

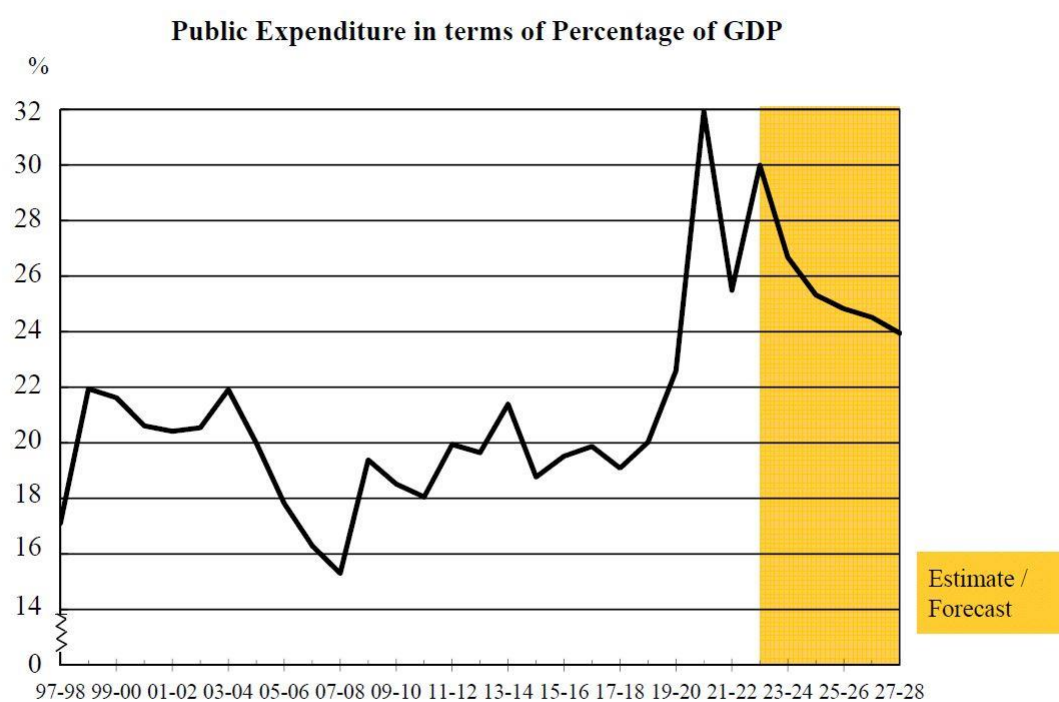
APPENDIX B

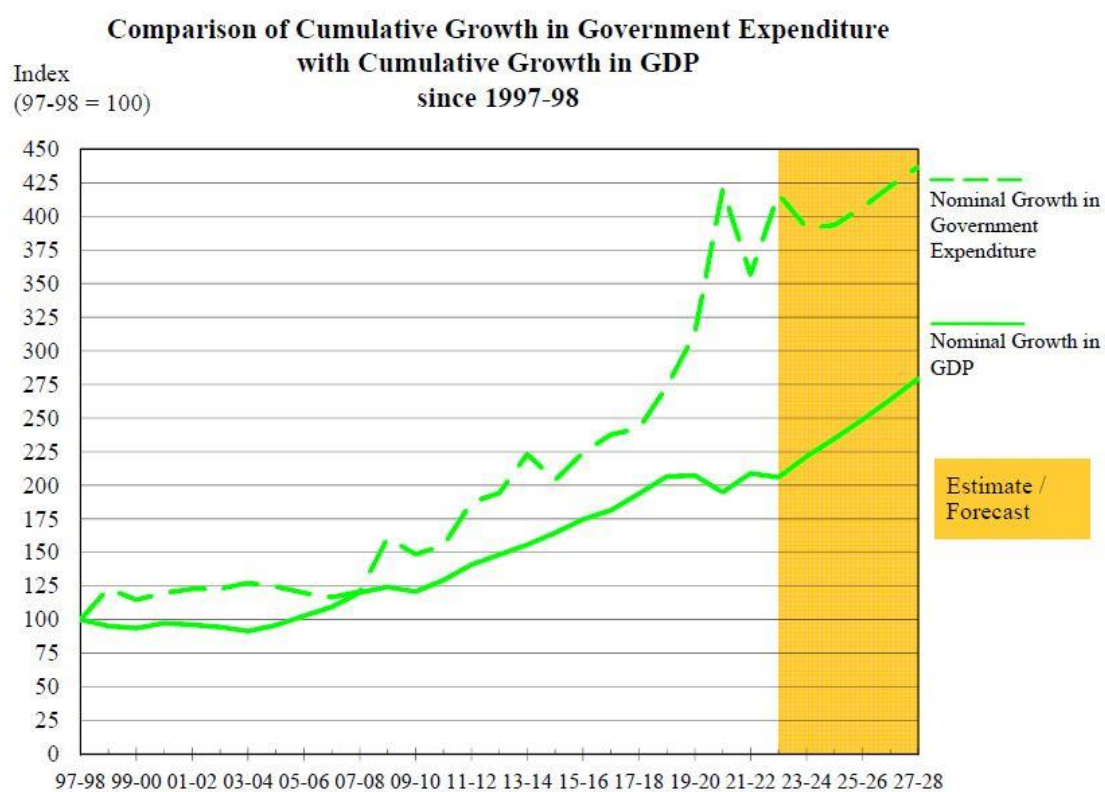
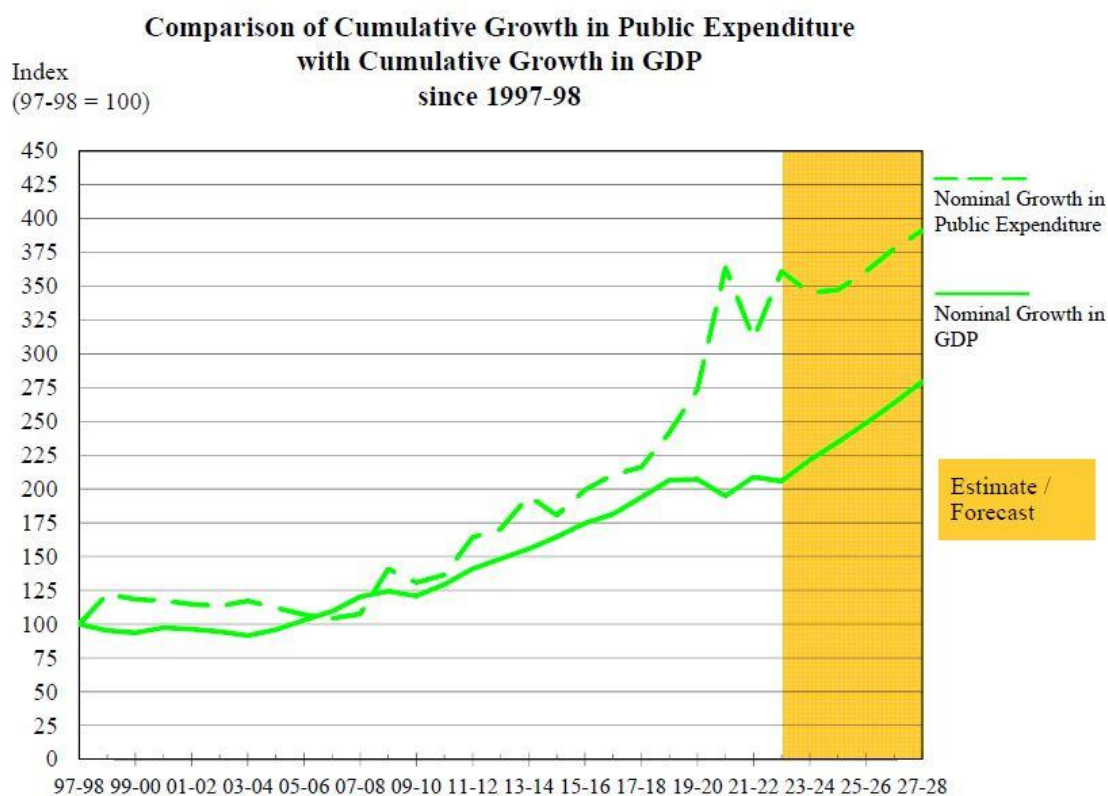
ANALYSIS OF EXPENDITURE AND REVENUE

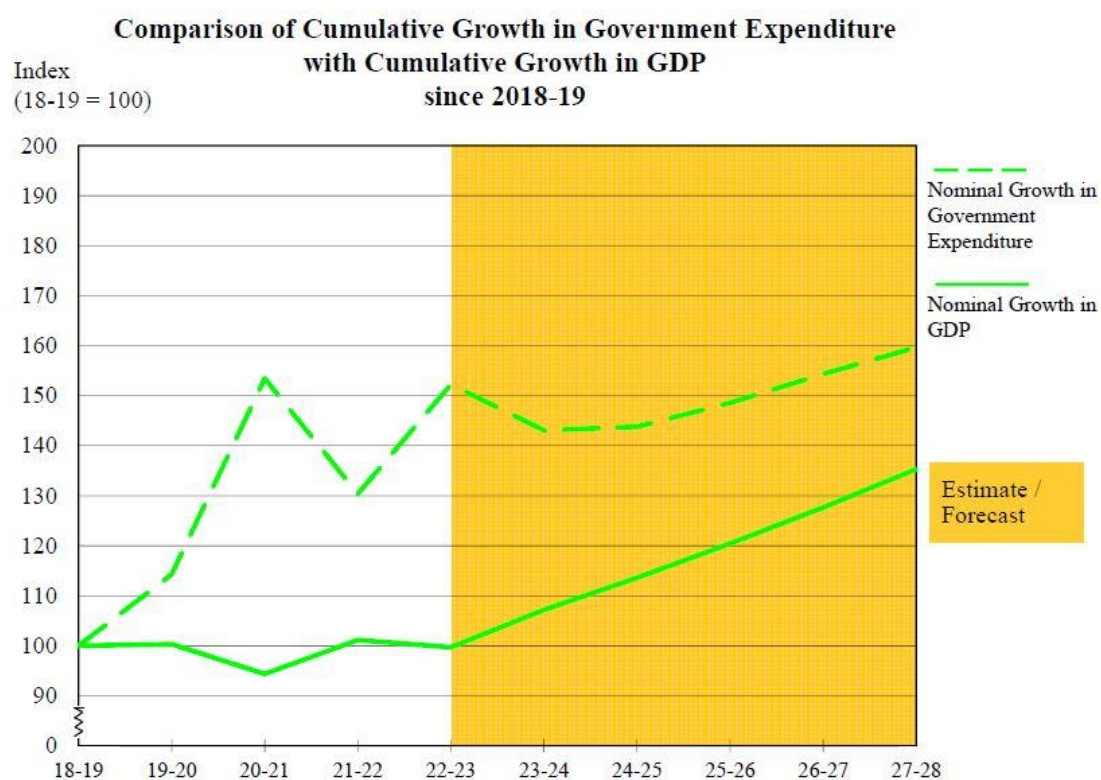
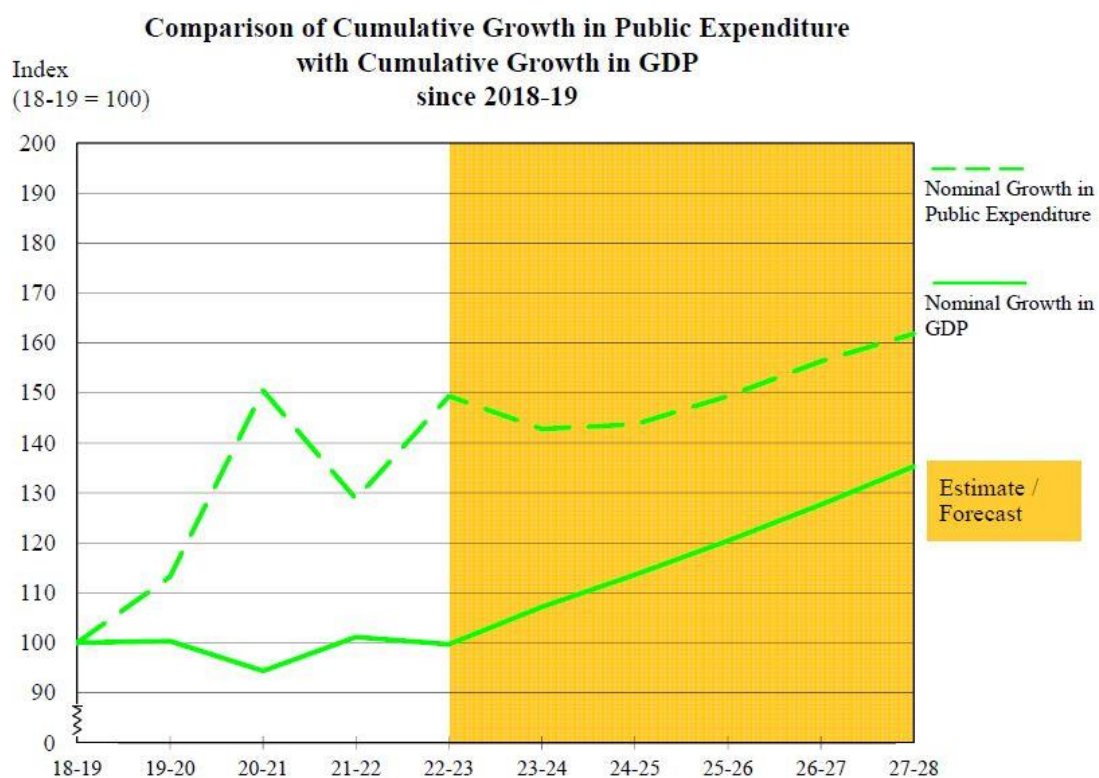
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SECTION I THE ESTIMATES IN THE CONTEXT OF THE ECONOMY**Relationship between Government Expenditure, Public Expenditure and GDP**

	2023-24 Estimate \$m
General Revenue Account	
Operating	629,415
Capital	9,468
	<hr/> 638,883
Capital Investment Fund	2,549
Capital Works Reserve Fund	106,822
Innovation and Technology Fund	6,417
Land Fund	69
Loan Fund	2,650
Lotteries Fund	3,589
Government Expenditure	<hr/> 760,979
Trading Funds	6,113
Housing Authority	43,448
Public Expenditure	<hr/> 810,540 <hr/>
GDP	3,039,000
Public Expenditure in terms of percentage of GDP	26.7%







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

Recurrent Public Expenditure : Year-on-Year Change

	2021-22 Actual \$m	2022-23 Revised Estimate \$m	2023-24 Estimate \$m	Increase/Decrease over 2022-23 Revised Estimate in Nominal Terms %	in Real Terms %
Education	97,218	97,749	104,025	6.4	5.5
Social Welfare	97,070	106,002	120,957	14.1	11.4
Health	98,329	127,072	104,439	-17.8	-18.7
Security	51,644	55,310	58,554	5.9	5.0
Infrastructure	31,573	32,339	35,278	9.1	7.3
Environment and Food	21,657	22,926	25,581	11.6	9.4
Economic	19,297	20,604	22,907	11.2	9.3
Housing	17,363	18,531	19,630	5.9	3.3
Community and External Affairs	15,105	15,793	17,645	11.7	9.7
Support	65,209	68,797	75,409	9.6	7.2
	<u>514,465</u>	<u>565,123</u>	<u>584,425</u>	3.4	1.8
GDP growth in 2023				6.5% to 8.5%	3.5% to 5.5%

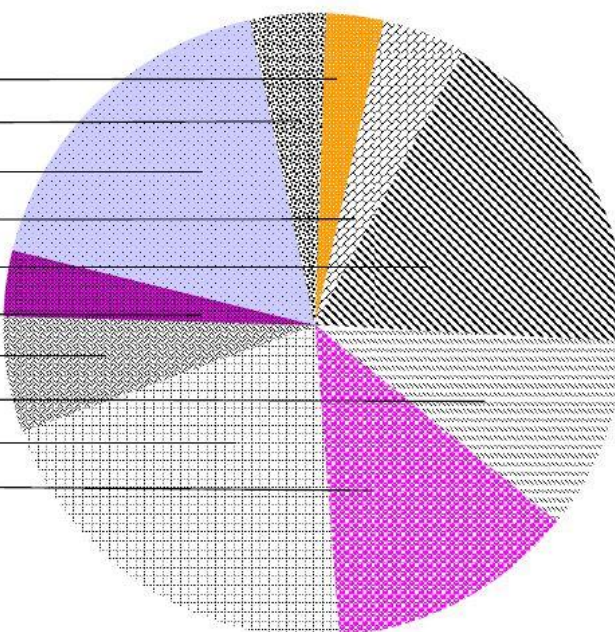
SECTION II RECURRENT PUBLIC/GOVERNMENT EXPENDITURE BY POLICY AREA GROUP

Recurrent Government Expenditure : Year-on-Year Change

	2021-22 Actual \$m	2022-23 Revised Estimate \$m	2023-24 Estimate \$m	Increase/Decrease over 2022-23 Revised Estimate in Nominal Terms %	in Real Terms %
Education	97,218	97,749	104,025	6.4	5.5
Social Welfare	97,070	106,002	120,957	14.1	11.4
Health	98,329	127,072	104,439	-17.8	-18.7
Security	51,644	55,310	58,554	5.9	5.0
Infrastructure	31,365	32,113	35,030	9.1	7.3
Environment and Food	21,657	22,926	25,581	11.6	9.4
Economic	14,955	15,892	17,687	11.3	9.7
Housing	650	677	834	23.2	23.0
Community and External Affairs	15,105	15,793	17,645	11.7	9.7
Support	65,209	68,797	75,409	9.6	7.2
	<u>493,202</u>	<u>542,331</u>	<u>560,161</u>	3.3	1.7
GDP growth in 2023				6.5% to 8.5%	3.5% to 5.5%

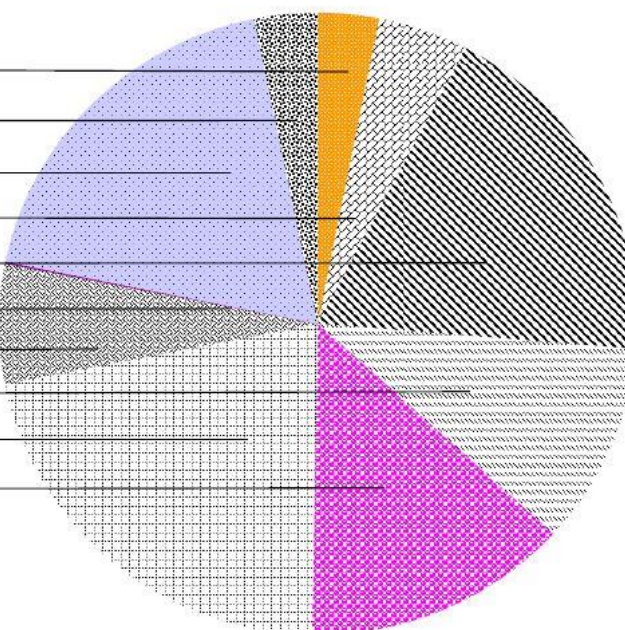
Percentage Share of Expenditure by Policy Area Group
Recurrent Public Expenditure : 2023-24 Estimate

Community and External Affairs	3.0%
Economic	3.9%
Education	17.8%
Environment and Food	4.4%
Health	17.9%
Housing	3.4%
Infrastructure	6.0%
Security	10.0%
Social Welfare	20.7%
Support	12.9%
	100.0%



Percentage Share of Expenditure by Policy Area Group
Recurrent Government Expenditure : 2023-24 Estimate

Community and External Affairs	3.1%
Economic	3.2%
Education	18.6%
Environment and Food	4.6%
Health	18.6%
Housing	0.1%
Infrastructure	6.2%
Security	10.5%
Social Welfare	21.6%
Support	13.5%
	100.0%



SECTION III TOTAL PUBLIC/GOVERNMENT EXPENDITURE BY POLICY AREA GROUP

Total Public Expenditure : Year-on-Year Change

	2021-22 Actual \$m	2022-23 Revised Estimate \$m	2023-24 Estimate \$m	Increase/Decrease over 2022-23 Revised Estimate in Nominal Terms %	in Real Terms %
Education	106,937	106,892	114,675	7.3	6.1
Social Welfare	103,391	111,559	129,003	15.6	12.8
Health	114,553	154,427	124,781	-19.2	-20.4
Security	55,763	61,247	65,983	7.7	6.5
Infrastructure	79,481	90,890	89,027	-2.0	-5.2
Environment and Food	33,882	37,907	46,624	23.0	20.0
Economic	71,736	102,889	76,295	-25.8	-27.7
Housing	35,741	38,166	51,388	34.6	30.0
Community and External Affairs	24,216	26,833	29,753	10.9	7.9
Support	105,288	116,962	83,011	-29.0	-30.7
	<u>730,988</u>	<u>847,772</u>	<u>810,540</u>	-4.4	-6.5
GDP growth in 2023				6.5% to 8.5%	3.5% to 5.5%

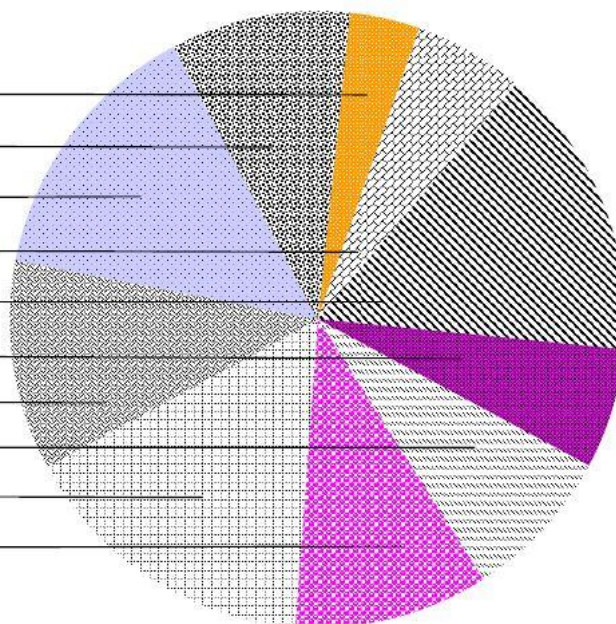
SECTION III TOTAL PUBLIC/GOVERNMENT EXPENDITURE BY POLICY AREA GROUP

Total Government Expenditure : Year-on-Year Change

	2021-22 Actual \$m	2022-23 Revised Estimate \$m	2023-24 Estimate \$m	Increase/Decrease over 2022-23 Revised Estimate in Nominal Terms %	in Real Terms %
Education	106,937	106,892	114,675	7.3	6.1
Social Welfare	103,391	111,559	129,003	15.6	12.8
Health	114,553	154,427	124,781	-19.2	-20.4
Security	55,763	61,247	65,983	7.7	6.5
Infrastructure	79,260	90,625	88,722	-2.1	-5.2
Environment and Food	33,882	37,907	46,624	23.0	20.0
Economic	67,187	97,787	70,487	-27.9	-29.8
Housing	2,862	5,352	7,940	48.4	44.4
Community and External Affairs	24,216	26,833	29,753	10.9	7.9
Support	105,288	116,962	83,011	-29.0	-30.7
	<u>693,339</u>	<u>809,591</u>	<u>760,979</u>	-6.0	-8.0
GDP growth in 2023				6.5% to 8.5%	3.5% to 5.5%

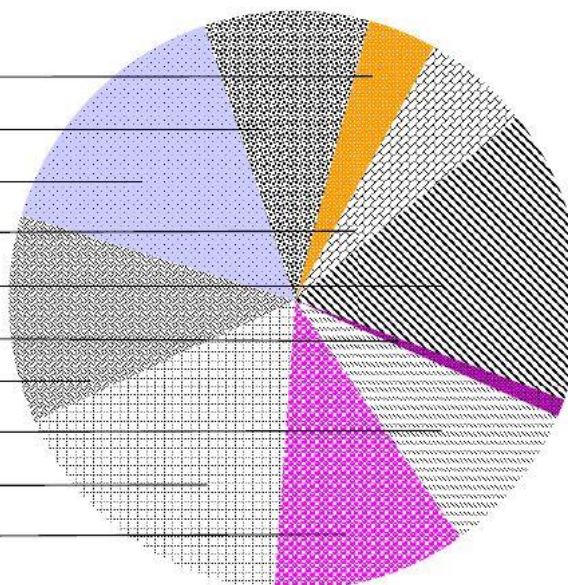
Percentage Share of Expenditure by Policy Area Group
Total Public Expenditure : 2023-24 Estimate

Community and External Affairs	3.7%
Economic	9.4%
Education	14.2%
Environment and Food	5.8%
Health	15.4%
Housing	6.3%
Infrastructure	11.0%
Security	8.1%
Social Welfare	15.9%
Support	10.2%
	100.0%



Percentage Share of Expenditure by Policy Area Group
Total Government Expenditure : 2023-24 Estimate

Community and External Affairs	3.9%
Economic	9.3%
Education	15.1%
Environment and Food	6.1%
Health	16.4%
Housing	1.0%
Infrastructure	11.6%
Security	8.7%
Social Welfare	17.0%
Support	10.9%
	100.0%



SECTION IV MAJOR CAPITAL PROJECTS PLANNED FOR COMMENCEMENT IN 2023-24

Major capital projects estimated to begin in 2023-24 include –

	Project Estimates \$ billion
Infrastructure	54.0
— Open Space with Public Vehicle Park at Yen Chow Street West, Sham Shui Po	
— Town Park with Public Vehicle Park in Area 66, Tseung Kwan O	
— Drainage improvement works at North District—phase 1	
— The District Cooling System for Hung Shui Kiu/Ha Tsuen New Development Area, Phase 1	
— Building of Government Records Service's Archives Centre in caverns	
— Improvement works at Tsuen Tsing Interchange	
— Dualling of Hiram's Highway from Marina Cove to Sai Kung Town	
— Sha Tin New Town, stage 2—Trunk Road T4	
— Site formation and infrastructure works for the development of ex-Cha Kwo Ling Kaolin Mine Site (Phase 2)	
— Hung Shui Kiu/Ha Tsuen New Development Area advance works phase 3—site formation and engineering infrastructure	
— Hung Shui Kiu/Ha Tsuen New Development Area stage 2 works—site formation and engineering infrastructure	
— Site formation and infrastructure works for public housing development at Cha Kwo Ling Village, Kowloon East	
— Relocation of Public Works Central Laboratory to caverns	
— Improvement Works to Fresh Water Mains with Internal Bitumen Lining—First Package of High Priority Mains—Stage One	
— Site formation and infrastructure works for public housing developments at Cheung Muk Tau	
— Site formation and infrastructure works for public housing developments at Tuen Mun Central—Phase 2	
Housing	14.9
— Implementation of Light Public Housing—the First Batch of Projects	
Environment and Food	12.3
— Relocation of Sha Tin Sewage Treatment Works to caverns—Ancillary Buildings, Cavern Ventilation System and Associated Works	
— Construction and rehabilitation of trunk sewage rising mains in Cheung Sha Wan	
— Construction and rehabilitation of sewage rising mains in Southern District	
— Hung Shui Kiu Effluent Polishing Plant—phase 1	
— Construction of dry weather flow interceptor at Hung Hom	
— Construction of dry weather flow interceptor at Causeway Bay	
— Construction of dry weather flow interceptor at Tsuen Wan	
— Refurbishment and upgrading of Outlying Islands transfer facilities	
— Refurbishment and modification of North Lantau transfer station	
Health	9.9
— Redevelopment of Kwong Wah Hospital, phase 2—main works	

**Project
Estimates
\$ billion**

Education

8.5

- New Research Building 2
- Construction of a teaching-research complex in Tai Po Area 39 (Phase 2—Main Works)
- Construction of a new academic building on an extension site east of No. 3 Sassoon Road (Main Works)
- Construction of a Clinical Training Amenities Centre at No. 6 Sassoon Road (Main Works)

Security

6.7

- Reprovisioning of Kong Wan Fire Station
- Redevelopment of Lai Chi Kok Reception Centre

Support

3.4

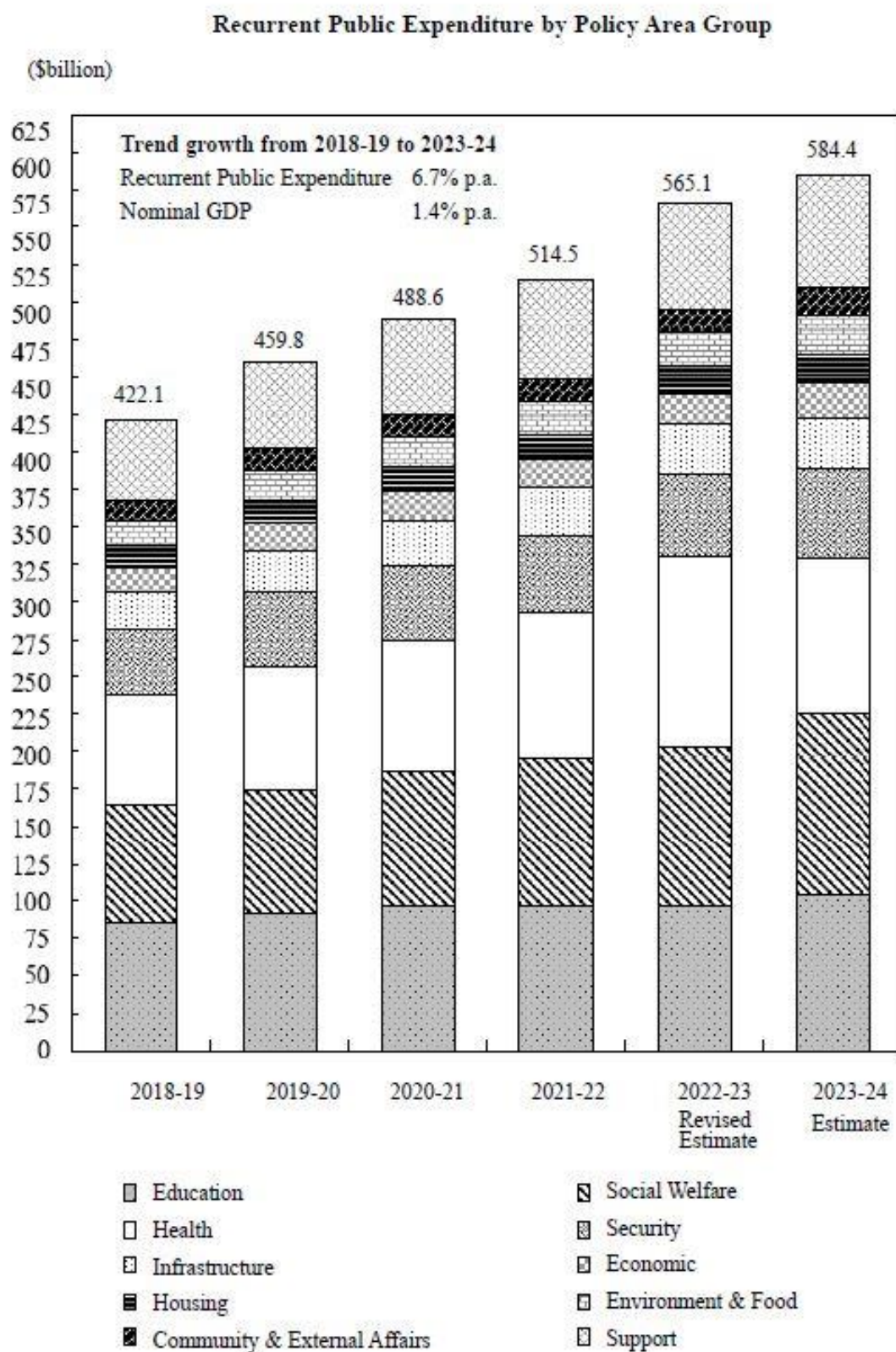
- Joint-user Complex with Market in Area 67, Tseung Kwan O

Community and External Affairs

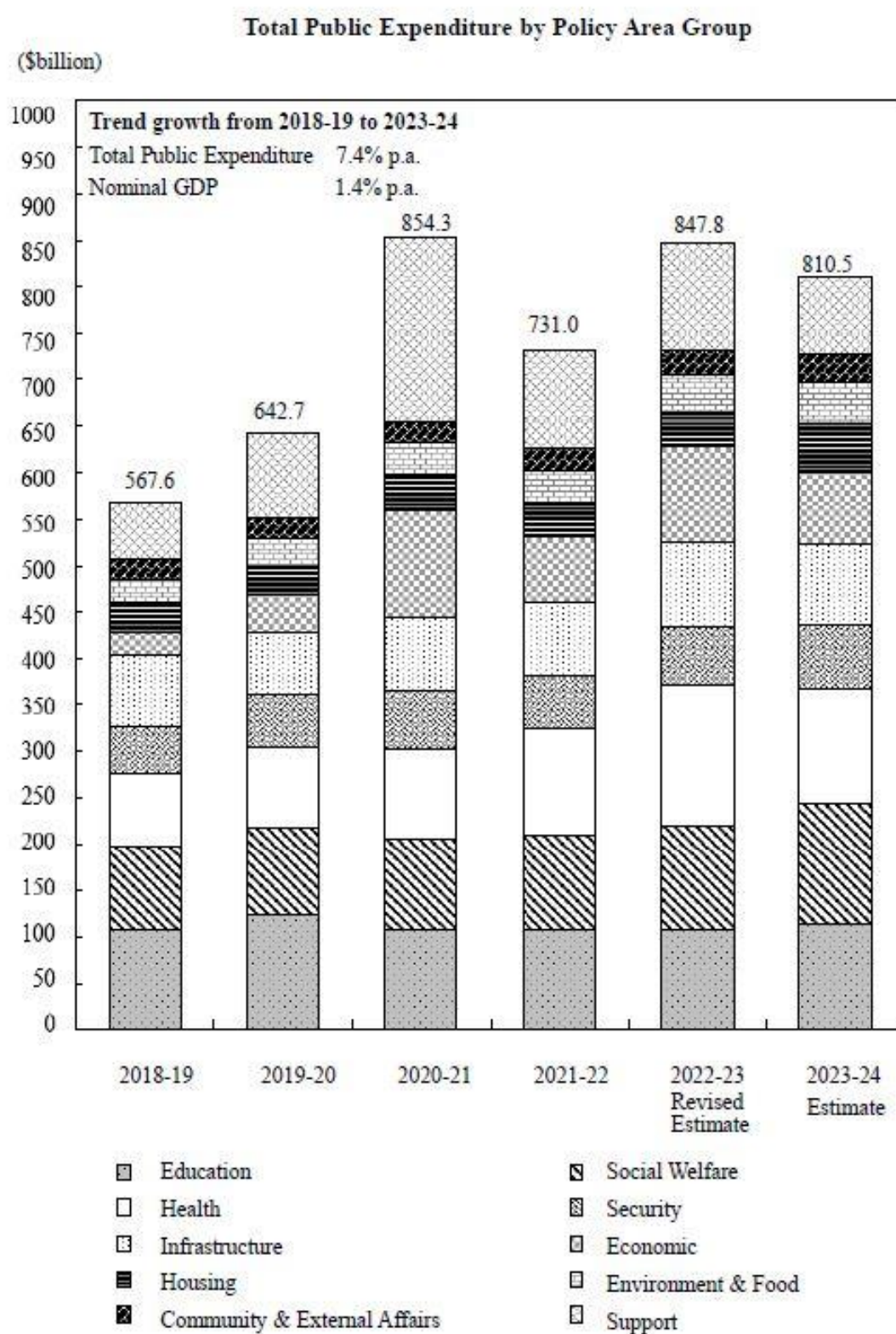
3.3

- Public Open Space at East Coast Park Precinct, North Point
- Quarry park in Anderson Road Quarry
- Cycle track between Tsuen Wan and Tuen Mun—Stage 2A—Tuen Mun to So Kwun Wat Section
- Improvement works at Mui Wo, phase 2 stage 2

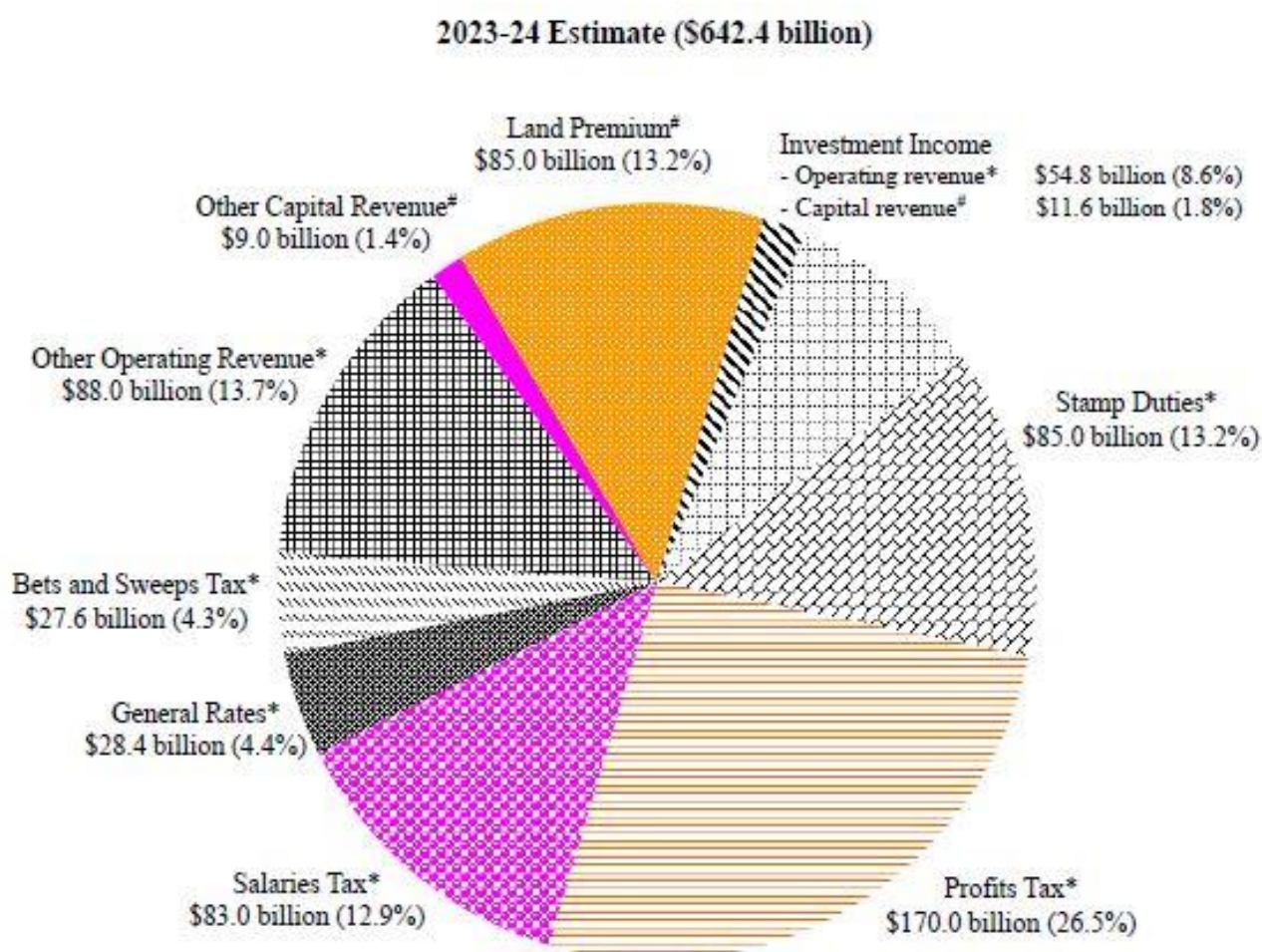
SECTION V TRENDS IN PUBLIC EXPENDITURE : 2018-19 TO 2023-24



SECTION V TRENDS IN PUBLIC EXPENDITURE : 2018-19 TO 2023-24



SECTION VI ANALYSIS OF GOVERNMENT REVENUE



	2023-24 Estimate	% Share of Government Revenue	% of GDP
* Operating Revenue	\$536.8 billion	83.6%	17.6%
# Capital Revenue	\$105.6 billion	16.4%	3.5%
Total	\$642.4 billion	100%	21.1%

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
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 2023-24 Estimates. The index further provides details, by head of expenditure, of individual programmes which contribute to a policy area.

