

APPENDIX B

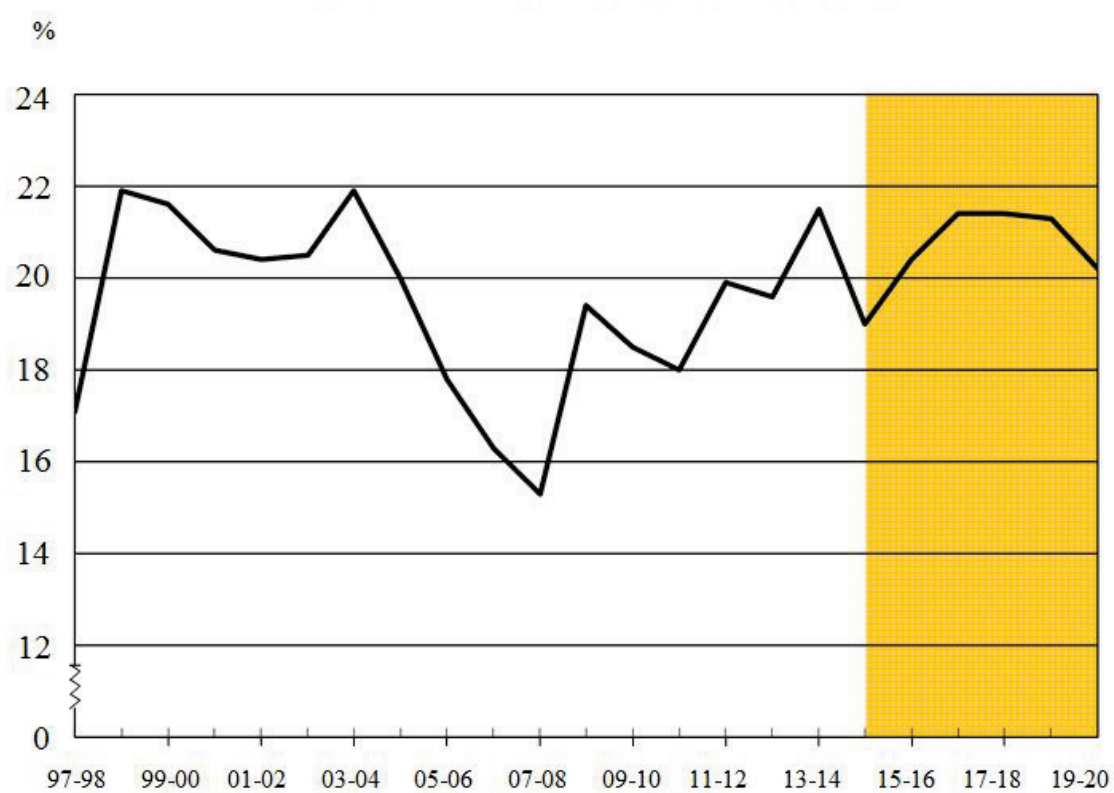
ANALYSIS OF EXPENDITURE AND REVENUE

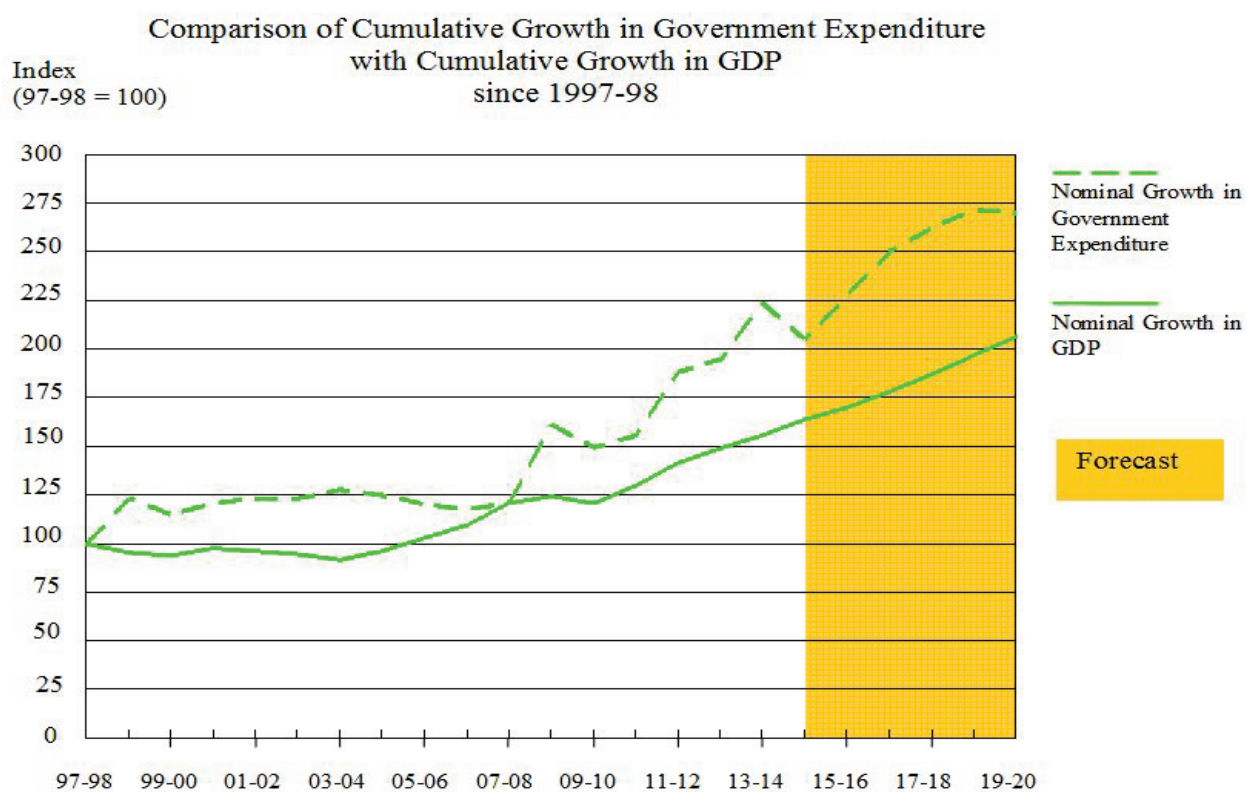
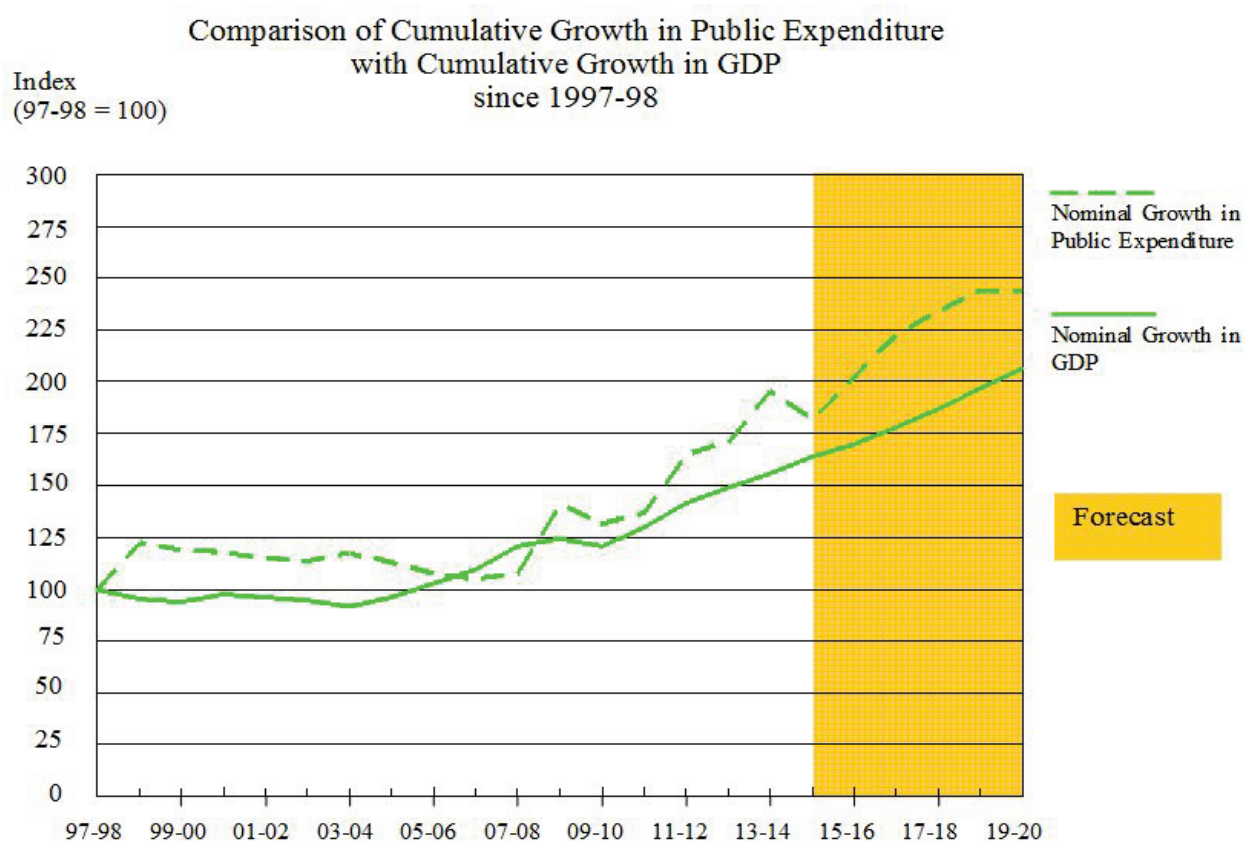
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SECTION I THE ESTIMATES IN THE CONTEXT OF THE ECONOMY**Relationship between Government Expenditure, Public Expenditure and GDP**

	2015-16 Estimate \$m
General Revenue Account	
Operating	354,300
Capital	3,917
	358,217
Capital Investment Fund	18
Capital Works Reserve Fund	75,373
Innovation and Technology Fund	1,014
Loan Fund	5,286
Lotteries Fund	919
	440,827
Government Expenditure	
Trading Funds	5,189
Housing Authority	28,147
	474,163
Public Expenditure	
GDP	2,324,300
Public Expenditure in terms of percentage of GDP	20.4%

Public Expenditure in terms of Percentage of GDP





**SECTION II RECURRENT PUBLIC/GOVERNMENT EXPENDITURE
BY POLICY AREA GROUP**

Recurrent Public Expenditure : Year-on-Year Change

	2013-14 Actual \$m	2014-15 Revised Estimate \$m	2015-16 Estimate \$m	Increase/Decrease over 2014-15 Revised Estimate in Nominal Terms %	in Real Terms %
Education	63,458	68,157	71,380	4.7	4.3
Social Welfare	51,635	54,530	59,733	9.5	5.7
Health	49,890	54,083	54,502	0.8	0.4
Security	32,942	35,640	36,605	2.7	2.4
Infrastructure	17,997	19,027	19,781	4.0	1.6
Economic	14,097	14,797	15,160	2.5	1.3
Environment and Food	11,669	12,879	13,900	7.9	7.0
Housing	11,554	12,858	13,523	5.2	3.3
Community and External Affairs	9,740	10,571	11,207	6.0	5.1
Support	37,593	41,310	46,945	13.6	11.8
	<u>300,575</u>	<u>323,852</u>	<u>342,736</u>	5.8	4.4

Nominal GDP growth in 2015

2.5% to 4.5%

**SECTION II RECURRENT PUBLIC/GOVERNMENT EXPENDITURE
BY POLICY AREA GROUP**

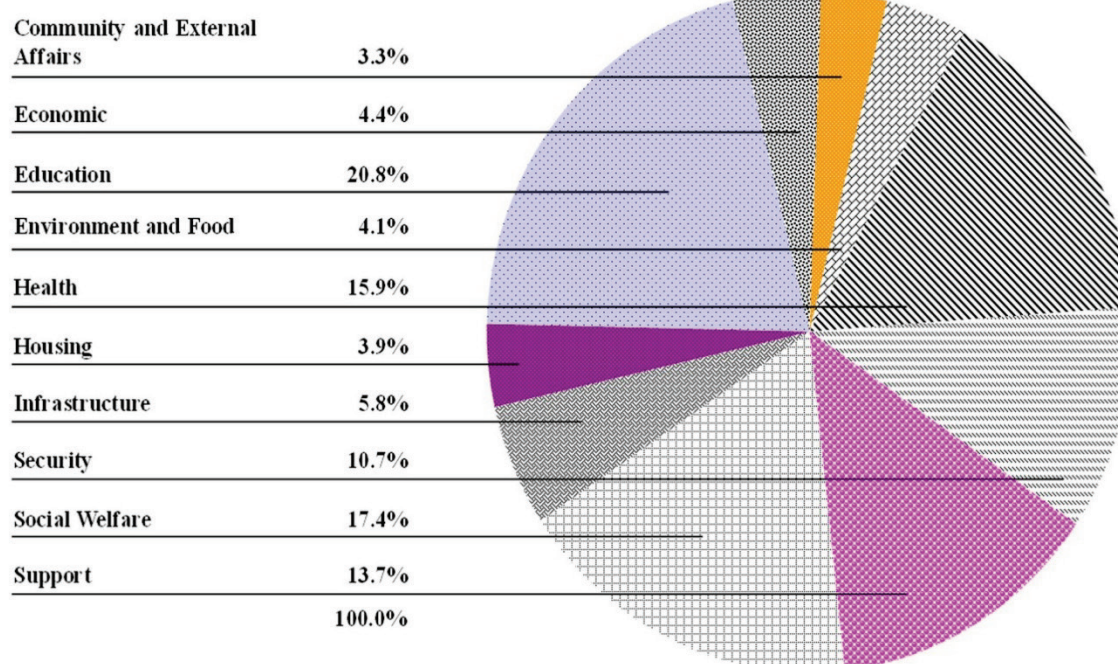
Recurrent Government Expenditure : Year-on-Year Change

	2013-14 Actual \$m	2014-15 Revised Estimate \$m	2015-16 Estimate \$m	Increase/Decrease over 2014-15 Revised Estimate in Nominal Terms %	in Real Terms %
Education	63,458	68,157	71,380	4.7	4.3
Social Welfare	51,635	54,530	59,733	9.5	5.7
Health	49,890	54,083	54,502	0.8	0.4
Security	32,942	35,640	36,605	2.7	2.4
Infrastructure	17,844	18,826	19,588	4.0	1.7
Economic	9,334	9,985	10,363	3.8	3.1
Environment and Food	11,669	12,879	13,900	7.9	7.0
Housing	284	352	361	2.6	2.6
Community and External Affairs	9,740	10,571	11,207	6.0	5.1
Support	37,593	41,310	46,945	13.6	11.8
	<u>284,389</u>	<u>306,333</u>	<u>324,584</u>	6.0	4.6

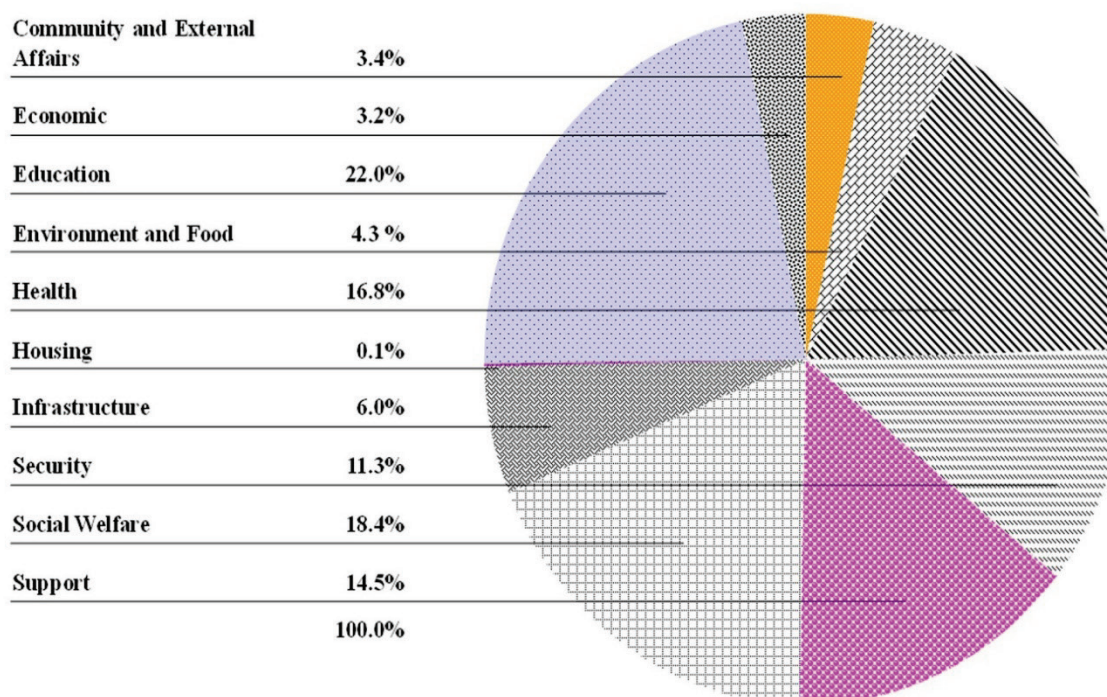
Nominal GDP growth in 2015

2.5% to 4.5%

Percentage Share of Expenditure by Policy Area Group
Recurrent Public Expenditure : 2015-16 Estimate



Percentage Share of Expenditure by Policy Area Group
Recurrent Government Expenditure : 2015-16 Estimate



SECTION III TOTAL PUBLIC/GOVERNMENT EXPENDITURE BY POLICY AREA GROUP

Total Public Expenditure : Year-on-Year Change

	2013-14 Actual \$m	2014-15 Revised Estimate \$m	2015-16 Estimate \$m	Increase/Decrease over 2014-15 Revised Estimate in Nominal Terms %	in Real Terms %
Education	76,392	74,112	79,329	7.0	6.4
Social Welfare	55,352	58,300	67,655	16.0	12.3
Health	67,602	57,526	70,558	22.7	21.9
Security	35,293	38,928	41,628	6.9	6.2
Infrastructure	73,723	73,866	76,330	3.3	-1.5
Economic	37,298	20,837	21,975	5.5	4.1
Environment and Food	23,762	21,618	23,750	9.9	7.7
Housing	21,268	25,134	29,806	18.6	14.3
Community and External Affairs	27,718	12,609	13,710	8.7	7.0
Support	38,938	43,074	49,422	14.7	12.9
	<u>457,346</u>	<u>426,004</u>	<u>474,163</u>	11.3	9.0

Nominal GDP growth in 2015

2.5% to 4.5%

SECTION III TOTAL PUBLIC/GOVERNMENT EXPENDITURE BY POLICY AREA GROUP

Total Government Expenditure : Year-on-Year Change

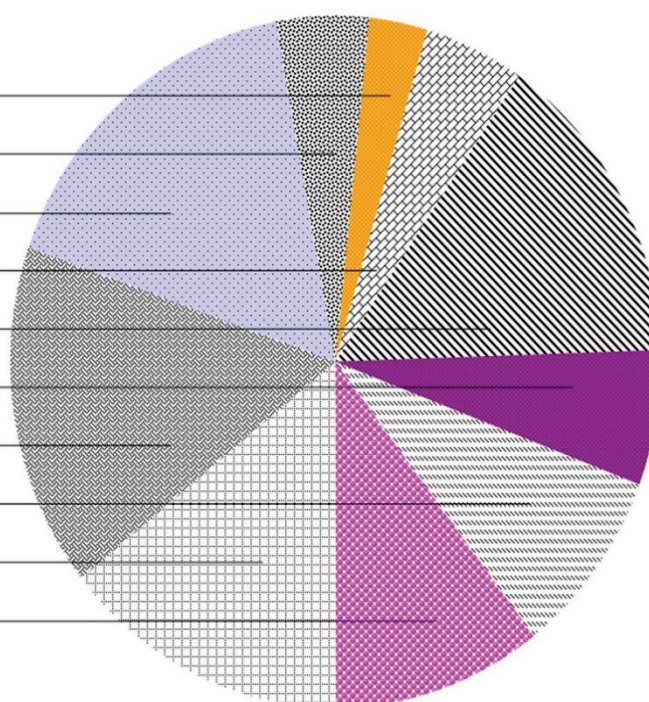
	2013-14 Actual \$m	2014-15 Revised Estimate \$m	2015-16 Estimate \$m	Increase/Decrease over 2014-15 Revised Estimate in Nominal Terms %	in Real Terms %
Education	76,392	74,112	79,329	7.0	6.4
Social Welfare	55,352	58,300	67,655	16.0	12.3
Health	67,602	57,526	70,558	22.7	21.9
Security	35,293	38,928	41,628	6.9	6.2
Infrastructure	73,564	73,654	76,126	3.4	-1.5
Economic	32,462	15,843	16,990	7.2	6.1
Environment and Food	23,762	21,618	23,750	9.9	7.7
Housing	2,460	1,476	1,659	12.4	11.8
Community and External Affairs	27,718	12,609	13,710	8.7	7.0
Support	38,938	43,074	49,422	14.7	12.9
	<u>433,543</u>	<u>397,140</u>	<u>440,827</u>	11.0	8.8

Nominal GDP growth in 2015

2.5% to 4.5%

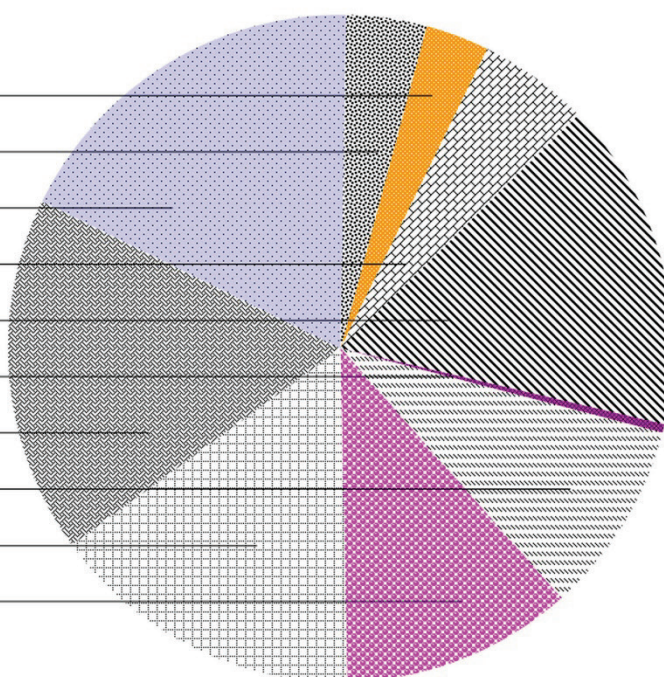
Percentage Share of Expenditure by Policy Area Group
Total Public Expenditure : 2015-16 Estimate

Community and External Affairs	2.9%
Economic	4.6%
Education	16.7%
Environment and Food	5.0%
Health	14.9%
Housing	6.3%
Infrastructure	16.1%
Security	8.8%
Social Welfare	14.3%
Support	10.4%
	100.0%



Percentage Share of Expenditure by Policy Area Group
Total Government Expenditure : 2015-16 Estimate

Community and External Affairs	3.1%
Economic	3.9%
Education	18.0%
Environment and Food	5.4%
Health	16.0%
Housing	0.4%
Infrastructure	17.3%
Security	9.4%
Social Welfare	15.3%
Support	11.2%
	100.0%



SECTION IV MAJOR CAPITAL PROJECTS PLANNED FOR COMMENCEMENT IN 2015-16

Major capital projects estimated to begin in 2015-16 include –

	Project Estimates \$ billion
Infrastructure	20.5
— Demolition of buildings, structures and chimneys at Kennedy Town Comprehensive Development Area	
— Dualling of Hiram's Highway between Clear Water Bay Road and Marina Cove and improvement to local access to Ho Chung	
— Formation, roads and drains in Area 54, Tuen Mun—phase 2 stages 3 & 4A works	
— Infrastructure works for West Kowloon Cultural District, phase 1—construction (package one)	
— In-situ reprovisioning of Sha Tin water treatment works (South Works)—advance works	
— Integrated basement for West Kowloon Cultural District—design, site investigation and advance works	
— Kai Tak development—infrastructure works for developments at the southern part of the former runway	
— Public transport interchange and associated works at Kiu Cheong Road East, Ping Shan	
— Reprovisioning of Harcourt Road fresh water pumping station	
— Retrofitting of noise barriers on Tuen Mun Road (Town Centre Section)	
— 3 projects under Revitalisation Scheme	
Security	15.3
— Construction of rank and file quarters for Customs and Excise Department at Yau Yue Wan Village Road, Tseung Kwan O	
— Kowloon East Regional Headquarters and Operational Base-cum-Ngau Tau Kok Divisional Police Station	
— Liantang/Heung Yuen Wai Boundary Control Point and associated works—construction of boundary control point buildings and associated facilities	
— Redevelopment of Kwun Tong staff quarters at 4 Tseung Kwan O Road, Kowloon	
— Relocation of supporting operational facilities of Tsim Sha Tsui Fire Station Complex	
Environment and Food	11
— Development of waste electrical and electronic equipment treatment and recycling facility	
— Provision of a columbarium and garden of remembrance at Tsang Tsui, Tuen Mun	
— Reprovisioning of Food and Environmental Hygiene Department Sai Yee Street Environmental Hygiene Offices-cum-vehicle depot at Yen Ming Road, West Kowloon Reclamation Area	
— Shek Wu Hui sewage treatment works—further expansion phase 1A—advance works, consultants' fees and investigation	
— Southeast New Territories landfill extension	
— Tuen Mun sewerage—Castle Peak Road trunk sewer and Tuen Mun village sewerage	
— Upgrading of San Wai sewage treatment works—phase 1	
Community and External Affairs	8.5
— Construction of the East Kowloon Cultural Centre	
— Cycle tracks connecting North West New Territories with North East New Territories—Tuen Mun to Sheung Shui section (Remaining)	
— Expansion and renovation of the Hong Kong Museum of Art	
— Government Complex in Area 14 (Siu Lun), Tuen Mun	
— Sports centre in Area 24D, Sha Tin	
— 14 projects under Signature Project Scheme	

**Project
Estimates
\$ billion**

Support

8.2

- Construction of West Kowloon Government Offices
- Relocation of New Territories West Regional Office and Water Resources Education Centre of Water Supplies Department to Tin Shui Wai

Health

3.2

- Expansion of the blood transfusion service headquarters
- Expansion of United Christian Hospital—main works (demolition and substructure works)
- Refurbishment of Hong Kong Buddhist Hospital

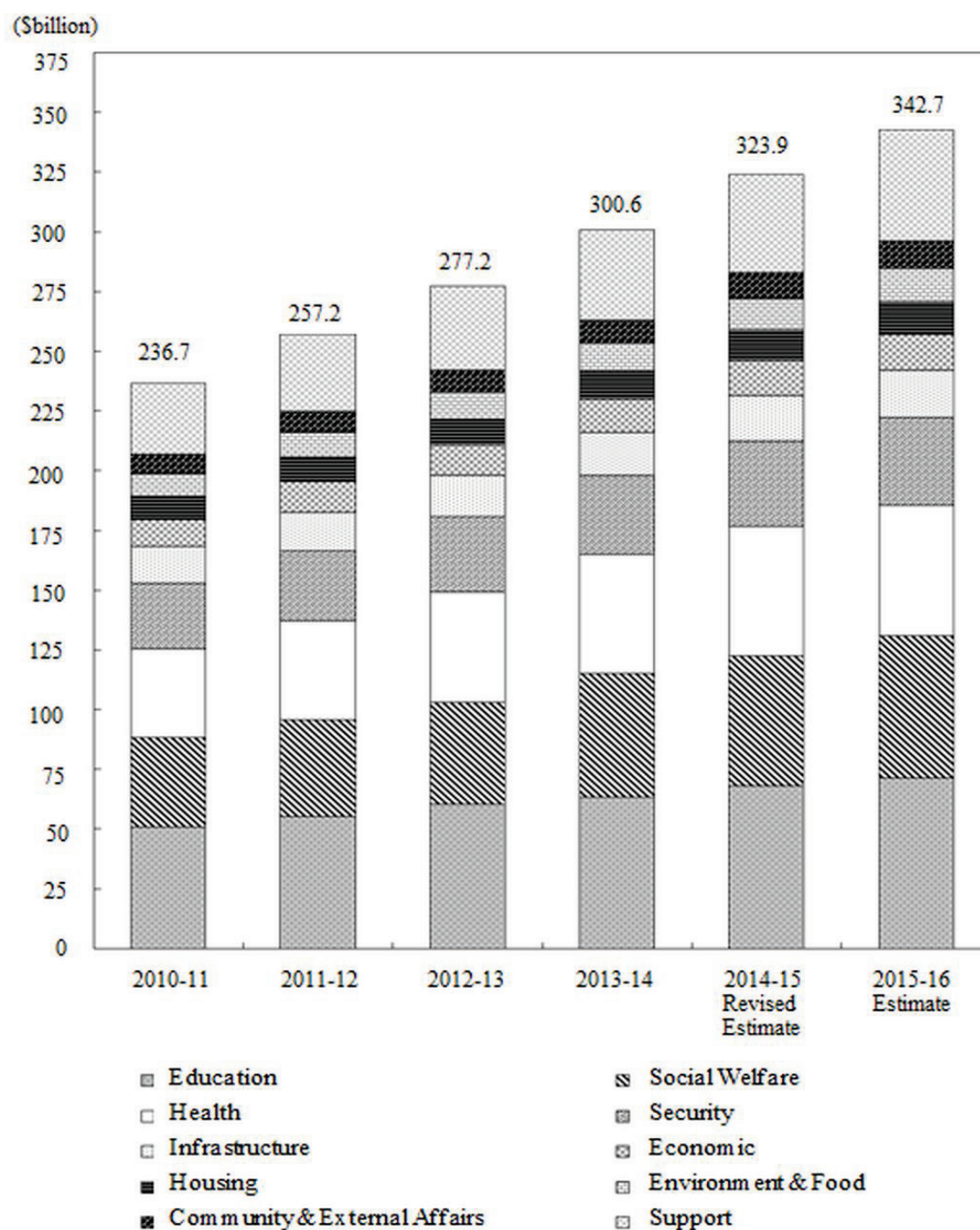
Education

0.7

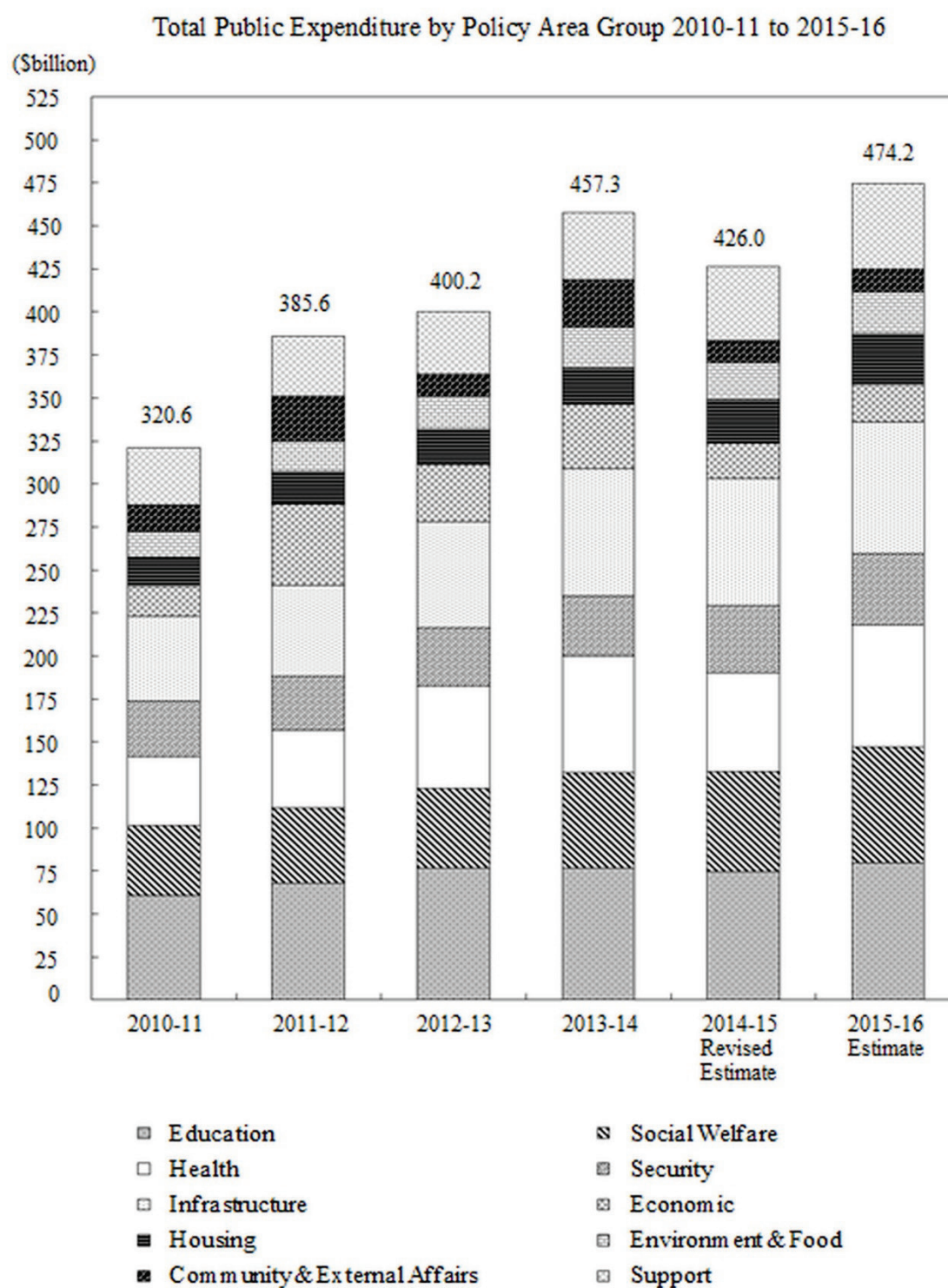
- Two 24-classroom primary schools at ex-Tanner Road Police Married Quarters site at Pak Fuk Road, North Point, Hong Kong

SECTION V TRENDS IN PUBLIC EXPENDITURE : 2010-11 TO 2015-16

Recurrent Public Expenditure by Policy Area Group 2010-11 to 2015-16

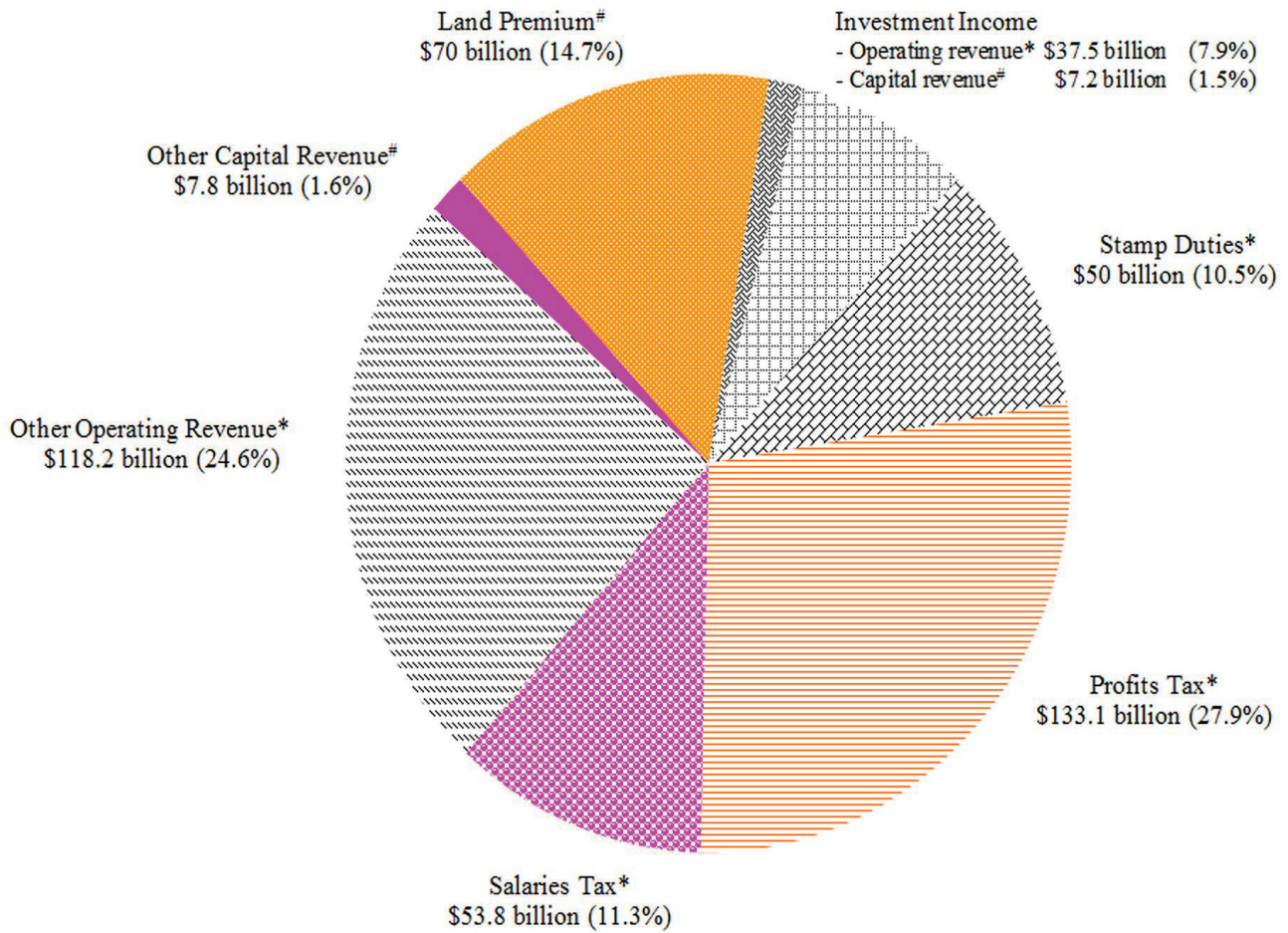


SECTION V TRENDS IN PUBLIC EXPENDITURE : 2010-11 TO 2015-16



SECTION VI ANALYSIS OF GOVERNMENT REVENUE

2015-16 Estimate (\$477.6 billion)



* Operating Revenue \$392.6 billion (82.2%)

Capital Revenue \$85.0 billion (17.8%)

SECTION VII CLASSIFICATION OF 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 2015-16 Estimates. The index further provides details, by head of expenditure, of individual programmes which contribute to a policy area.