

APPENDIX B

ANALYSIS OF EXPENDITURE AND REVENUE

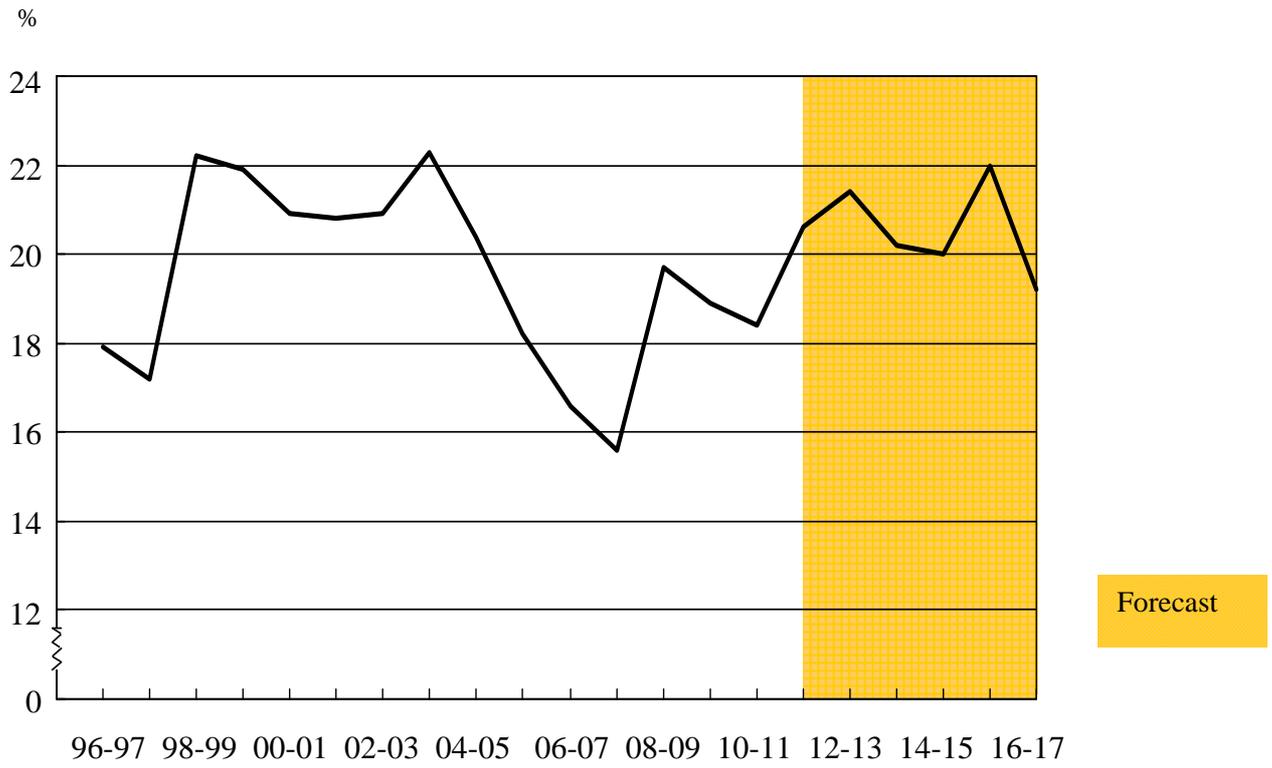
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SECTION I THE ESTIMATES IN THE CONTEXT OF THE ECONOMY

Relationship between Government Expenditure, Public Expenditure and GDP

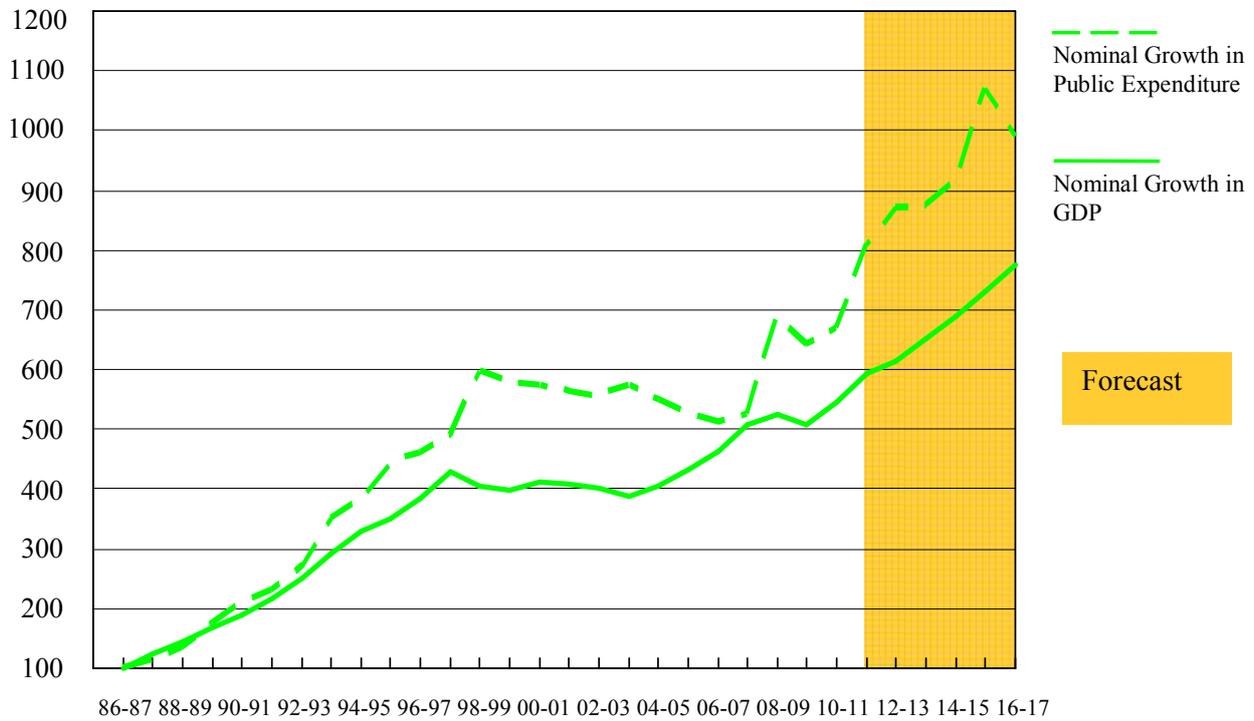
	2012–13 Estimate \$m
General Revenue Account	
Operating	315,000
Capital	3,635
	<hr/> 318,635
Capital Investment Fund	779
Capital Works Reserve Fund	68,548
Innovation and Technology Fund	783
Loan Fund	3,796
Lotteries Fund	1,218
	<hr/> 393,759
Government Expenditure	393,759
Trading Funds	4,785
Housing Authority	19,526
	<hr/> 418,070
Public Expenditure	418,070
	<hr/>
GDP	1,957,100
Public Expenditure in terms of percentage of GDP	21.4%

Public Expenditure in terms of Percentage of GDP



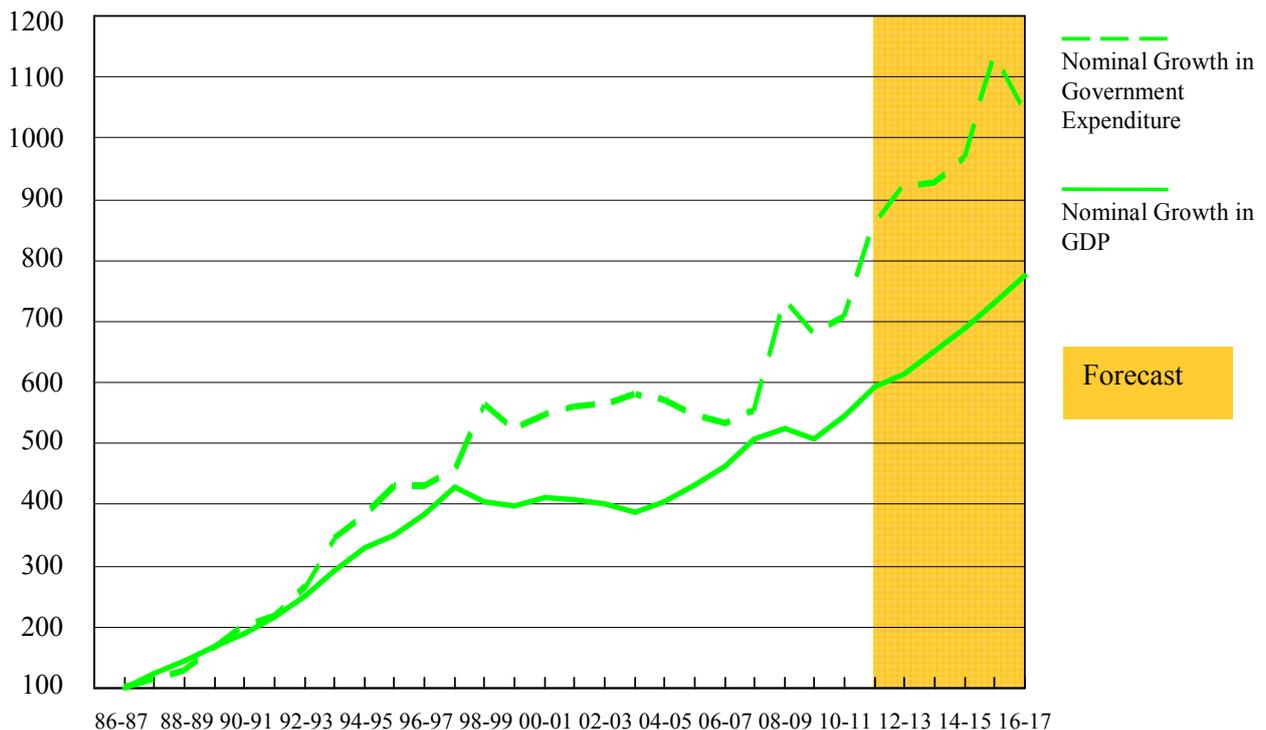
Comparison of Cumulative Growth in Public Expenditure with Cumulative Growth in GDP since the Introduction of Medium Range Forecast

Index (86-87 = 100)



Comparison of Cumulative Growth in Government Expenditure with Cumulative Growth in GDP since the Introduction of Medium Range Forecast

Index (86-87 = 100)



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

Recurrent Public Expenditure : Year-on-Year Change

	2010–11 Actual \$m	2011–12 Revised Estimate \$m	2012–13 Estimate \$m	Increase/Decrease over 2011–12 Revised Estimate	
				in Nominal Terms %	in Real Terms %
Education	51,034	56,052	59,746	6.6	6.2
Health	36,774	41,540	44,672	7.5	7.1
Social Welfare	37,577	40,439	44,020	8.9	5.8
Security	27,434	29,317	30,536	4.2	3.8
Infrastructure	15,413	16,297	17,139	5.2	3.4
Economic	11,463	12,433	13,241	6.5	5.0
Housing	9,508	10,997	11,645	5.9	2.6
Environment and Food	9,570	10,414	11,172	7.3	6.4
Community and External Affairs	8,065	8,578	9,089	6.0	5.0
Support	29,825	33,283	39,079	17.4	15.2
	<u>236,663</u>	<u>259,350</u>	<u>280,339</u>	8.1	6.8

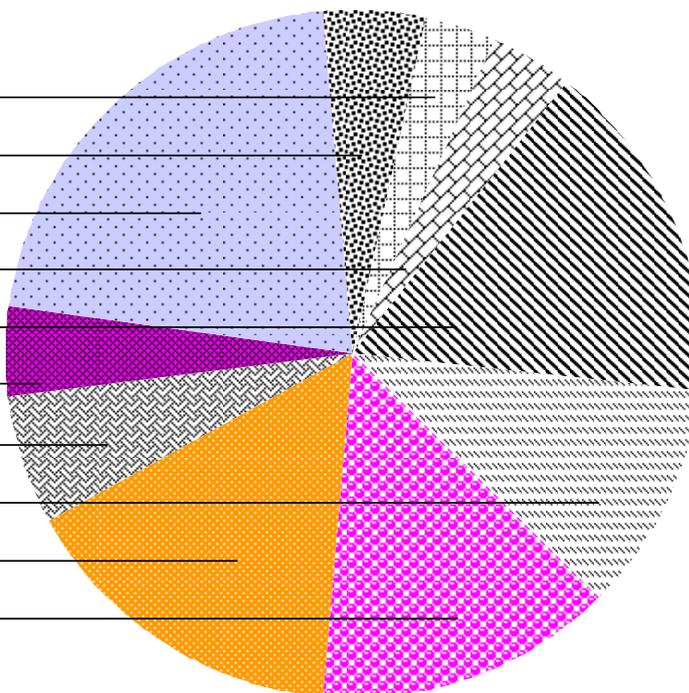
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Recurrent Government Expenditure : Year-on-Year Change

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				in Nominal Terms %	in Real Terms %
Education	51,034	56,052	59,746	6.6	6.2
Health	36,774	41,540	44,672	7.5	7.1
Social Welfare	37,577	40,439	44,020	8.9	5.8
Security	27,434	29,317	30,536	4.2	3.8
Infrastructure	15,227	16,084	16,909	5.1	3.4
Economic	7,471	8,210	8,879	8.1	7.5
Housing	196	229	247	7.9	7.8
Environment and Food	9,570	10,414	11,172	7.3	6.4
Community and External Affairs	8,065	8,578	9,089	6.0	5.0
Support	29,825	33,283	39,079	17.4	15.2
	<u>223,173</u>	<u>244,146</u>	<u>264,349</u>	8.3	7.1

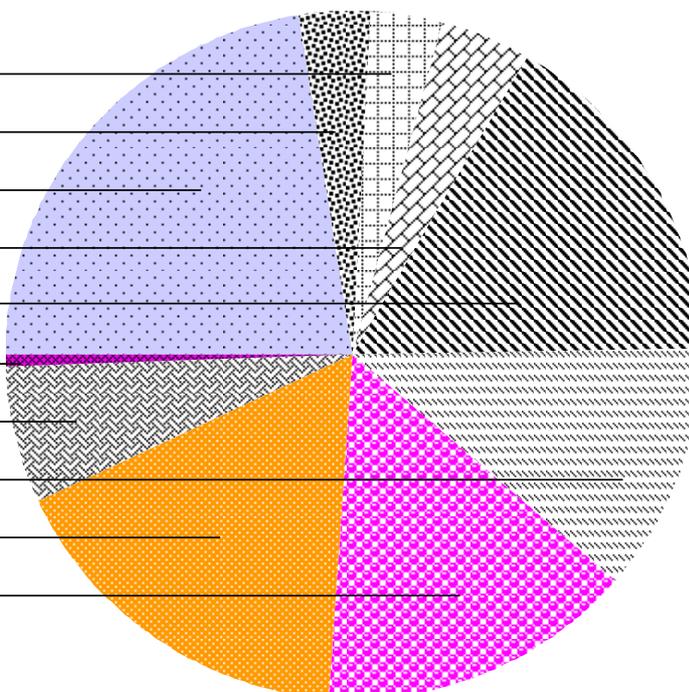
**Percentage Share of Expenditure by Policy Area Group
 Recurrent Public Expenditure : 2012-13 Estimate**

Community and External Affairs	3.3%
Economic	4.7%
Education	21.3%
Environment and Food	4.0%
Health	15.9%
Housing	4.2%
Infrastructure	6.1%
Security	10.9%
Social Welfare	15.7%
Support	13.9%
	100.0%



**Percentage Share of Expenditure by Policy Area Group
 Recurrent Government Expenditure : 2012-13 Estimate**

Community and External Affairs	3.4%
Economic	3.3%
Education	22.6%
Environment and Food	4.2%
Health	16.9%
Housing	0.1%
Infrastructure	6.4%
Security	11.6%
Social Welfare	16.7%
Support	14.8%
	100.0%



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

Total Public Expenditure : Year-on-Year Change

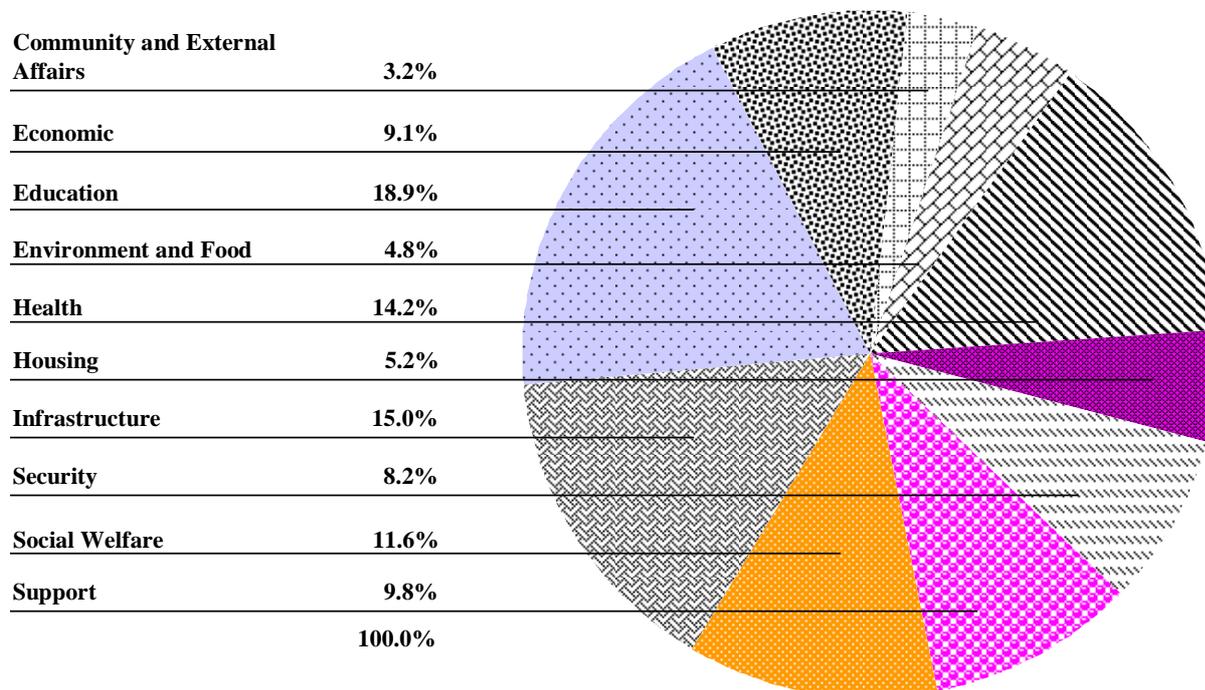
	2010–11 Actual \$m	2011–12 Revised Estimate \$m	2012–13 Estimate \$m	Increase/Decrease over 2011–12 Revised Estimate	
				in Nominal Terms %	in Real Terms %
Education	60,719	68,274	79,105	15.9	15.1
Health	39,890	45,181	59,217	31.1	30.3
Social Welfare	40,519	43,620	48,357	10.9	7.9
Security	32,577	31,563	34,341	8.8	8.1
Infrastructure	48,955	52,864	62,554	18.3	13.6
Economic	17,353	47,537	37,931	-20.2	-21.5
Housing	16,938	19,982	21,728	8.7	4.8
Environment and Food	15,213	17,684	20,104	13.7	11.1
Community and External Affairs	15,101	26,067	13,573	-47.9	-49.1
Support	33,305	36,041	41,160	14.2	12.0
	<u>320,570</u>	<u>388,813</u>	<u>418,070</u>	7.5	5.5

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

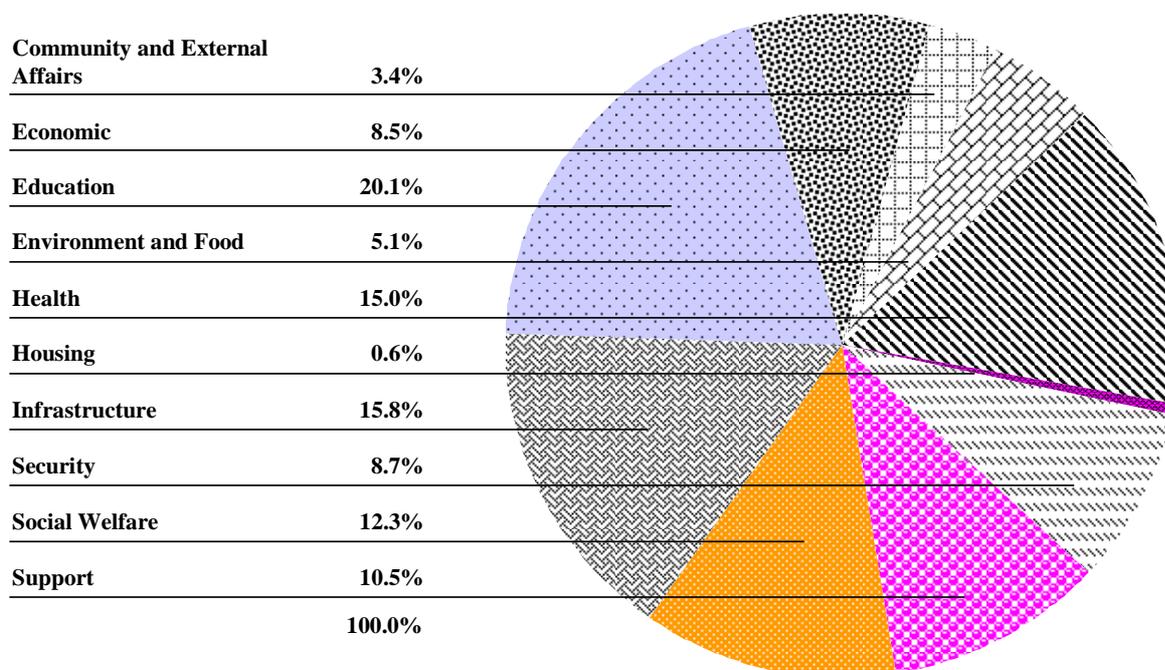
Total Government Expenditure : Year-on-Year Change

	2010–11 Actual \$m	2011–12 Revised Estimate \$m	2012–13 Estimate \$m	Increase/Decrease over 2011–12 Revised Estimate	
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Education	60,719	68,274	79,105	15.9	15.1
Health	39,890	45,181	59,217	31.1	30.3
Social Welfare	40,519	43,620	48,357	10.9	7.9
Security	32,577	31,563	34,341	8.8	8.1
Infrastructure	48,716	52,638	62,309	18.4	13.6
Economic	13,314	43,192	33,391	-22.7	-23.8
Housing	2,006	2,151	2,202	2.4	2.3
Environment and Food	15,213	17,684	20,104	13.7	11.1
Community and External Affairs	15,101	26,067	13,573	-47.9	-49.1
Support	33,305	36,041	41,160	14.2	12.0
	<u>301,360</u>	<u>366,411</u>	<u>393,759</u>	7.5	5.6

Percentage Share of Expenditure by Policy Area Group
Total Public Expenditure : 2012-13 Estimate



Percentage Share of Expenditure by Policy Area Group
Total Government Expenditure : 2012-13 Estimate



SECTION IV MAJOR CAPITAL PROJECTS ESTIMATED TO BEGIN IN 2012–13

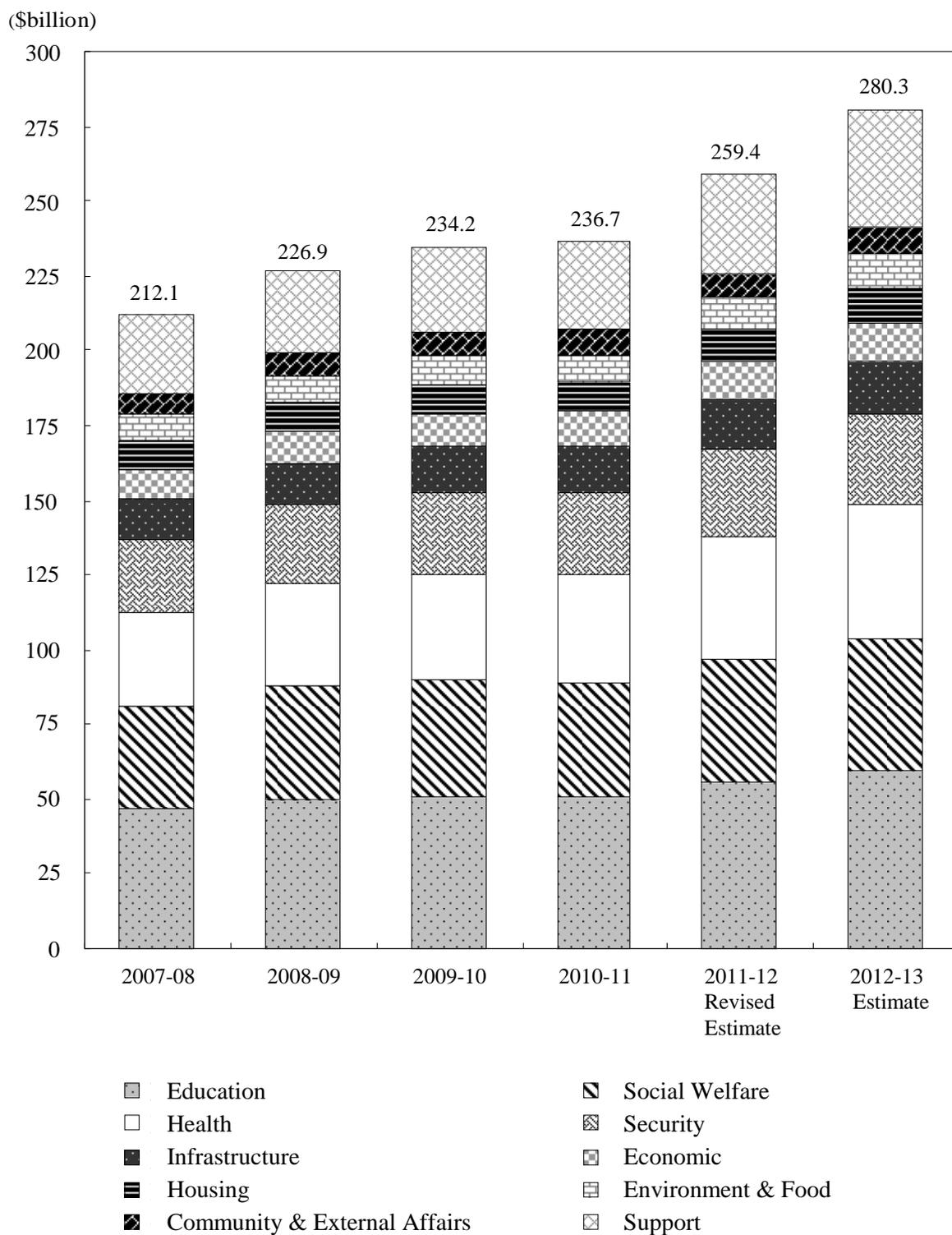
Major capital projects estimated to begin in 2012-13 include –

	Project Estimates \$ million
Infrastructure	89,711
— Dredging, management and capping of contaminated sediment disposal facility to the south of The Brothers	
— Feasibility study on relocation of Mount Davis fresh water primary service reservoir and Kennedy Town fresh water service reservoir to caverns	
— Formation, roads and drains in Area 54, Tuen Mun, phase 2 stage 2 works	
— Hung Shui Kiu development, stage 2—widening of Tin Ha Road and Tan Kwai Tsuen Road	
— Improvement to Pok Oi Interchange	
— Infrastructure works for West Kowloon Cultural District phase 1—design and site investigation	
— Liantang/Heung Yuen Wai Boundary Control Point and associated works—site formation and infrastructure works	
— Mainlaying along Fanling Highway and near She Shan Tsuen	
— Planning and engineering studies on reclamation sites, stage 1	
— Planning and engineering study for housing sites in Yuen Long south	
— Planning and investigation study of desalination plant at Tseung Kwan O	
— Provision of barrier-free access facilities at public footbridges, elevated walkways and subways, phase 2	
— Retrofitting of noise barriers on Tuen Mun Road (Town Centre section)	
— Revitalisation Scheme—Revitalisation of Old Tai Po Police Station into a Green Hub	
— Revitalisation Scheme—Revitalisation of the Blue House Cluster into Viva Blue House	
— Shatin to Central Link—construction of non-railway works—remaining works	
— Shatin to Central Link—construction of railway works—remaining works	
— Study on long-term strategy for cavern development	
— Water supply to northwestern Tuen Mun, stage 1	
— Widening of Tolo Highway/Fanling Highway between Island House Interchange and Fanling—stage 2	
Security	7,507
— Redevelopment of ex-Fire Services Married Quarters in Fu Tei, Tuen Mun	
— Redevelopment of Fire Services Training School cum reprovisioning of Driving Training School	
— Redevelopment of Tai Lam Centre for Women	
— West Kowloon Law Courts Building	
Community and External Affairs	2,729
— Cycle track between Tsuen Wan and Tuen Mun—detailed design and site investigation (advance and stage 1 works)	
— Development of a bathing beach at Lung Mei, Tai Po	
— Expansion and improvement of Wanchai campus of the Hong Kong Academy for Performing Arts	
— Kwun Tong promenade—stage 2	
— Lei Yue Mun Waterfront Enhancement Project—development of a waterfront promenade and related improvement works	
— Lei Yue Mun Waterfront Enhancement Project—construction of a public landing facility	
— Local open space at Chung Yee Street, Kowloon City	
— Open space in Area 117, Tin Shui Wai	
— Runway Park at Kai Tak, Kowloon City District (phase 1)	
— Sports centre, community hall-cum-public library in Area 14B, Sha Tin	

	Project Estimates \$ million
Environment and Food	2,725
— Development of organic waste treatment facilities, phase 1	
— Feasibility study on relocation of Sha Tin sewage treatment works to caverns	
— Lam Tsuen Valley sewerage, stage 2	
— Outlying Islands sewerage stage 2—South Lantau sewerage works—consultants' detailed design fees	
— Port Shelter sewerage, stage 2 package 1	
— Port Shelter sewerage, stage 3 package 1	
— Sewerage in Kau Lung Hang Lo Wai, Kau Lung Hang San Wai, Tai Hang and trunk sewer in Tai Wo Service Road West	
— Upgrading of Mui Wo sewage treatment works and sewerage at Mui Wo town centre and Wang Tong	
— West New Territories landfill extension—consultants' fees and investigations	
— Yuen Long and Kam Tin sewerage, stage 3 package 2	
Health	973
— Expansion of United Christian Hospital—preparatory works	
— Redevelopment of Kwong Wah Hospital—preparatory works	
Economic	466
— Construction of a station for the new Terminal Doppler Weather Radar	
— Fitting-out works for government facilities associated with midfield expansion project at Hong Kong International Airport	
Education	
— Redevelopment of Ying Wa Girls' School at Robinson Road, Hong Kong	466

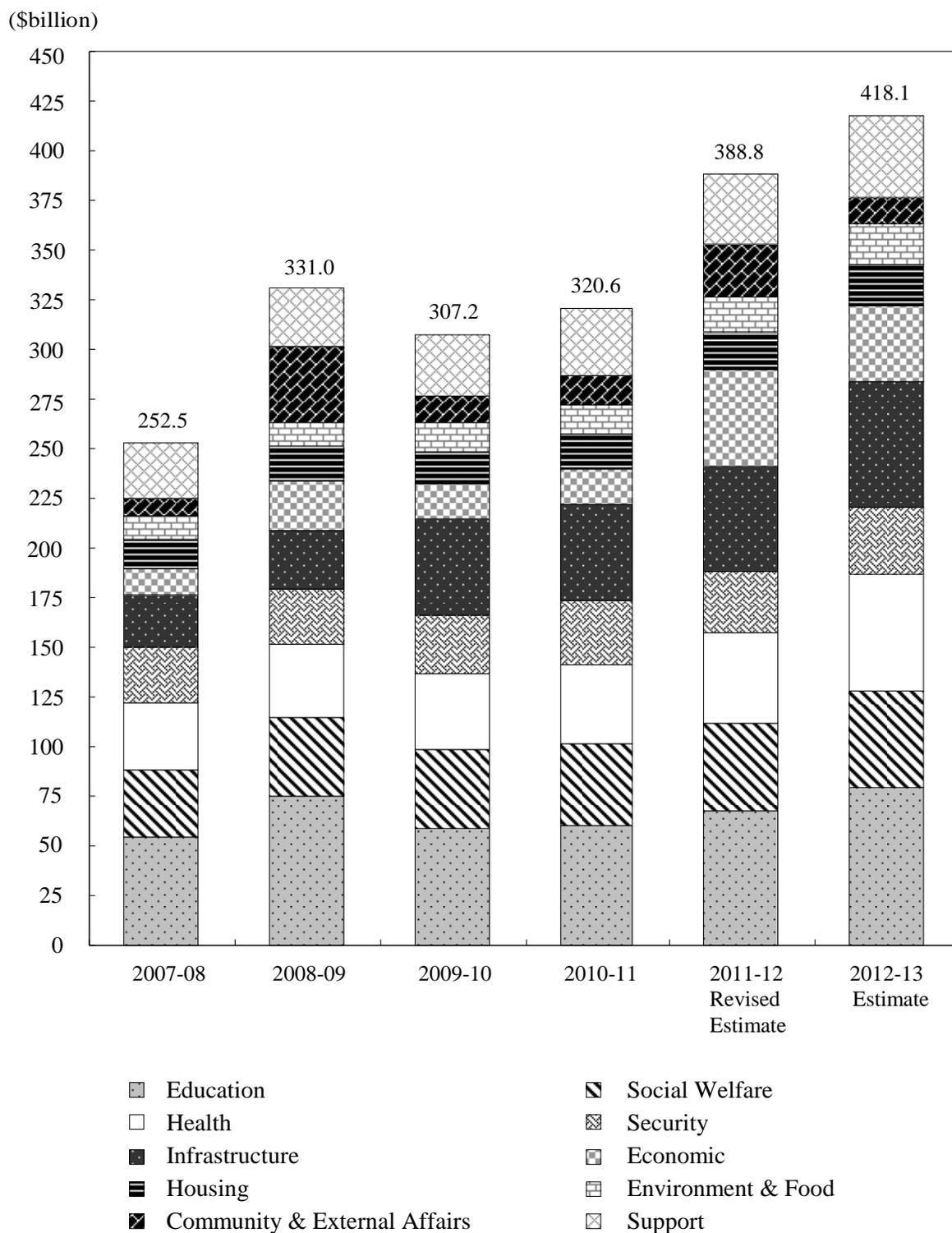
SECTION V TRENDS IN PUBLIC EXPENDITURE : 2007-08 TO 2012-13

Recurrent Public Expenditure by Policy Area Group 2007-08 to 2012-13



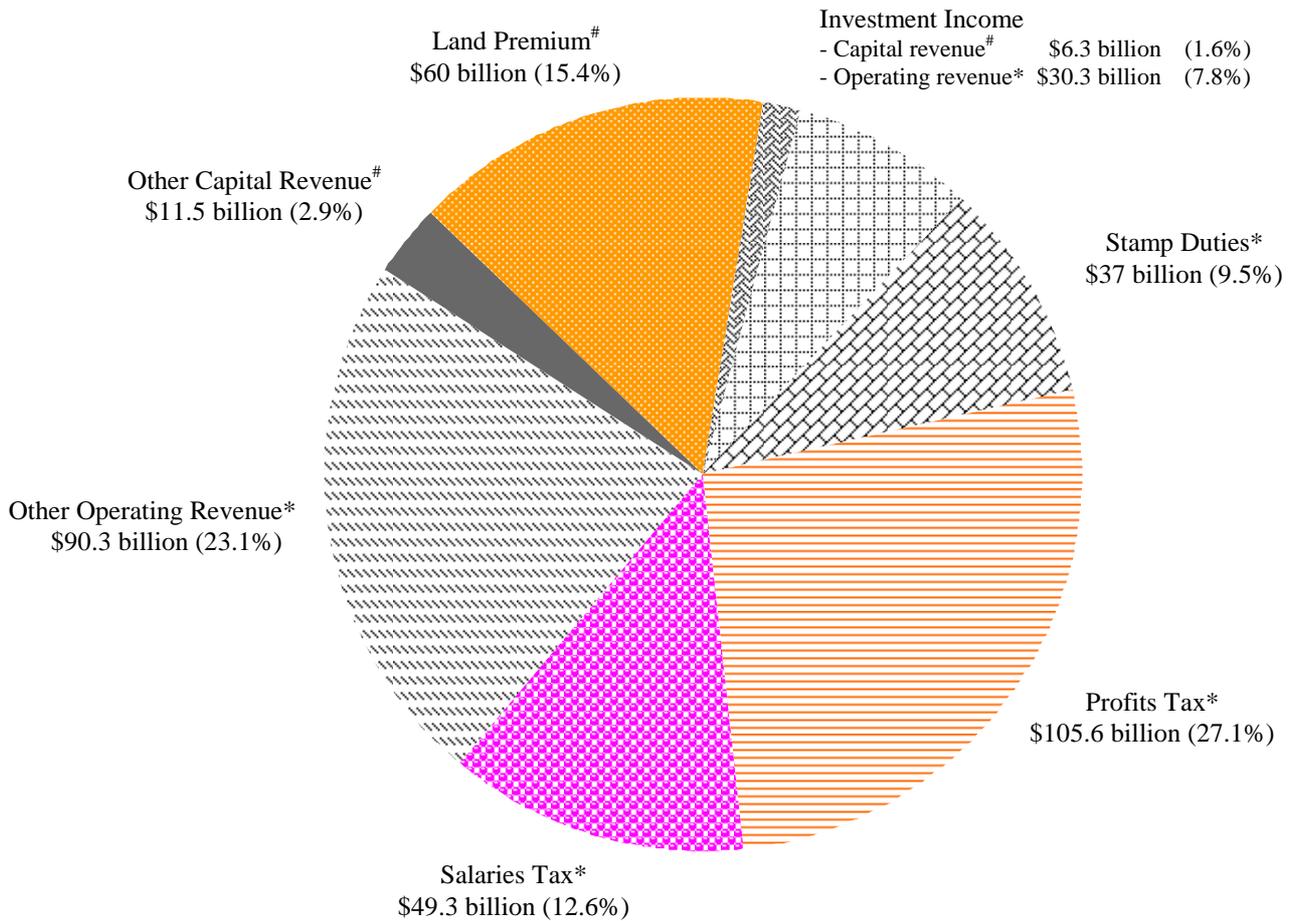
SECTION V TRENDS IN PUBLIC EXPENDITURE : 2007-08 TO 2012-13

Total Public Expenditure by Policy Area Group 2007-08 to 2012-13



SECTION VI ANALYSIS OF GOVERNMENT REVENUE

2012-13 Estimate (\$390.3 billion)



* Operating Revenue \$312.5 billion (80.1%)

Capital Revenue \$77.8 billion (19.9%)

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
	5 Travel and Tourism
Education	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 2012-13 Estimates. The index further provides details, by head of expenditure, of individual programmes which contribute to a policy area.