

## **APPENDIX B**

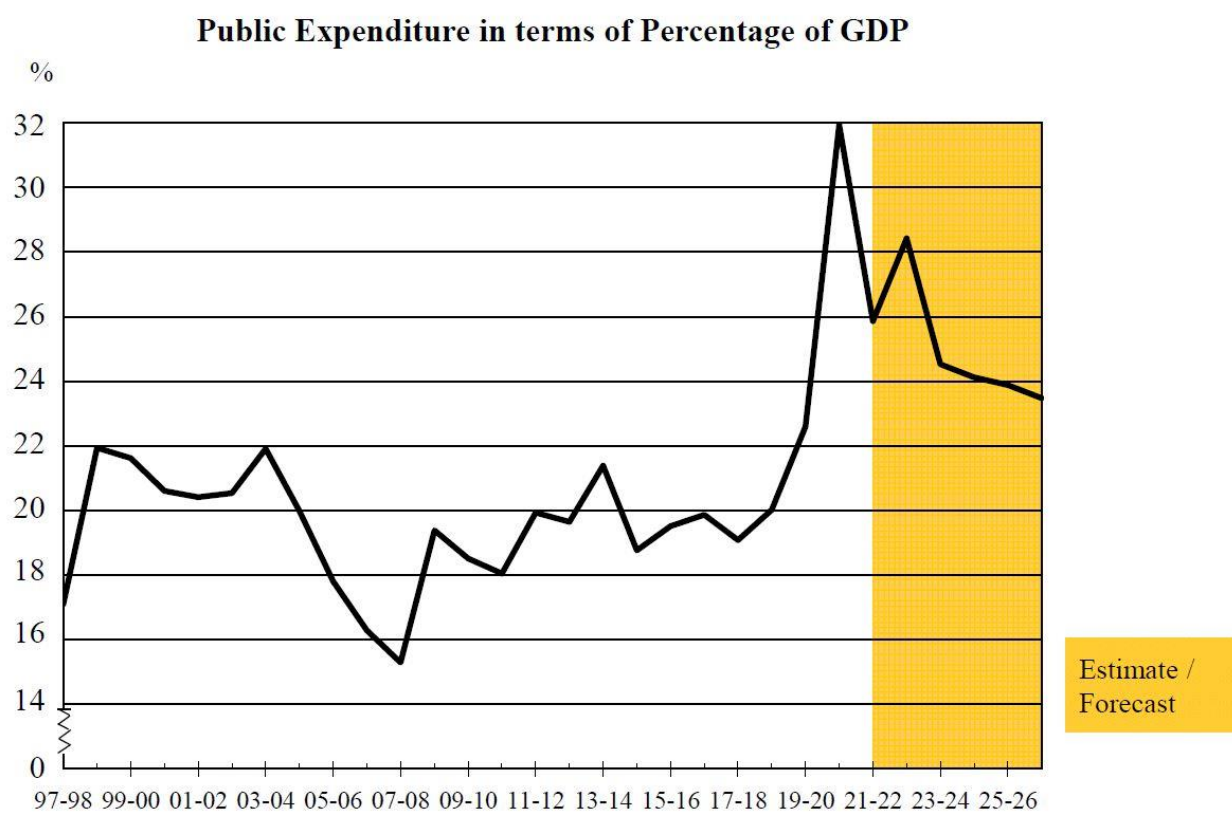
### **ANALYSIS OF EXPENDITURE AND REVENUE**

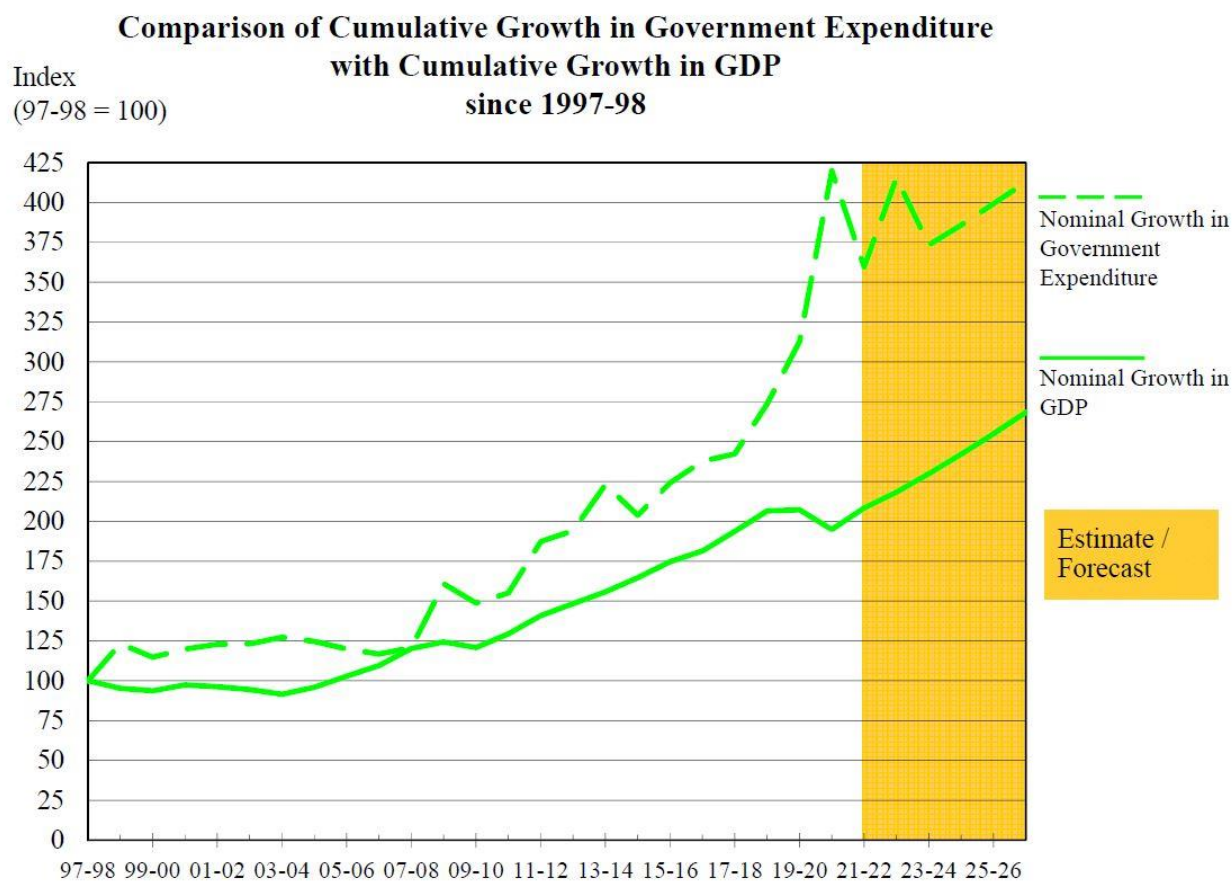
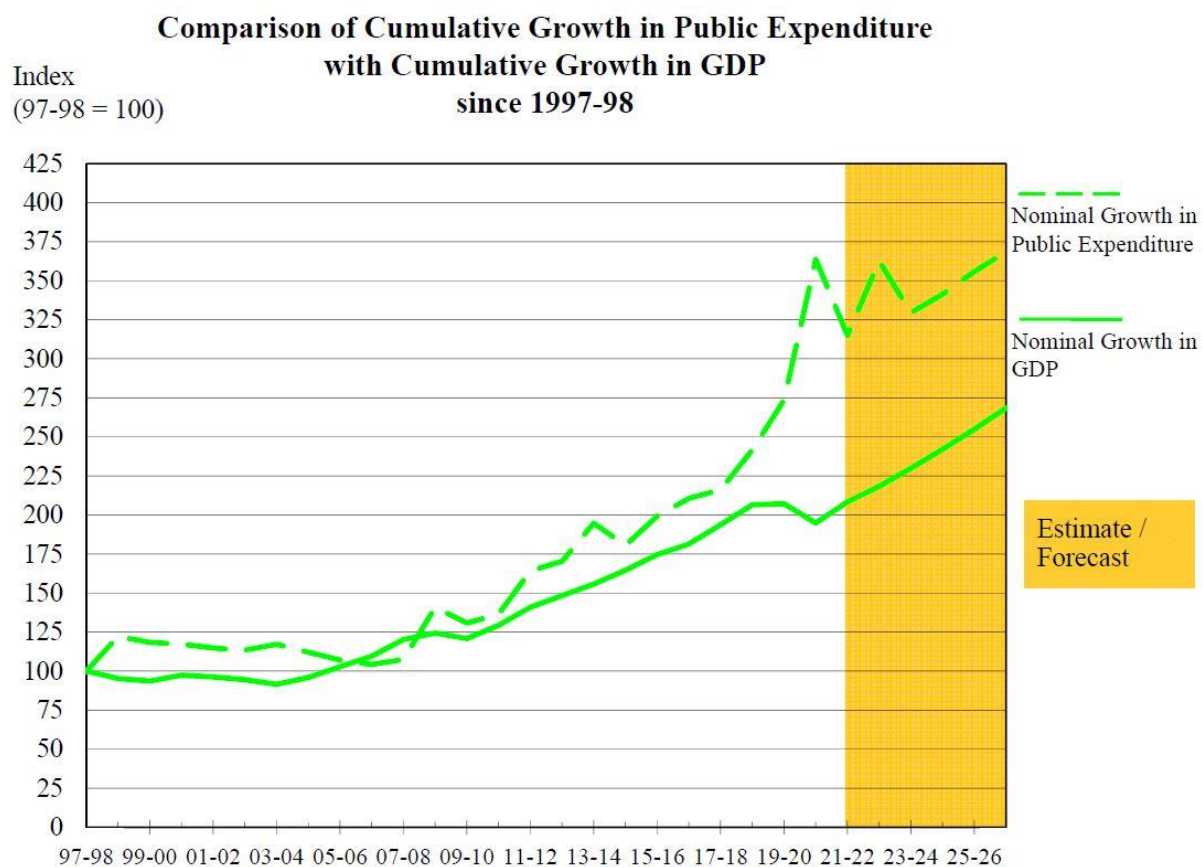


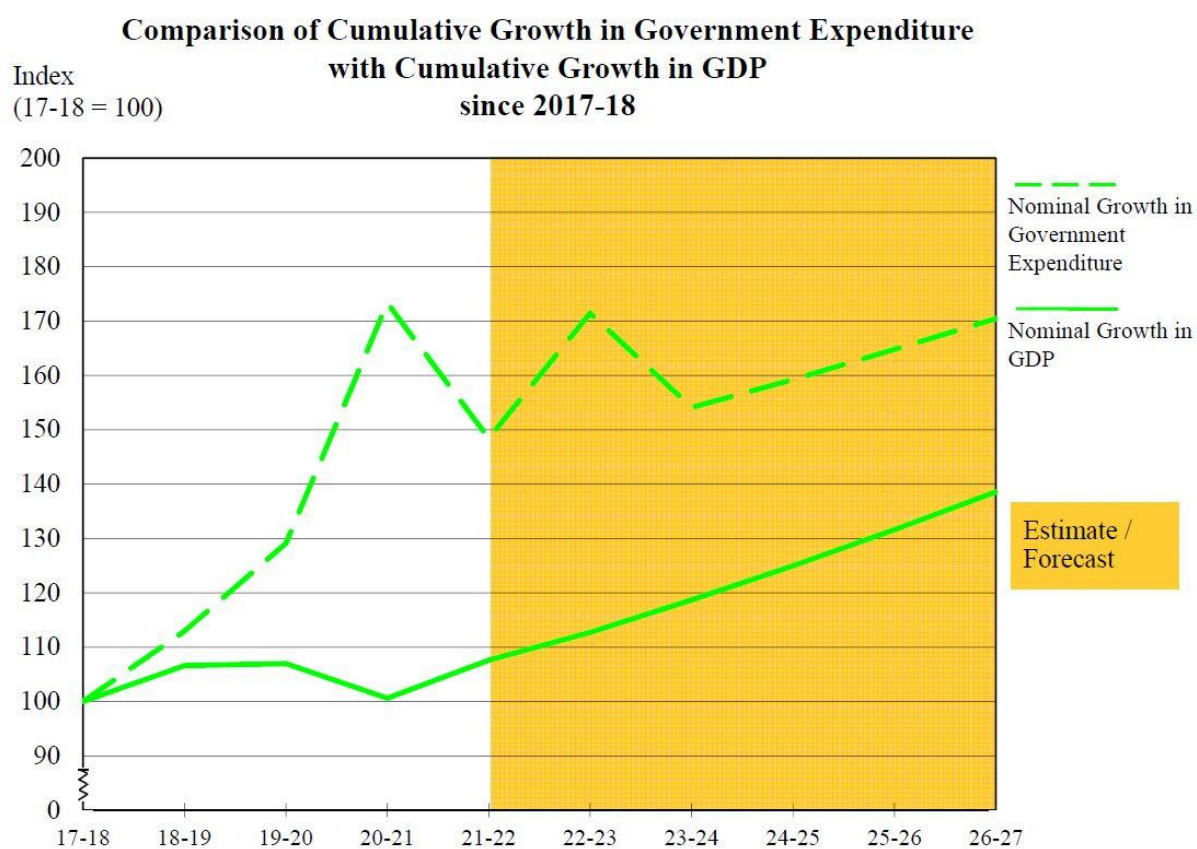
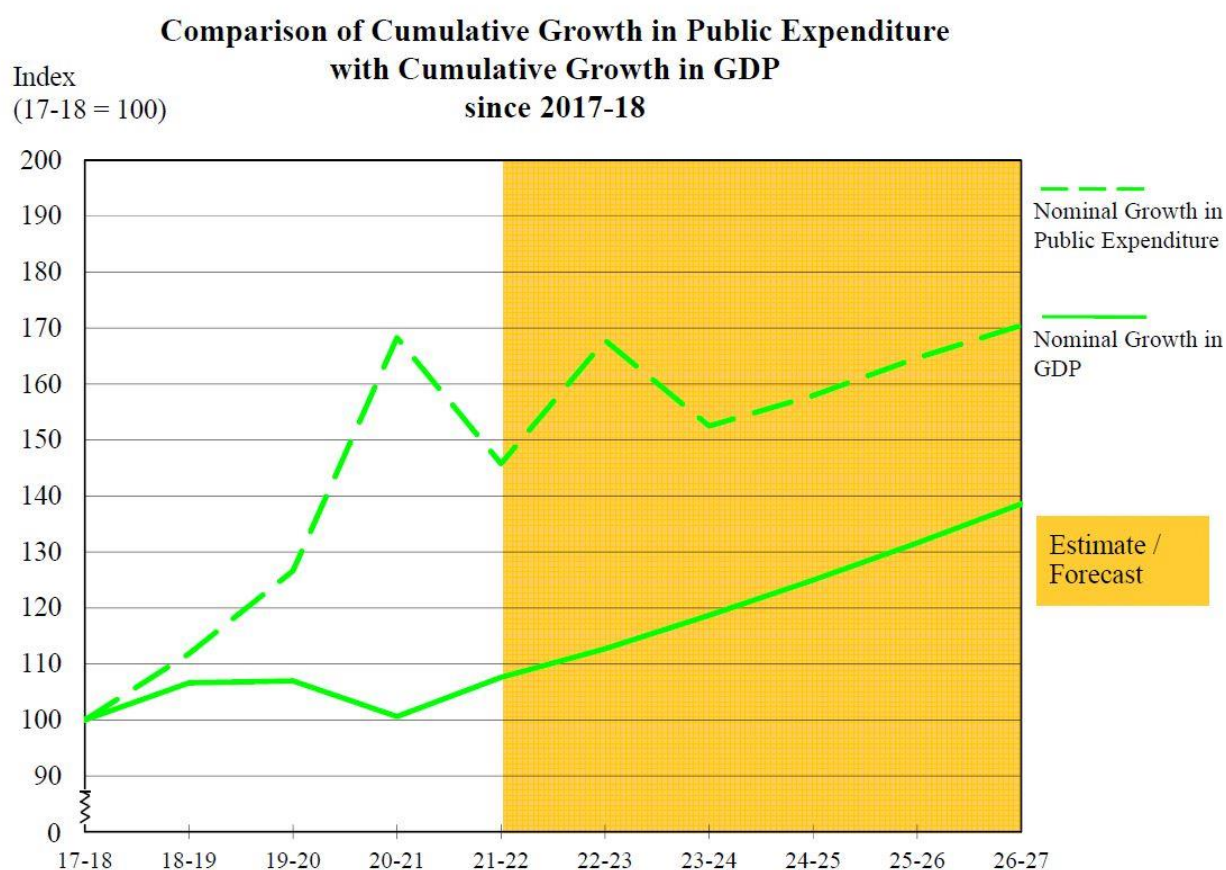
<b>CONTENTS</b>	<b>Page</b>
<b>SECTION I THE ESTIMATES IN THE CONTEXT OF THE ECONOMY</b>	
Relationship between Government Expenditure, Public Expenditure and GDP	18
<b>SECTION II RECURRENT PUBLIC/GOVERNMENT EXPENDITURE BY POLICY AREA GROUP</b>	
Recurrent Public Expenditure : Year-on-Year Change	22
Recurrent Government Expenditure : Year-on-Year Change	23
Percentage Share of Expenditure by Policy Area Group	24
Recurrent Public Expenditure	
Recurrent Government Expenditure	
<b>SECTION III TOTAL PUBLIC/GOVERNMENT EXPENDITURE BY POLICY AREA GROUP</b>	
Total Public Expenditure : Year-on-Year Change	25
Total Government Expenditure : Year-on-Year Change	26
Percentage Share of Expenditure by Policy Area Group	27
Total Public Expenditure	
Total Government Expenditure	
<b>SECTION IV MAJOR CAPITAL PROJECTS PLANNED FOR COMMENCEMENT IN 2022-23</b>	28
<b>SECTION V TRENDS IN PUBLIC EXPENDITURE : 2017-18 TO 2022-23</b>	29
<b>SECTION VI ANALYSIS OF GOVERNMENT REVENUE</b>	31
<b>SECTION VII CLASSIFICATION OF POLICY AREA GROUP</b>	32

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

	<b>2022-23 Estimate \$m</b>
General Revenue Account	
Operating	682,421
Capital	9,653
	<hr/> 692,074
Capital Investment Fund	6,196
Capital Works Reserve Fund	95,954
Innovation and Technology Fund	5,885
Land Fund	79
Loan Fund	2,849
Lotteries Fund	4,252
<b>Government Expenditure</b>	<hr/> <b>807,289</b>
Trading Funds	7,367
Housing Authority	37,168
<b>Public Expenditure</b>	<hr/> <b>851,824</b> <hr/>
GDP	2,997,500
Public Expenditure in terms of percentage of GDP	28.4%







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

**Recurrent Public Expenditure : Year-on-Year Change**

	2020-21 Actual \$m	2021-22 Revised Estimate \$m	2022-23 Estimate \$m	Increase/Decrease over 2021-22 Revised Estimate in Nominal Terms %	in Real Terms %
<b>Education</b>	97,297	97,171	101,936	4.9	4.3
<b>Social Welfare</b>	88,985	97,449	111,813	14.7	12.7
<b>Health</b>	87,598	98,015	127,842	30.4	29.4
<b>Security</b>	50,781	51,992	58,052	11.7	11.0
<b>Infrastructure</b>	29,640	31,595	33,832	7.1	5.7
<b>Environment and Food</b>	20,700	21,478	23,488	9.4	8.0
<b>Economic</b>	18,966	20,889	23,496	12.5	11.1
<b>Housing</b>	17,198	17,742	19,039	7.3	4.6
<b>Community and External Affairs</b>	14,458	14,752	16,656	12.9	11.5
<b>Support</b>	62,992	67,287	72,361	7.5	5.7
	<u>488,615</u>	<u>518,370</u>	<u>588,515</u>	13.5	12.2
<b>GDP growth in 2022</b>				4% to 5.5%	2% to 3.5%



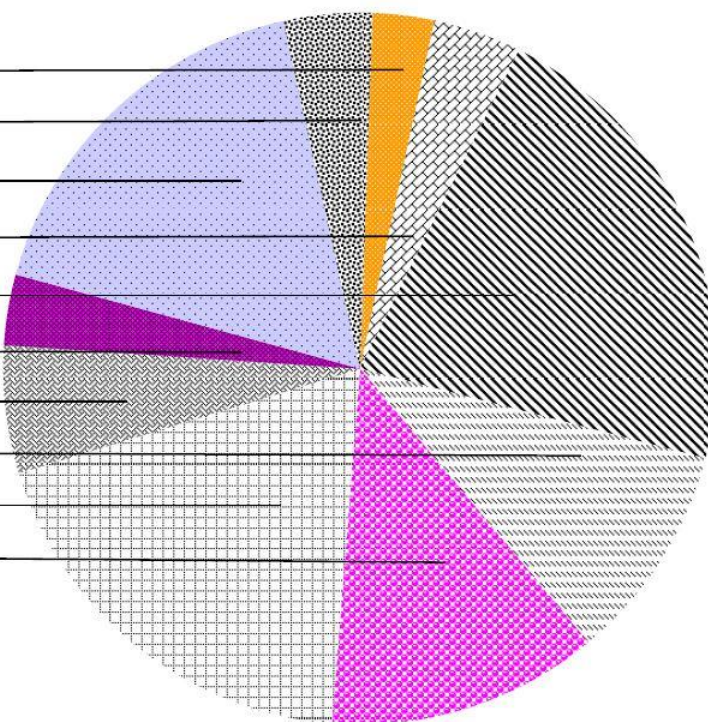
## SECTION II RECURRENT PUBLIC/GOVERNMENT EXPENDITURE BY POLICY AREA GROUP

### Recurrent Government Expenditure : Year-on-Year Change

	2020-21 Actual \$m	2021-22 Revised Estimate \$m	2022-23 Estimate \$m	Increase/Decrease over 2021-22 Revised Estimate in Nominal Terms %	in Real Terms %
<b>Education</b>	97,297	97,171	101,936	4.9	4.3
<b>Social Welfare</b>	88,985	97,449	111,813	14.7	12.7
<b>Health</b>	87,598	98,015	127,842	30.4	29.4
<b>Security</b>	50,781	51,992	58,052	11.7	11.0
<b>Infrastructure</b>	29,398	31,363	33,582	7.1	5.7
<b>Environment and Food</b>	20,700	21,478	23,488	9.4	8.0
<b>Economic</b>	14,284	15,137	16,991	12.2	11.2
<b>Housing</b>	601	648	762	17.6	17.3
<b>Community and External Affairs</b>	14,458	14,752	16,656	12.9	11.5
<b>Support</b>	62,992	67,287	72,361	7.5	5.7
	<u>467,094</u>	<u>495,292</u>	<u>563,483</u>	13.8	12.5
<b>GDP growth in 2022</b>				4% to 5.5%	2% to 3.5%

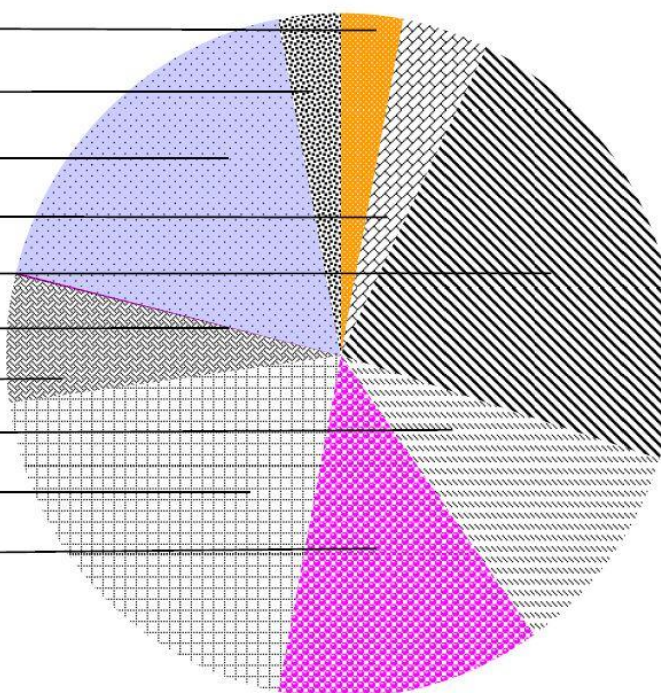
**Percentage Share of Expenditure by Policy Area Group**  
**Recurrent Public Expenditure : 2022-23 Estimate**

Community and External Affairs	2.8%
Economic	4.0%
Education	17.3%
Environment and Food	4.0%
Health	21.7%
Housing	3.2%
Infrastructure	5.8%
Security	9.9%
Social Welfare	19.0%
Support	12.3%
	100.0%



**Percentage Share of Expenditure by Policy Area Group**  
**Recurrent Government Expenditure : 2022-23 Estimate**

Community and External Affairs	3.0%
Economic	3.0%
Education	18.1%
Environment and Food	4.2%
Health	22.7%
Housing	0.1%
Infrastructure	6.0%
Security	10.3%
Social Welfare	19.8%
Support	12.8%
	100.0%



### SECTION III TOTAL PUBLIC/GOVERNMENT EXPENDITURE BY POLICY AREA GROUP

#### Total Public Expenditure : Year-on-Year Change

	2020-21 Actual \$m	2021-22 Revised Estimate \$m	2022-23 Estimate \$m	Increase/Decrease over 2021-22 Revised Estimate in Nominal Terms %	in Real Terms %
<b>Education</b>	107,040	106,785	111,887	4.8	3.9
<b>Social Welfare</b>	98,046	103,910	120,031	15.5	13.4
<b>Health</b>	96,999	114,389	162,760	42.3	40.5
<b>Security</b>	64,330	56,232	65,851	17.1	15.9
<b>Infrastructure</b>	77,105	80,448	85,429	6.2	3.0
<b>Environment and Food</b>	35,311	33,651	39,060	16.1	13.7
<b>Economic</b>	117,727	75,071	113,789	51.6	48.7
<b>Housing</b>	35,151	38,257	44,914	17.4	13.7
<b>Community and External Affairs</b>	21,901	23,749	28,819	21.3	18.4
<b>Support</b>	200,646	107,412	79,284	-26.2	-27.6
	<u>854,256</u>	<u>739,904</u>	<u>851,824</u>	15.1	13.1
<b>GDP growth in 2022</b>				4% to 5.5%	2% to 3.5%

### SECTION III TOTAL PUBLIC/GOVERNMENT EXPENDITURE BY POLICY AREA GROUP

#### Total Government Expenditure : Year-on-Year Change

	2020-21 Actual \$m	2021-22 Revised Estimate \$m	2022-23 Estimate \$m	Increase/Decrease over 2021-22 Revised Estimate in Nominal Terms %	in Real Terms %
<b>Education</b>	107,040	106,785	111,887	4.8	3.9
<b>Social Welfare</b>	98,046	103,910	120,031	15.5	13.4
<b>Health</b>	96,999	114,389	162,760	42.3	40.5
<b>Security</b>	64,330	56,232	65,851	17.1	15.9
<b>Infrastructure</b>	76,791	80,197	85,114	6.1	2.9
<b>Environment and Food</b>	35,311	33,651	39,060	16.1	13.7
<b>Economic</b>	112,869	69,004	106,737	54.7	51.8
<b>Housing</b>	2,142	3,626	7,746	113.6	109.7
<b>Community and External Affairs</b>	21,901	23,749	28,819	21.3	18.4
<b>Support</b>	200,646	107,412	79,284	-26.2	-27.6
	816,075	698,955	807,289	15.5	13.6
<b>GDP growth in 2022</b>				4% to 5.5%	2% to 3.5%



**Percentage Share of Expenditure by Policy Area Group**  
**Total Public Expenditure : 2022-23 Estimate**

Community and External  
Affairs

3.4%

Economic

13.4%

Education

13.1%

Environment and Food

4.6%

Health

19.1%

Housing

5.3%

Infrastructure

10.0%

Security

7.7%

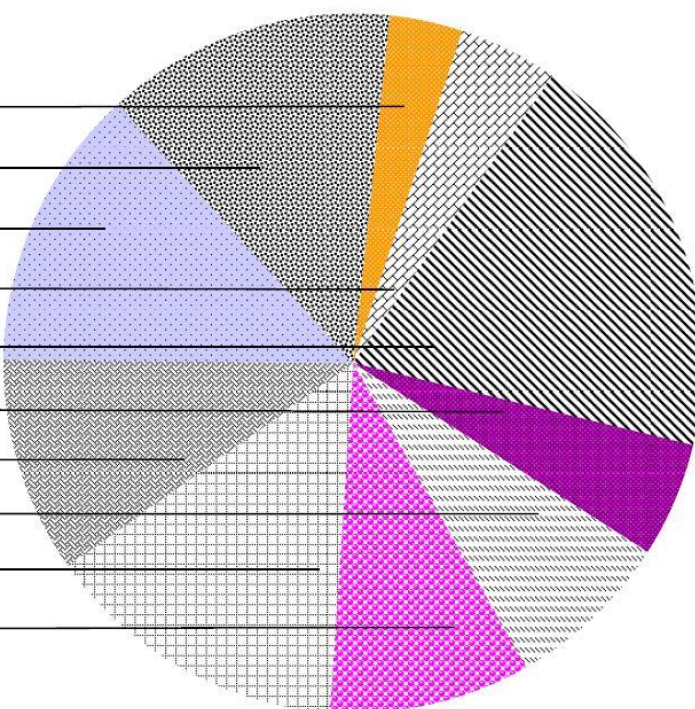
Social Welfare

14.1%

Support

9.3%

100.0%



**Percentage Share of Expenditure by Policy Area Group**  
**Total Government Expenditure : 2022-23 Estimate**

Community and External  
Affairs

3.6%

Economic

13.2%

Education

13.8%

Environment and Food

4.8%

Health

20.2%

Housing

1.0%

Infrastructure

10.5%

Security

8.2%

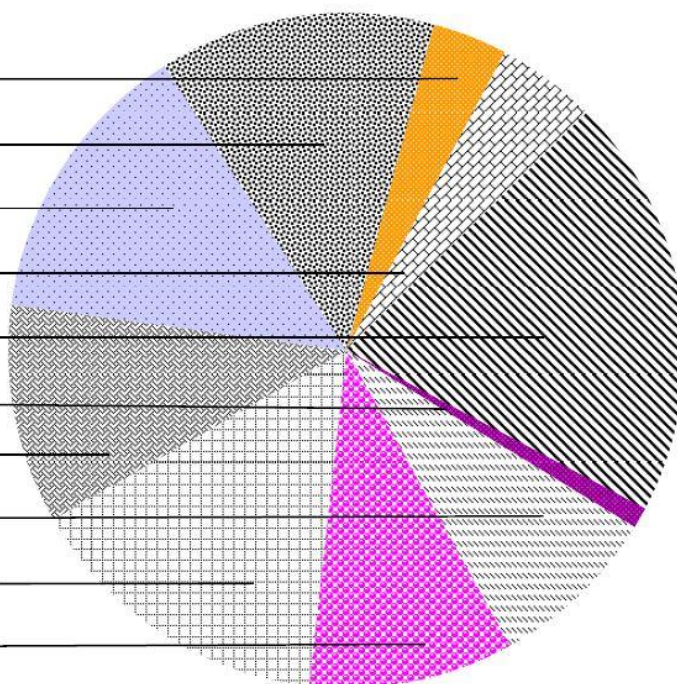
Social Welfare

14.9%

Support

9.8%

100.0%



**SECTION IV MAJOR CAPITAL PROJECTS PLANNED FOR COMMENCEMENT IN 2022-23**

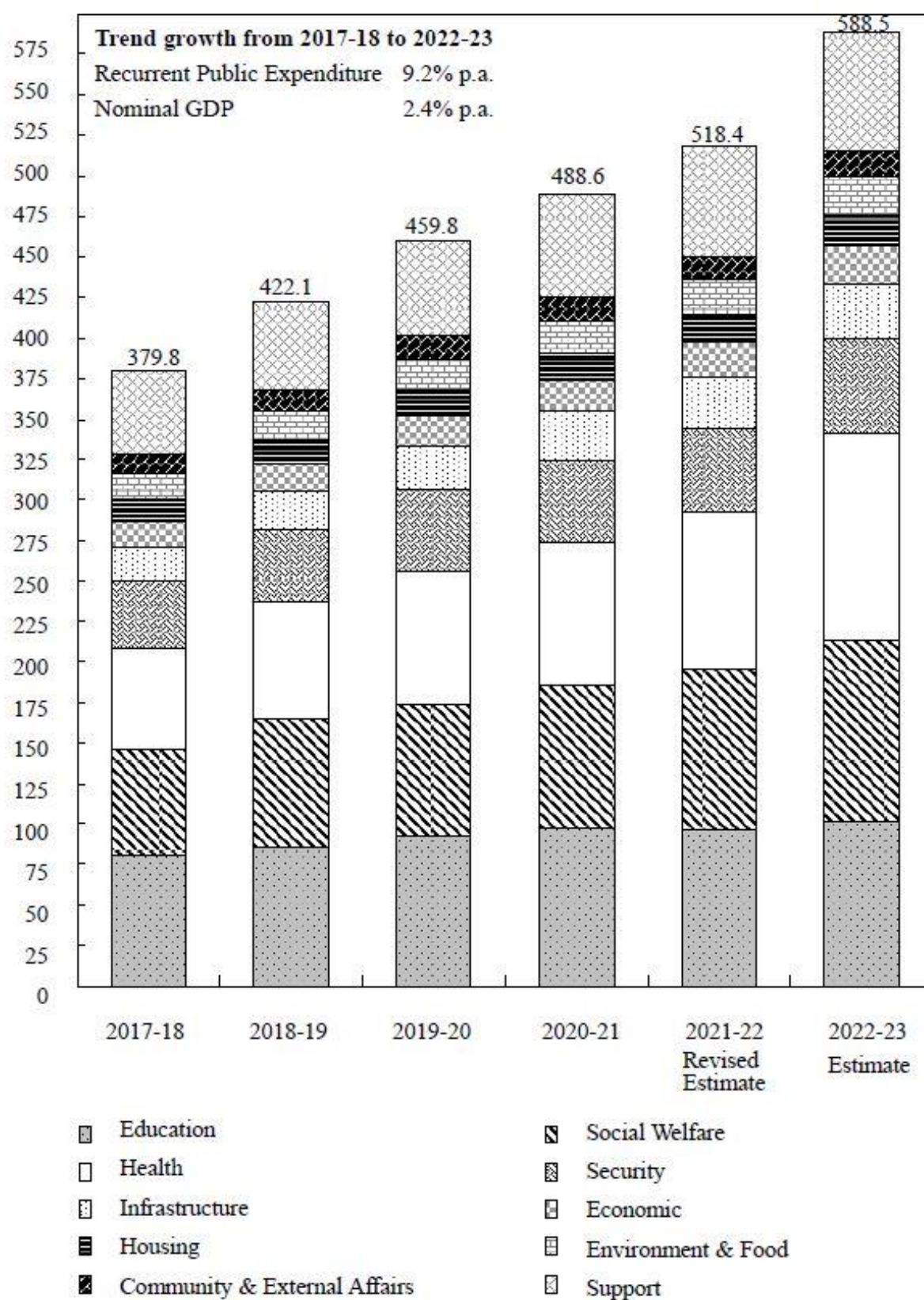
Major capital projects estimated to begin in 2022-23 include –

	<b>Project Estimates \$ billion</b>
<b>Infrastructure</b>	<b>27.1</b>
— Improvement of Yuen Long Town Nullah (town centre section)	
— Drainage improvement works in Tsim Sha Tsui	
— Yuen Long Barrage Scheme	
— Drainage improvement works at Yuen Long—stage 2	
— Drainage improvement works in Kwun Tong—phase 1	
— Building of Government Records Service's Archives Centre in Caverns	
— Yuen Long South development—stage 1 works	
— Yuen Long South development—stage 2A works—site formation and engineering infrastructure and stages 2B and 3 works—detailed design and site investigation	
— Infrastructure works for Developments at Kwun Tong Action Area	
— Relocation of Public Works Central Laboratory to caverns	
— Relocation of Diamond Hill Fresh Water and Salt Water Service Reservoirs to caverns—construction works	
— Reprovisioning of Harcourt Road fresh water pumping station	
— Site formation and infrastructure works for public housing development at Ka Wai Man Road and Ex-Mount Davis Cottage Area, Kennedy Town	
— Site formation and infrastructure works for public housing development at Area 48, Fanling	
<b>Health</b>	<b>15.7</b>
— Reprovisioning of Victoria Public Mortuary	
— Redevelopment of Our Lady of Maryknoll Hospital—main works	
— Redevelopment of Grantham Hospital, phase 1—main works	
<b>Security</b>	<b>14.7</b>
— Redevelopment of Lai Chi Kok Reception Centre	
— Construction of a District Court Building at Caroline Hill Road	
— Kong Nga Po Police Training Facilities	
<b>Community and External Affairs</b>	<b>11.8</b>
— Main works for the New Territories East Cultural Centre in Area 11, Fanling	
— Main works for the Leisure and Cultural Complex at Tin Yip Road, Tin Shui Wai Phase 1 (Heritage Conservation and Resource Centre)	
— District open space, sports centre and public vehicle park at Sze Mei Street	
— Redevelopment of Yuen Long Stadium—main works	
— Improvement works at Mui Wo, phase 2 stage 2	
<b>Education</b>	<b>2.4</b>
— Two special schools at Renfrew Road, Kowloon Tong	
— Construction of a Clinical Training Amenities Centre at No. 6 Sassoon Road	
— New Academic Building in Tai Po Campus	
<b>Environment and Food</b>	<b>1.3</b>
— Construction of a new public market in Tin Shui Wai	

## SECTION V TRENDS IN PUBLIC EXPENDITURE : 2017-18 TO 2022-23

## Recurrent Public Expenditure by Policy Area Group

(\$billion)

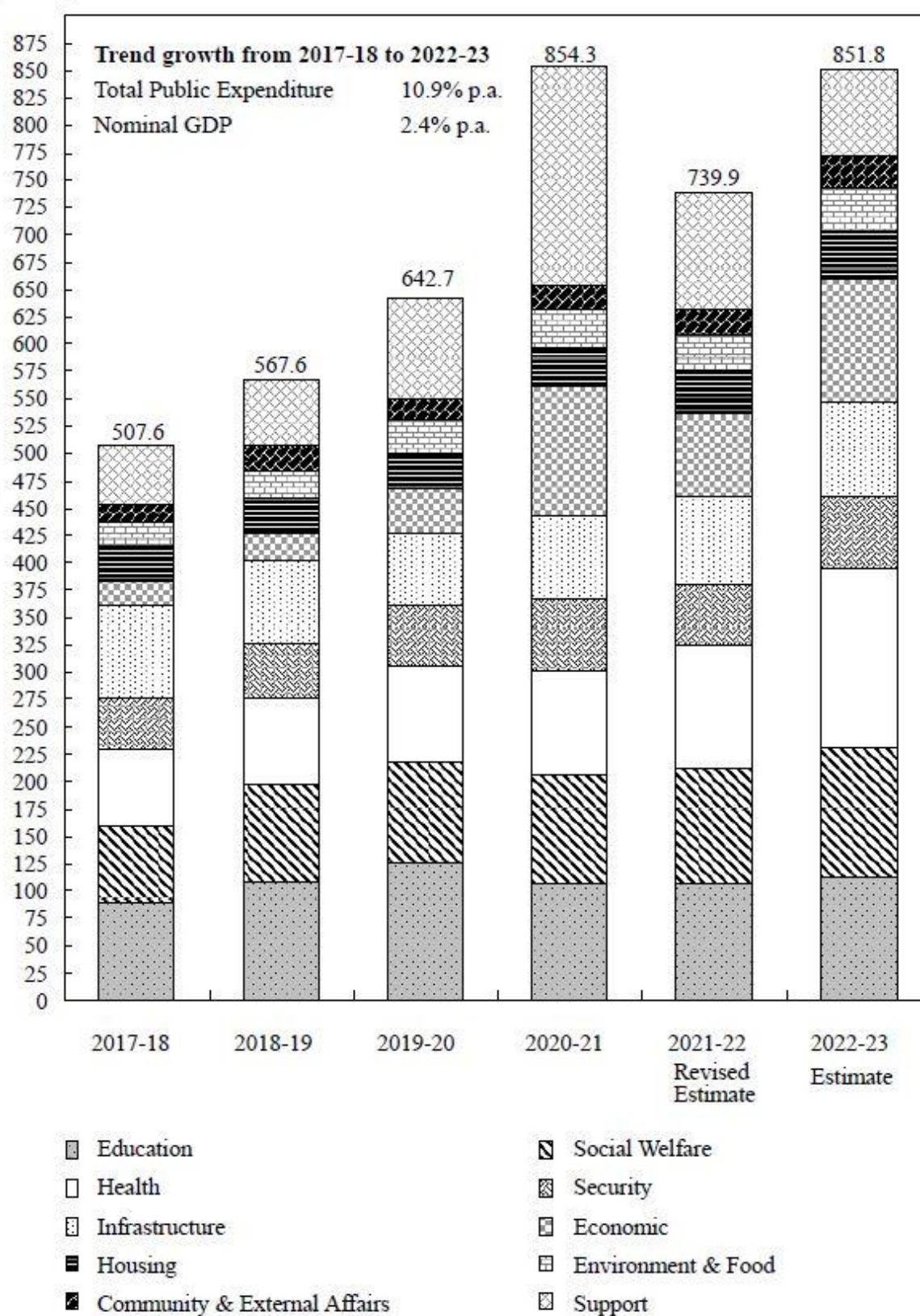




## SECTION V TRENDS IN PUBLIC EXPENDITURE : 2017-18 TO 2022-23

## Total Public Expenditure by Policy Area Group

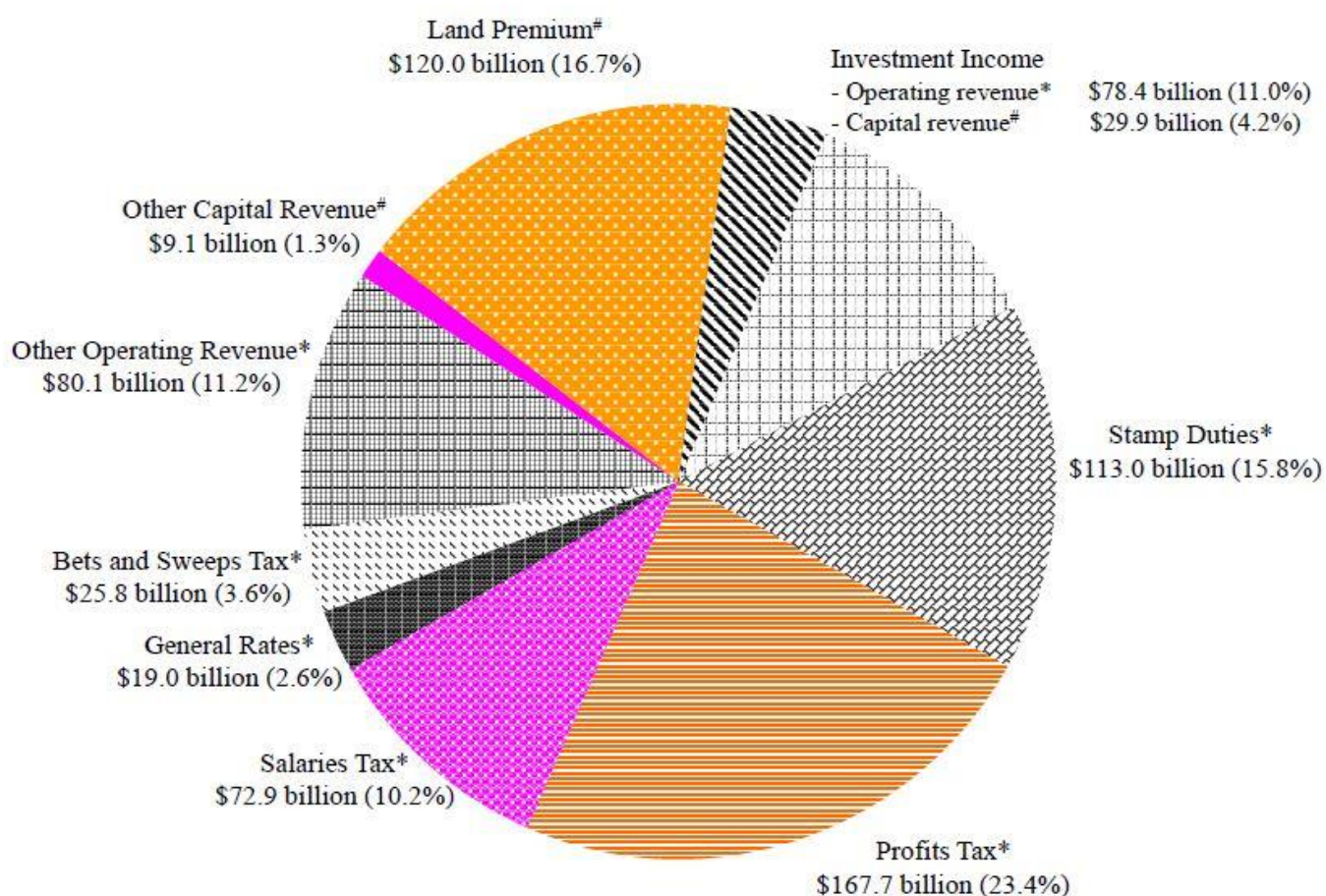
(\$billion)





## SECTION VI ANALYSIS OF GOVERNMENT REVENUE

2022-23 Estimate (\$715.9 billion)



	2022-23 Estimate	% Share of Government Revenue	% of GDP
* Operating Revenue	\$556.9 billion	77.8%	18.6%
# Capital Revenue	\$159.0 billion	22.2%	5.3%
<b>Total</b>	<b>\$715.9 billion</b>	<b>100%</b>	<b>23.9%</b>

## SECTION VII CLASSIFICATION OF POLICY AREA GROUP

Policy Area Group	Policy Area ( <i>Note</i> )	
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 2022-23 Estimates. The index further provides details, by head of expenditure, of individual programmes which contribute to a policy area.