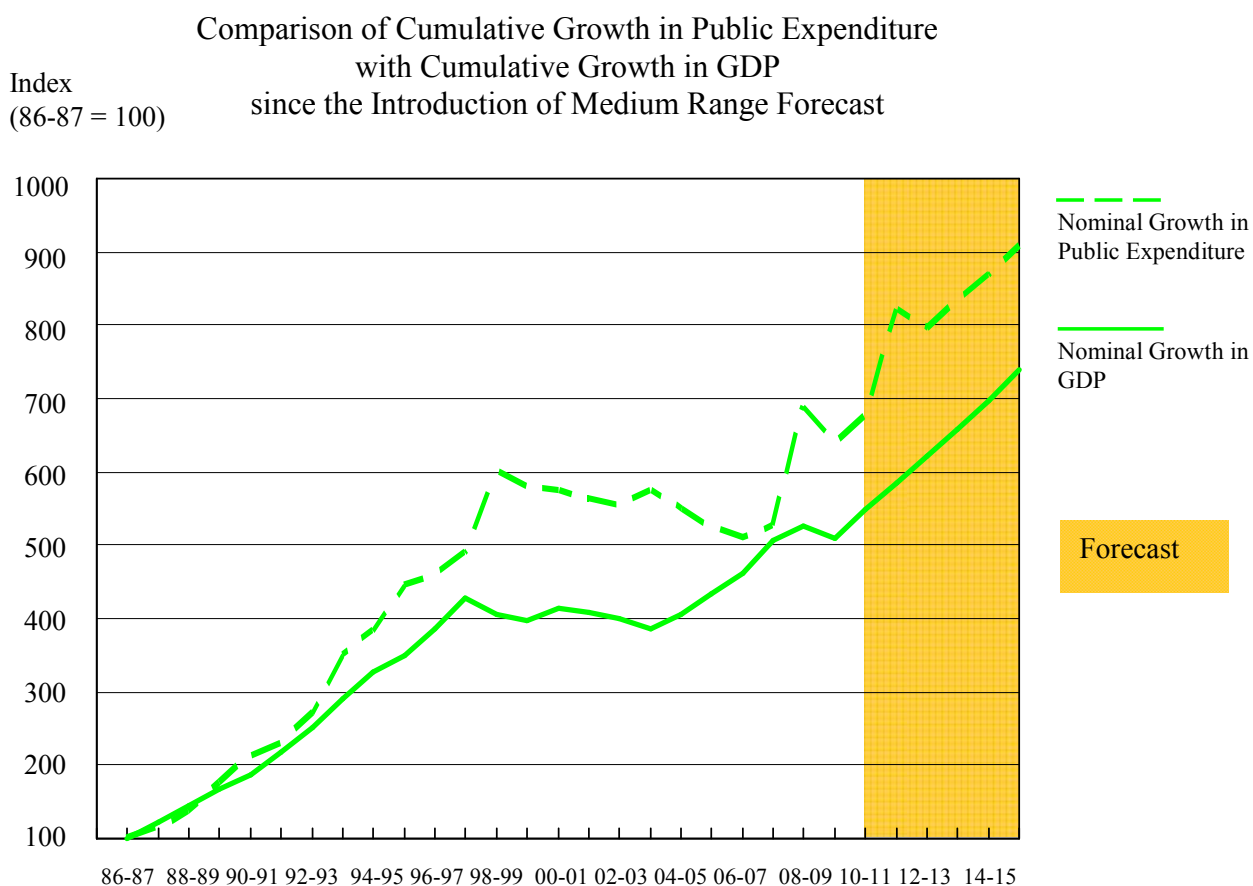
ANALYSIS OF EXPENDITURE AND REVENUE

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SECTION I THE ESTIMATES IN THE CONTEXT OF THE ECONOMY**Relationship between Government Expenditure, Public Expenditure and GDP**

	2011–12 Estimate \$m
General Revenue Account	
Operating	298,000
Capital	3,809
	<hr/> 301,809
Capital Investment Fund	670
Capital Works Reserve Fund	63,878
Innovation and Technology Fund	864
Loan Fund	2,813
Lotteries Fund	1,082
	<hr/> 371,116
Government Expenditure	
Trading Funds	4,609
Housing Authority	17,584
	<hr/> 393,309
Public Expenditure	
	<hr/>
GDP	1,870,500
Public Expenditure in terms of percentage of GDP	21.0%





SECTION II ANALYSIS OF RECURRENT PUBLIC/GOVERNMENT EXPENDITURE BY POLICY AREA GROUP

Recurrent Public Expenditure : Year-on-Year Change

	2009–10 Actual \$m	2010–11 Revised Estimate \$m	2011–12 Estimate \$m	Increase/Decrease over 2010–11 Revised Estimate in Nominal Terms %	in Real Terms %
Education	50,831	51,432	54,473	5.9	5.2
Social Welfare (Note)	39,405	37,923	42,170	11.2	8.9
Health	35,333	36,732	39,904	8.6	8.0
Security	26,869	27,507	28,433	3.4	2.9
Infrastructure	15,153	15,430	16,094	4.3	2.3
Economic	11,208	11,437	12,493	9.2	7.1
Housing	9,429	10,215	10,936	7.1	3.0
Environment and Food	9,718	9,603	10,498	9.3	7.8
Community and External Affairs	7,852	8,088	8,457	4.6	3.1
Support	28,438	30,069	33,841	12.5	10.9
	<u>234,236</u>	<u>238,436</u>	<u>257,299</u>	7.9	6.5

Note –

To give a better picture of the long term trend of recurrent expenditure on social welfare, one-off additional payments to recipients under Comprehensive Social Security Assistance and Social Security Allowance Schemes have been provided for under non-recurrent expenditure since 2010-11.

SECTION II ANALYSIS OF RECURRENT PUBLIC/GOVERNMENT EXPENDITURE BY POLICY AREA GROUP

Recurrent Government Expenditure : Year-on-Year Change

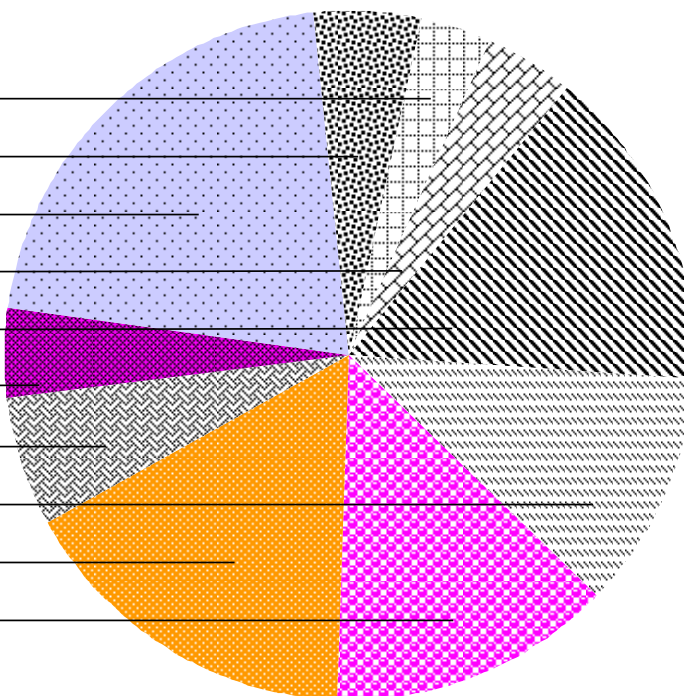
	2009–10 Actual \$m	2010–11 Revised Estimate \$m	2011–12 Estimate \$m	Increase/Decrease over 2010–11 Revised Estimate in Nominal Terms %	in Real Terms %
Education	50,831	51,432	54,473	5.9	5.2
Social Welfare <i>(Note)</i>	39,405	37,923	42,170	11.2	8.9
Health	35,333	36,732	39,904	8.6	8.0
Security	26,869	27,507	28,433	3.4	2.9
Infrastructure	14,969	15,238	15,876	4.2	2.3
Economic	7,574	7,552	8,279	9.6	8.5
Housing	191	199	213	7.0	6.8
Environment and Food	9,718	9,603	10,498	9.3	7.8
Community and External Affairs	7,852	8,088	8,457	4.6	3.1
Support	28,438	30,069	33,841	12.5	10.9
	<u>221,180</u>	<u>224,343</u>	<u>242,144</u>	7.9	6.7

Note –

To give a better picture of the long term trend of recurrent expenditure on social welfare, one-off additional payments to recipients under Comprehensive Social Security Assistance and Social Security Allowance Schemes have been provided for under non-recurrent expenditure since 2010-11.

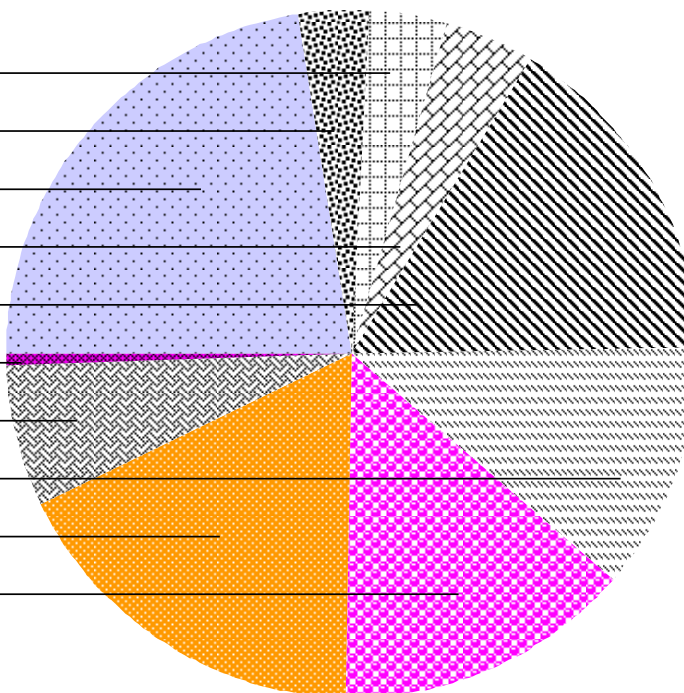
Percentage Share of Expenditure by Policy Area Group
Recurrent Public Expenditure : 2011-12 Estimate

Community and External Affairs	3.3%
Economic	4.9%
Education	21.2%
Environment and Food	4.1%
Health	15.5%
Housing	4.2%
Infrastructure	6.2%
Security	11.1%
Social Welfare	16.4%
Support	13.1%
	100.0%



Percentage Share of Expenditure by Policy Area Group
Recurrent Government Expenditure : 2011-12 Estimate

Community and External Affairs	3.5%
Economic	3.4%
Education	22.5%
Environment and Food	4.3%
Health	16.5%
Housing	0.1%
Infrastructure	6.6%
Security	11.7%
Social Welfare	17.4%
Support	14.0%
	100.0%



SECTION III ANALYSIS OF TOTAL PUBLIC/GOVERNMENT EXPENDITURE BY POLICY AREA GROUP

Total Public Expenditure : Year-on-Year Change

	2009–10 Actual \$m	2010–11 Revised Estimate \$m	2011–12 Estimate \$m	Increase/Decrease over 2010–11 Revised Estimate in Nominal Terms %	in Real Terms %
Education	58,240	61,824	68,667	11.1	9.9
Social Welfare	40,418	40,926	45,979	12.3	10.1
Health	38,387	39,855	45,152	13.3	12.3
Security	29,843	32,740	31,919	-2.5	-3.3
Infrastructure	47,302	48,251	54,550	13.1	8.8
Economic	18,465	17,949	47,174	162.8	160.1
Housing	16,258	18,073	19,736	9.2	5.1
Environment and Food	13,700	15,274	18,808	23.1	19.9
Community and External Affairs	14,092	15,231	24,677	62.0	60.0
Support	30,487	33,635	36,647	9.0	7.1
	<u>307,192</u>	<u>323,758</u>	<u>393,309</u>	21.5	19.3

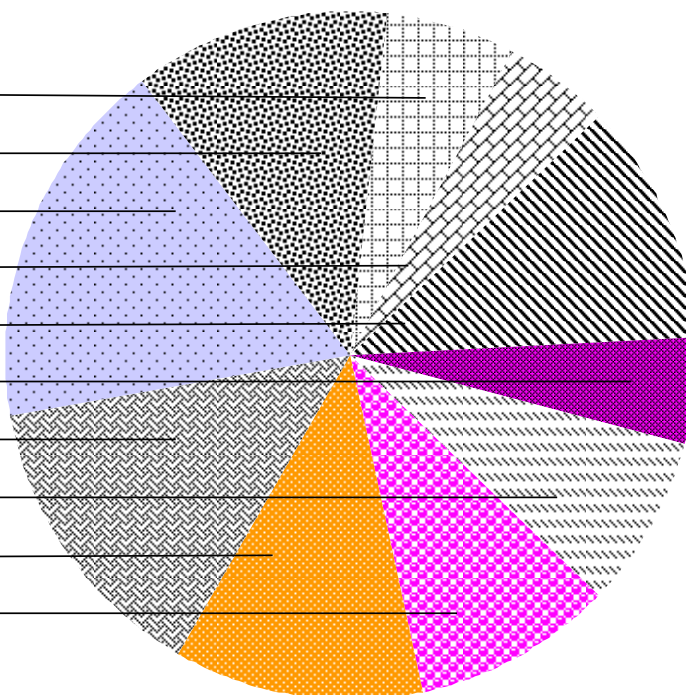
SECTION III ANALYSIS OF TOTAL PUBLIC/GOVERNMENT EXPENDITURE BY POLICY AREA GROUP

Total Government Expenditure : Year-on-Year Change

	2009–10 Actual \$m	2010–11 Revised Estimate \$m	2011–12 Estimate \$m	Increase/Decrease over 2010–11 Revised Estimate in Nominal Terms %	in Real Terms %
Education	58,240	61,824	68,667	11.1	9.9
Social Welfare	40,418	40,926	45,979	12.3	10.1
Health	38,387	39,855	45,152	13.3	12.3
Security	29,843	32,740	31,919	-2.5	-3.3
Infrastructure	47,097	47,993	54,314	13.2	9.0
Economic	14,768	13,996	42,801	205.8	203.5
Housing	1,993	2,016	2,152	6.7	6.7
Environment and Food	13,700	15,274	18,808	23.1	19.9
Community and External Affairs	14,092	15,231	24,677	62.0	60.0
Support	30,487	33,635	36,647	9.0	7.1
	<u>289,025</u>	<u>303,490</u>	<u>371,116</u>	22.3	20.3

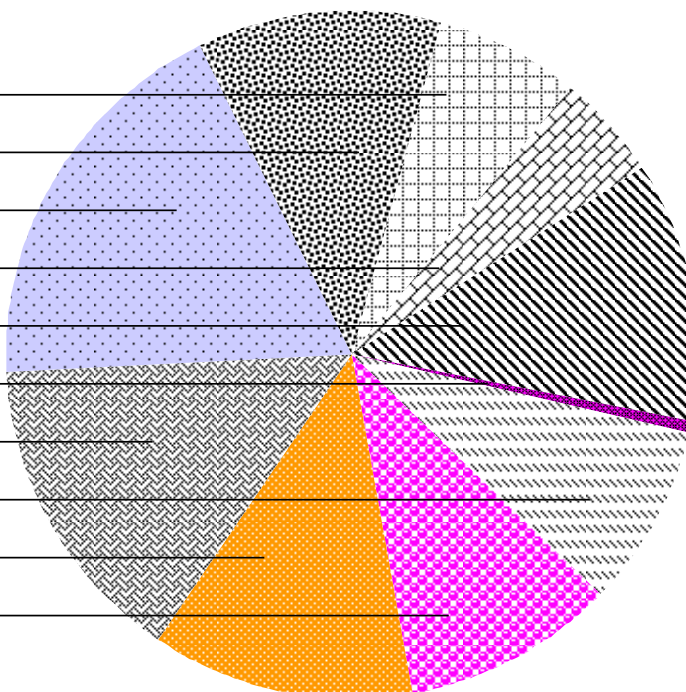
Percentage Share of Expenditure by Policy Area Group
Total Public Expenditure : 2011-12 Estimate

Community and External Affairs	6.2%
Economic	12.0%
Education	17.5%
Environment and Food	4.8%
Health	11.5%
Housing	5.0%
Infrastructure	13.9%
Security	8.1%
Social Welfare	11.7%
Support	9.3%
	100.0%



Percentage Share of Expenditure by Policy Area Group
Total Government Expenditure : 2011-12 Estimate

Community and External Affairs	6.6%
Economic	11.5%
Education	18.5%
Environment and Food	5.1%
Health	12.2%
Housing	0.6%
Infrastructure	14.6%
Security	8.6%
Social Welfare	12.4%
Support	9.9%
	100.0%



SECTION IV MAJOR CAPITAL PROJECTS ESTIMATED TO BEGIN IN 2011–12

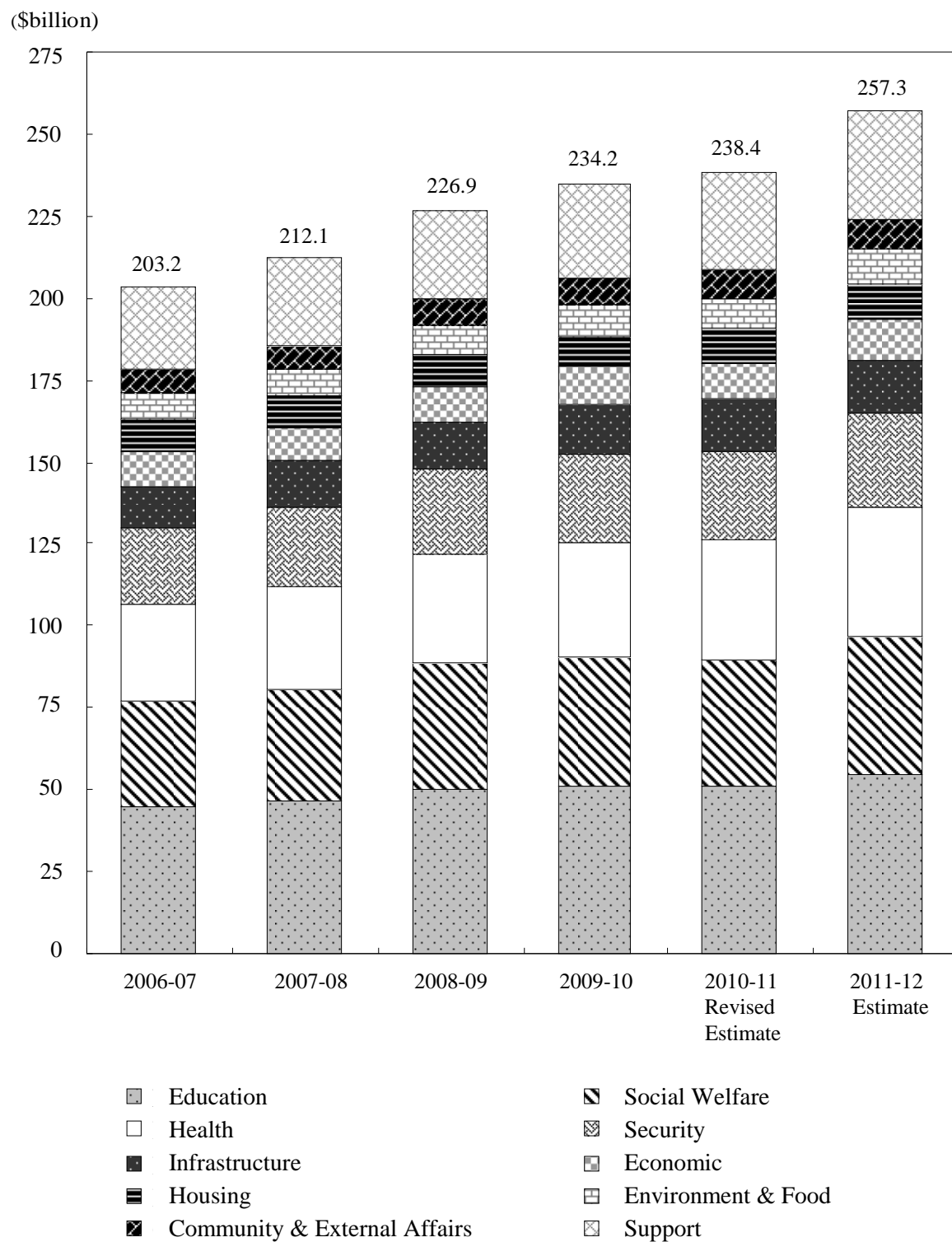
Major capital projects estimated to begin in 2011–12 include –

	Project Estimates \$ million
Infrastructure	56,184
— Drainage improvement at Northern New Territories—construction of a box culvert underneath Castle Peak Road at San Tin	
— Dredging, management and capping of contaminated sediment disposal facility to the south of The Brothers	
— Feasibility study for the remaining development in Tung Chung	
— Formation, roads and drains in Area 54, Tuen Mun—phase 2 stage 1 works	
— Happy Valley underground stormwater storage scheme	
— Hong Kong–Zhuhai–Macao Bridge—Hong Kong Boundary Crossing Facilities—reclamation and superstructures	
— Hong Kong–Zhuhai–Macao Bridge—Hong Kong Link Road	
— Improvement and extension of Kam Pok Road	
— Kai Tak development—Kai Tak approach channel and Kwun Tong typhoon shelter improvement works (Phase 1)	
— Kai Tak development—stage 2 infrastructure at north apron area of Kai Tak Airport	
— Kwun Tong Line Extension—essential public infrastructure works	
— Liantang/Heung Yuen Wai Boundary Control Point and associated works—detailed design and ground investigation	
— Liantang/Heung Yuen Wai Boundary Control Point and associated works—reprovisioning of border road and associated security facilities	
— Reconstruction and rehabilitation of Kai Tak Nullah from Po Kong Village Road to Tung Kwong Road	
— Review studies on Hung Shui Kiu new development area—consultants' fees and site investigation	
— Shatin to Central Link—construction of non-railway works—advance works	
— Shatin to Central Link—construction of railway works—advance works	
— Shatin to Central Link—construction of railway works—protection works—remaining works	
— South Island Line (East)—essential public infrastructure works	
— Tuen Mun–Chek Lap Kok Link—detailed design, site investigations and advance works	
— Water supply to housing development at Anderson Road	
— Water supply to Pak Shek Kok reclamation area, Tai Po—stage 2	
Community and External Affairs	1,409
— Cycle tracks and associated facilities along seafront at Town Centre South, Tseung Kwan O	
— District open space, sports centre and library in Area 74, Tseung Kwan O	
— Joint-user complex in Area 44, Fanling	
— Relocation and expansion of Hong Kong Maritime Museum	
— Tuen Mun River beautification—Tin Hau Temple Plaza	
Environment and Food	1,340
— Lam Tsuen Valley sewerage, stage 1	
— North District sewerage, stage 2 part 2A—Pak Hok Lam trunk sewer and Sha Tau Kok village sewerage	
— Retrofitting of noise barriers on Tai Po Tai Wo Road, phase 1	
— Sewerage in Ping Kong and Fu Tei Pai	
— Trunk sewerage at Lau Fau Shan	
— Tuen Mun sewerage, stage 1—village sewerage in Tsing Chuen Wai and Tuen Tsz Wai	
— Upgrading of Central and East Kowloon sewerage, phase 2	

	Project Estimates \$ million
Economic	671
— Aberdeen tourism project	
— Fitting-out works for Government facilities at new air cargo terminal	
— Lei Yue Mun waterfront enhancement	
Security	485
— Construction of fire station-cum-ambulance facility at Cheung Yip Street, Kowloon Bay	
— Construction of a secondary boundary fence and new sections of primary boundary fence and boundary patrol road—phase 2	
Education	184
— Alteration and conversion to St. Paul's Co-educational College at MacDonnell Road, Central	

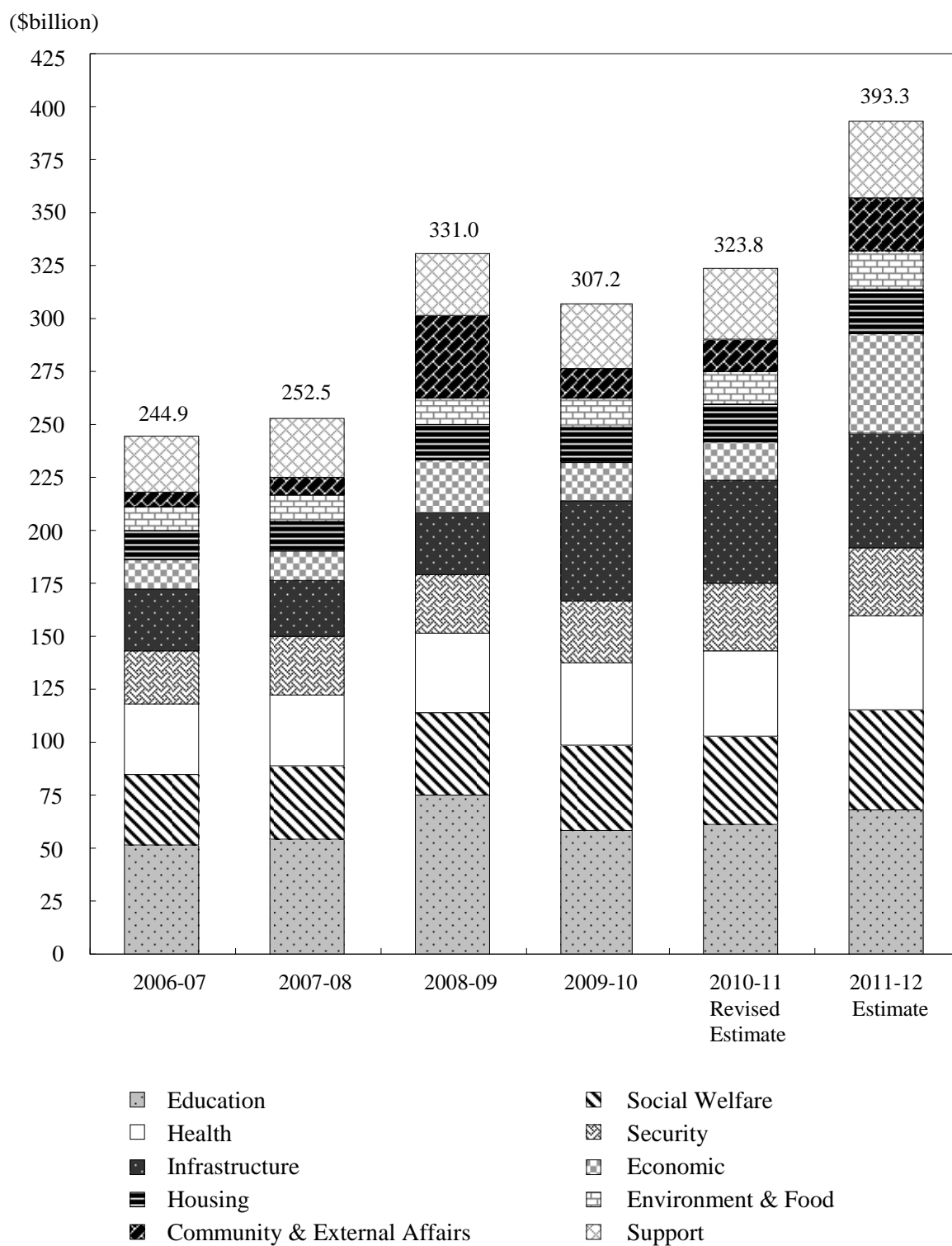
SECTION V TRENDS IN PUBLIC EXPENDITURE : 2006-07 TO 2011-12

Recurrent Public Expenditure by Policy Area Group 2006-07 to 2011-12



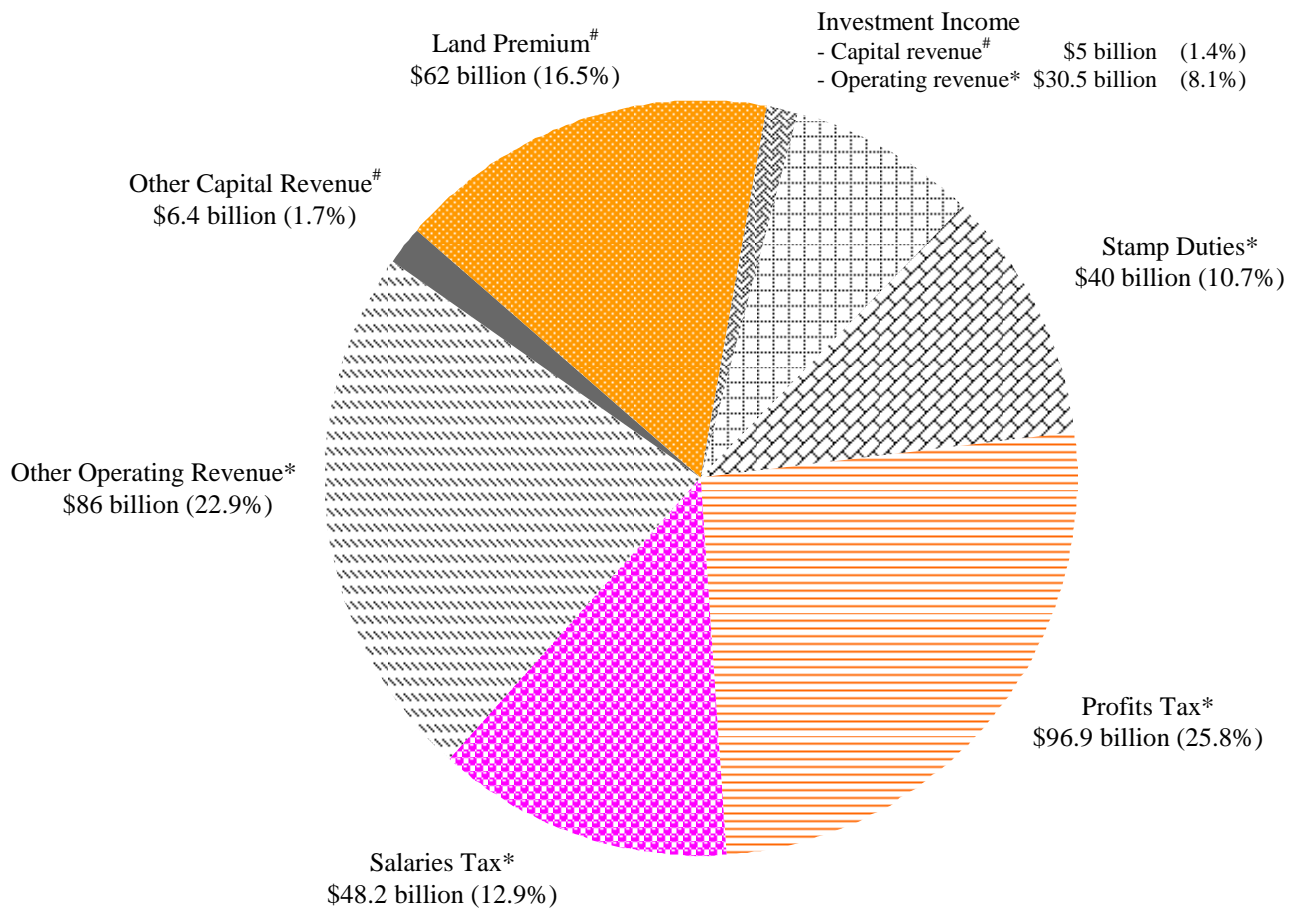
SECTION V TRENDS IN PUBLIC EXPENDITURE : 2006-07 TO 2011-12

Total Public Expenditure by Policy Area Group 2006-07 to 2011-12



SECTION VI ANALYSIS OF GOVERNMENT REVENUE

2011-12 Estimate (\$375 billion)



* Operating Revenue \$301.6 billion (80.4%)

Capital Revenue \$73.4 billion (19.6%)

SECTION VII CLASSIFICATION OF EXPENDITURE BY POLICY AREA GROUP

Policy Area Group	Policy Area (Note)	
Community and External Affairs	19	District and Community Relations
	18	Recreation, Culture, Amenities and Entertainment Licensing
Economic	3	Air and Sea Communications and Logistics Development
	6	Commerce and Industry
	8	Employment and Labour
	1	Financial Services
	17	Information Technology and Broadcasting
	34	Manpower Development
	4	Posts, Competition Policy and Consumer Protection
	7	Public Safety
Education	5	Travel and Tourism
	16	Education
Environment and Food	2	Agriculture, Fisheries and Food Safety
	32	Environmental Hygiene
	23	Environmental Protection, Conservation, Power and Sustainable Development
Health	15	Health
Housing	31	Housing
Infrastructure	22	Buildings, Lands, Planning, Heritage Conservation, Greening and Landscape
	21	Land and Waterborne Transport
	24	Water Supply, Drainage and Slope Safety
Security	12	Administration of Justice
	13	Anti-corruption
	10	Immigration Control
	9	Internal Security
	11	Legal Administration
	20	Legal Aid
Social Welfare	14	Social Welfare
	33	Women's Interests
Support	26	Central Management of the Civil Service
	30	Complaints Against Maladministration
	28	Constitutional and Mainland Affairs
	27	Intra-Governmental Services
	25	Revenue Collection and Financial Control
	29	Support for Members of the Legislative Council

Note: Details of individual heads of expenditure contributing to a particular policy area are provided in an index in Volume I of the 2011–12 Estimates. The index further provides details, by head of expenditure, of individual programmes which contribute to a policy area.