

2024-25 Budget

(1) Introduction

The theme of 2024-25 Budget is: “Advance with Confidence. Seize Opportunities. Strive for High-quality Development.”

(2) Overview

(i) Key Figures

	2023-24 Revised Estimate (\$ billion)	2024-25 Estimate (\$ billion)	Increase/ Decrease
Operating expenditure	606.3	613.8	1.24%
- of which, recurrent government expenditure	542.1	580.2	7.0%
Capital expenditure	121.6	163.1	34.1%
- of which, capital works expenditure	85.0	90.2	6.1%
Government expenditure	727.9	776.9	6.7%
Government revenue	554.6	633.0	14.1%
Consolidated surplus/ (deficit) after issuance/ repayment of bonds	(101.6)	(48.1)	-52.7%

GDP in nominal terms is forecast to increase by 5.2% to 6.2% in 2024.

- (ii) The cumulative growths and trend growths for government expenditure, revenue and nominal GDP from 2019-20 to 2024-25 are as follows –

	2019-20 Actual (\$ billion)	2024-25 Estimate (\$ billion)	2024-25 Versus 2019-20 Cumulative Growth	Trend Growth
Recurrent government expenditure, of which	438.8	580.2	32.2%	5.7%
- Education	92.4	106.8	15.5%	2.9%
- Social Welfare	81.5	127.4	56.2%	9.3%
- Health	82.1	109.5	33.3%	5.9%
Government expenditure	607.8	776.9	27.8%	5.0%
Government revenue	590.9	633.0	7.1%	1.4%
Nominal GDP	2,845.0	3,161.8	11.1%	2.1%

- (iii) The comparison of the growth of government expenditure with nominal GDP from 1997-98 and 2019-20 to 2024-25 is as follows –

	2024-25 Versus	
	1997-98	2019-20
Government expenditure - cumulative growth	+299.7%	+27.8%
Nominal GDP - cumulative growth	+130.3%	+11.1%

- (iv) It is estimated that the 2024-25 Budget would have a stimulus effect on the Hong Kong economy of around 0.8% of GDP.

(3) Recurrent Government Expenditure

- (i) Recurrent government expenditure in 2024-25 is \$580.2 billion, higher than the 2023-24 Revised Estimate by 7.0% or by \$38.1 billion. Of this, substantial resources have still been allocated to livelihood-related policy areas including healthcare, social welfare and education, involving a total amount of \$343.7 billion, representing 59.3% of the recurrent expenditure. The comparisons with 1997-98 and 2019-20 are as follows –

	2024-25 Versus	
	1997-98	2019-20
Recurrent government expenditure - cumulative growth	+288.4%	+32.2%

- (ii) The analysis of recurrent government expenditure for the three policy area groups of Education, Social Welfare and Health is as follows –

	2022-23 Actual (\$ billion)	2023-24 Revised Estimate (\$ billion)	2024-25		
			Estimate (\$ billion)	versus 2023-24	versus 2019-20
Education	97.9	103.2	106.8	+3.5%	+2.9%
Social Welfare	104.8	112.4	127.4	+13.3%	+9.3%
Health	127.0	104.7	109.5	+4.6%	+5.9%
Total	329.7	320.3	343.7	+7.3%	+6.1%

For details of the expenditure of the above three policy area groups, please see Appendices 1 to 3.

(4) Capital Works Expenditure

- (i) It is the Government's commitment to invest in capital works projects to set the foundation for Hong Kong's social and economic development, enhance our competitiveness and improve our quality of life.
- (ii) By end March 2024, the estimated total outstanding commitment for on-going capital works projects will be about \$632.4 billion.
- (iii) The estimated expenditure for 2024-25 is \$90.2 billion. The revised estimate for 2023-24 is \$85.0 billion.
- (iv) There are 66 new projects under the Capital Works Programme with estimated expenditure to be incurred in 2024-25 subject to LegCo's funding approval. They are related to healthcare, housing and land supply, recreation and district facilities, and education etc. which are closely linked with people's daily lives.

(5) Key Expenditure and Revenue Proposals in the 2024-25 Budget

Proposal	Annual/ Total Amount \$ million	Beneficiary
I. Policy Address Major Initiatives		
1. Reduce the rate of stamp duty on stock transfers	Ω14,100	Investors and financial institutions
2. Set up the “New Industrialisation Acceleration Scheme (NIAS)”	+10,000 #27	Life and health technologies, artificial intelligence (AI) and data science, advanced manufacturing, and new energy technologies industries
3. Take forward drainage improvement works projects	+9,517	General Public
4. Inject a total of \$4.3 billion to the Film Development Fund and the CreateSmart Initiative to promote the development of the film industry and other cultural and creative industries respectively	^4,300	Local culture and creative industries
5. Establish the “Hong Kong Microelectronics Research and Development Institute” to lead and facilitate collaboration among universities, research and development (R&D) centres and the industry	+2,838 *3	Universities, R&D centres and the industry
6. Provision of a one-off cash bonus of \$20,000 to eligible parents for their newborn babies to promote fertility under a “combination punches” approach	^2,286 #5	Any person who would become eligible under the Newborn Baby Bonus

*: annual amount for recurrent measure; #: total for time-limited recurrent measure;

^: total for non-recurrent measure; +: capital item; Ω: revenue measure

Proposal	Annual/ Total Amount \$ million	Beneficiary
7. Press ahead with the development of Phase 3 of Trade Single Window	+1,405 #238	Trade and Logistics sectors
8. Roll out the eHealth+ to build a comprehensive healthcare information infrastructure over the next five years	+1,396	General Public, Healthcare Providers, Healthcare Professionals and healthcare system of Hong Kong as a whole
9. Inject additional \$1 billion into the Innovation and Technology Fund for Application in Elderly and Rehabilitation Care in 2024-25 and expand its scope to cover gerontechnology products suitable for household use	^1,000 #44	Around 2 200 elderly and rehabilitation service units eligible to apply for the Fund and their service recipients
10. Expand the coverage of the Residential Care Service Voucher for the Elderly (RCSV) and provide 1 000 more RCSVs starting from the first quarter of 2024-25 financial year	*560	Elderly persons waitlisted for subsidised residential care places
11. Set up a dedicated fund of \$500 million within 2024 to help non-governmental organisations (NGOs) operating subvented welfare services meet their development needs for staff training and system enhancement	^500	NGOs operating subvented welfare services
12. Continue to provide quality exchange and internship opportunities for young people	#471	Youths

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^: total for non-recurrent measure; +: capital item; Ω: revenue measure

Proposal	Annual/ Total Amount \$ million	Beneficiary
13. Provide the Vocational Training Council with resources for a period of three years from 2024/25 to provide additional monthly training allowance of \$1,000 for more than 7 000 registered apprentices and subsidise graduated apprentices in undertaking upskilling courses of relevant trades at an additional expenditure of around \$55 million in 2024/25	#411	Registered apprentices and graduated apprentices
14. Promote preventive dental care among adolescents aged between 13 and 17, and to collaborate with NGOs to enhance emergency dental services to the under privileged groups	#318	Adolescents aged between 13 and 17, and under-privileged persons
15. Continue to encourage young people to explore entrepreneurial opportunities in the enormous Mainland market and provide support to them to start their businesses locally and in Mainland cities of the Greater Bay Area	^300 #2	Youths
16. Increase the incentive payment for home-based child carers of the Neighbourhood Support Child Care Project, and double the number of service places to 2 000, with a view to doubling the number of beneficiaries to 20 000	*293	Children receiving day child care services and their parents
17. Formulate and implement talent recruitment strategies in the Mainland and overseas, provide support for incoming talents, and follow up on talents' development and address their needs after arrival in Hong Kong	#265	Outside talents interested or already in Hong Kong
18. Increase the Working Family Allowance (WFA) Rates	*257	All households receiving WFA

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^: total for non-recurrent measure; +: capital item; Ω: revenue measure

Proposal	Annual/ Total Amount \$ million	Beneficiary
19. Encourage the middle-aged and elderly persons to enter the labour market through the provision of re-employment allowance, with 6 000 persons expected to benefit from the three-year scheme	#219	Middle-aged and elderly persons aged 40 or above who have not been in paid employment for three consecutive months or more
20. Restructure the existing Create Hong Kong as the Cultural and Creative Industries Development Agency, which will proactively promote the development of arts, culture and creative sectors as industries under the industry-oriented principle	#196	Local culture and creative industries
21. Implement new major transport infrastructure initiatives	#188	General Public
22. Increase the number of emergency places for residential child care service and strengthen professional support for child abuse victims and their families, with a view to making preparations to cope with the possible upsurge in the number of reported child abuse cases after the mandatory reporting regime comes into effect	*186	All children
23. Increase the number of residential child care service places, substantially increase the incentive payment for foster families, and strengthen the support and training for foster families, etc	*178	Children receiving Residential Child Care Services
24. Establish the Hong Kong International Legal Talents Training Office and organise the Hong Kong International Legal Talents Training Expert Committee in 2024 for taking forward the work relating to the establishment of the Hong Kong International Legal Talents Training Academy	#177	Legal professionals, experts and related personnel

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^: total for non-recurrent measure; +: capital item; Ω: revenue measure

Proposal	Annual/ Total Amount \$ million	Beneficiary
25. Set up 10 more aided standalone child care centres in phases, and increase the maximum level of Child Care Centre Parent Subsidy from \$600 to \$1,000 per month	*135	Children receiving day child care services and their parents
26. Increase nursing staff in residential care homes for persons with disabilities (RCHDs) in 2024 to enhance the care for their ageing residents	*121	Persons with disabilities in RCHDs
27. Set up 21 designated teams in Q2 2024 to support special school leavers and their carers	*115	Special school leavers and their carers
28. Raise the accommodation-related tax deduction ceiling for taxpayers residing with newborns	Ω106	Any taxpayer who would become eligible for the increased accommodation-related tax deduction ceiling
29. Gradually increase the quota of the Hong Kong PhD Fellowship Scheme by one- third, from 300 to 400 places per academic year, so as to attract more outstanding talents to study and conduct researches in Hong Kong	*104	Overseas and local outstanding talents, the University Grants Committee-funded universities, local students, Hong Kong society
30. Provide additional subsidies to full-time students enrolling in designated applied degree programmes under the Study Subsidy Scheme for Designated Professions/Sectors with effect from the 2024/25 academic year	*104	About 2 500 eligible full-time students enrolling in eight applied degree programmes provided by four self-financing institutions are expected to be benefited from the additional subsidies in the 2024/25 academic year

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Proposal	Annual/ Total Amount \$ million	Beneficiary
31. Inject additional \$80 million (in two tranches) into the Elder Academy Development Foundation	^80	Mainly elderly persons aged 60 or above
32. Establish the Chinese Culture Promotion Office to promote Chinese culture and history, facilitating the inheritance, transformation and innovation of the fine traditional Chinese culture in the Hong Kong SAR, enhancing the education on our country's history, culture and current affairs	*78	General public and students
33. Double the funding for the Technology Transfer Offices of designated universities	+72 (Annually, starting from 2025-26)	The eight universities funded by the University Grants Committee
34. Enhance the services of Integrated Community Centres for Mental Wellness and commence scaling up training for social workers in community mental health service units in the second half of 2024	*60 #3	Persons in mental recovery and social workers
35. Extend the Residential Care Services Scheme in Guangdong to include specific residential care homes for the elderly operated by Mainland organisations, so as to give more choices to eligible elderly persons waitlisted for subsidised residential care places	*32	Elderly persons waitlisted for subsidised residential care places
36. Establish the Hong Kong International Academy Against Corruption to provide professional training for graft fighters worldwide and local sectors, and to promote exchange of anti-corruption experience among professionals from around the world	*27 ^5	Anti-corruption and related organisations worldwide and local public and private sectors

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^: total for non-recurrent measure; +: capital item; Ω: revenue measure

Proposal	Annual/ Total Amount \$ million	Beneficiary
37. Enhance the existing staff provision of resource teachers for primary and secondary sections of aided special schools and extend it to schools for social development starting from the 2024/25 school year to facilitate these schools in providing students comorbid with Autism Spectrum Disorder with additional support so as to help them learn effectively, develop their potential and integrate into the society	*29	About 4 000 students
38. Increase the number of full-time peer supporter positions from 40 by 75% to at least 70 by Q4 2024 and set up four additional Parents/Relatives Resource Centres by Q3 2025 to support persons in mental recovery and carers	*26	Persons in mental recovery and carers
39. Invite recognised service providers under the Community Care Service Voucher Scheme for the Elderly to provide day respite services to needy elderly persons in the community in Q4 2024	*24	Needy elderly persons residing in the community
40. Implement the Enhanced Supplementary Labour Scheme to help alleviate the manpower shortage of various sectors	#11 *11	Employers having difficulty in recruiting sufficient staff locally
41. Increase the annual recurrent allocation for cultural exchanges by \$20 million to \$70 million, to support more local arts groups and artists to perform, stage exhibitions or participate in other activities in places outside Hong Kong; and make use of the provision to support Mainland and overseas Economic and Trade Offices to engage additional staff when necessary to strengthen their promotion work on arts and culture, with a view to fostering cultural exchange and collaboration	*20	Local arts groups and artists

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Proposal	Annual/ Total Amount \$ million	Beneficiary
42. Launch a new five-year Funding Scheme on the Promotion of Family Education to support community projects promoting family education	#20	General public

Total Financial Implications of Policy Address Major Initiatives (I)	52,863
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Involving –	
Operating Expenditure	13,429
- <i>Recurrent measures</i>	4,958
- <i>Non-recurrent measures</i>	8,471
Capital Expenditure	25,228
Revenue Measures	14,206

*: annual amount for recurrent measure; #: total for time-limited recurrent measure;

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Proposal	Annual/ Total Amount \$ million	Beneficiary
II. Budget Proposals		
(A) One-off Relief Measures		
<u>Expenditure Measures</u>		
43. Provide an equivalent of half month extra allowance to eligible recipients of social security payments and apply similar arrangements to the WFA Scheme	[^] 2,973	About 1.66 million persons eligible for social security payments and about 64 000 households in receipt of WFA
Sub-total for Expenditure Measures	<u>2,973</u>	
<u>Revenue Measures</u>		
44. Reduce salaries tax and tax under personal assessment for the year of assessment 2023/24 by 100%, subject to a ceiling of \$3,000	^Ω 5,100	2.06 million taxpayers
45. Reduce profits tax for the year of assessment 2023/24 by 100%, subject to a ceiling of \$3,000	^Ω 431	160 200 businesses

*: annual amount for recurrent measure; #: total for time-limited recurrent measure;

[^]: total for non-recurrent measure; +: capital item; ^Ω: revenue measure

Proposal	Annual/ Total Amount \$ million	Beneficiary
46. Waive rates for the first quarter of 2024-25 subject to a ceiling of \$1,000 –		
(a) For each rateable domestic property	^Ω 2,646	3.08 million domestic properties liable to rates
(b) For each rateable non-domestic property	^Ω 374	430 000 non-domestic properties liable to rates
Sub-total for Revenue Measures	<u>8,551</u>	
Total for One-off Relief Measures	<u><u>11,524</u></u>	

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Proposal	Annual/ Total Amount \$ million	Beneficiary
(B) Budget Measures with Long-term Effects		
<u>Expenditure Measures</u>		
47. Support the establishment of the InnoLife Healthtech Hub in the Hong Kong Shenzhen Innovation and Technology Park (HSITP) by setting aside \$2 billion out of the \$10 billion earmarked for promoting life and health technology development in the 2022-23 Budget to support the setting up of the <i>InnoHK</i> Research Cluster in the Loop	(earmarked in the previous Budget)	Innovation and Technology (I&T) sector
48. Support the establishment of the InnoLife Healthtech Hub in the HSITP by setting aside \$200 million out of the \$10 billion earmarked for promoting life and health technology development in the 2022-23 Budget for the Hong Kong-Shenzhen Innovation and Technology Park Limited to implement incubation and acceleration support programme(s) to support life and health technology start-ups	(earmarked in the previous Budget)	Start-ups in the HSITP
49. Support local universities in setting up frontier technology basic research facilities and projects and to attract top-notch researchers and scholars recruited from home and elsewhere to promote cross-sectoral researches and scientific breakthroughs in frontier technology fields with the use of the earmarked \$3 billion	(earmarked in the previous Budget)	Local funded universities, scholars / researchers from the Mainland and overseas, and talents engaged in related frontier technology basic research.

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^: total for non-recurrent measure; +: capital item; Ω: revenue measure

Proposal	Annual/ Total Amount \$ million	Beneficiary
50. Relax the requirement of the Research Talent Hub to allow enterprises that have successfully applied for the New Industrialisation Acceleration Scheme (NIAS) to employ more research talents	^3,683	Life and health technologies, AI and data science, advanced manufacturing, and new energy technologies industries
51. Advance the development of AI ecosystem in Hong Kong by providing subsidies to relevant industry for utilising the computing power of Cyberport's AI Supercomputing Centre (AISC), enhancing data security and cybersecurity of AISC and promoting the AI ecosystem development	^3,000	AI-related sector including researchers, research and development institutes, start-ups and government departments
52. Extend the application period of the 80% and 90% Guarantee Products under the SME Financing Guarantee Scheme (SFGS) for two years to 31 March 2026, to continue to help ease the cash flow problem of small and medium enterprises (SMEs)	^1,830 ¹	All SMEs eligible for the 80% and 90% Guarantee Products under the SFGS
53. Provide additional funding to the Hong Kong Tourism Board to boost tourism, including reviewing and revamping "A Symphony of Lights", and provide continued support to the travel trade	#871	Visitors, locals, tourism industry and related sectors, and the economy as a whole
54. Inject \$500 million into the Dedicated Fund on Branding, Upgrading and Domestic Sales	^500	Hong Kong enterprises

¹ This represents the estimated expenditure to be incurred by the Government. The commitment of the SFGS is increased by \$10 billion (please refer to item 73).

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^: total for non-recurrent measure; +: capital item; Ω: revenue measure

Proposal	Annual/ Total Amount \$ million	Beneficiary
55. Promote a business-friendly environment in Hong Kong by introducing the “Digital Corporate Identity” platform	+300	Business corporations in Hong Kong
56. Provide additional funding to the Tourism Commission to boost tourism, including extending “Sai Kung Hoi Arts Festival”, extending “Design District Hong Kong” Creative Tourism Project and attracting more large-scale events with significant visitor appeal and tourism promotional effect to stage in Hong Kong	#224	Visitors, locals, art and creative sector, tourism industry and related sectors, and the economy as a whole
57. Extend the “Knowing More about IT in Primary Schools” Programme	^134	All publicly-funded primary schools
58. Earmark \$100 million in the Social Innovation and Entrepreneurship Development Fund (the SIE Fund) for implementing Digital Inclusion Programmes for the Elderlies	(to be funded by the SIE Fund)	Hong Kong citizens aged 60 or above, particularly those living alone in domestic households
59. Enhance the promotion and marketing of mega events	#100	Locals, visitors and the economy as a whole
60. Support the development of the financial services industry	^100	Financial and professional services sectors
61. Provide green incentive for Hong Kong-registered ships attaining top ratings in international carbon reduction standard	^66	All eligible Hong Kong-registered ships of a gross tonnage at 5 000 GT and above (estimated number of eligible ships: around 1 216)

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Proposal	Annual/ Total Amount \$ million	Beneficiary
62. Establish a World Intellectual Property Organization (WIPO) Technology and Innovation Support Centre	#45	Local Innovation & Technology and Research & Development sectors, innovators, SMEs, start-ups and entrepreneurs
63. Introduce a new subsidy scheme for supporting the development of green and sustainable financial technology in Hong Kong	^10	Green Fintech companies and corporates adopting their products
Sub-total for Expenditure Measures	<hr/> 10,863 <hr/>	

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Proposal	Annual/ Total Amount \$ million	Beneficiary
<u>Revenue Measures</u>		
64. Extend the first registration tax (FRT) concession arrangement for electric vehicles for two years, while lowering the FRT concession cap under the "One-for-One Replacement" Scheme for electric private cars (e-PCs) to \$172,500 and the general FRT concession cap for e-PCs to \$58,500; and confine the concession to e-PCs with a taxable value at or below \$500,000	^Ω 3,141	Prospective electric vehicle purchasers
65. Waive the stamp duty for options market makers to conduct jobbing business	^Ω 800	Options market makers
66. Waive the stamp duty for the transfer of units of Real Estate Investment Trust (REIT)	^Ω 200	REIT market players and investors
67. Revoke the 25-year restriction on the claim period under the Commercial and Industrial Building Allowances	^Ω 159	Taxpayers who acquire second-hand commercial or industrial buildings with over 25 years of usage
68. Increase the duty rate on tobacco products	^Ω (1,240) <i>(increase in revenue)</i>	General public

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Proposal	Annual/ Total Amount \$ million	Beneficiary
69. Impose hotel accommodation tax at 3%	Ω (1,100) <i>(increase in revenue)</i>	Overall Hong Kong Community
70. Introduce a two-tiered standard rate system for salaries tax and tax under personal assessment	Ω (905) <i>(increase in revenue)</i>	Overall Hong Kong Community
71. Increase business registration fee and branch registration fee by 10%	Ω (295) <i>(increase in revenue)</i>	Overall Hong Kong Community
Sub-total for Revenue Measures	<hr/> 760 <hr/>	
Total for Budget Measures with Long-term Effects	<hr/> 11,623 <hr/>	

(C) Productivity Enhancement Programme and Expenditure Reduction Programme

72. Implement an productivity enhancement programme and an expenditure reduction programme within the Government	(11,700) (Annually, starting from 2026-27)	General Public
Total for the Programmes above	<hr/> (11,700) <hr/>	

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Proposal	Annual/ Total Amount \$ million	Beneficiary
(D) Additional Financial Commitment		
73. Additional commitment for item 52 (extending the application period of the 80% and 90% Guarantee Products under the SFGS)	^10,000	Please refer to item 52
Total for Additional Financial Commitment	<u><u>10,000</u></u>	
Total Financial Implications of Budget Proposals (II) (A+B+C+D)	<u><u>21,447</u></u>	
Grand Total (Policy Address Major Initiatives and Budget Proposals) (I+II)	<u><u>74,310</u></u>	

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(6) Medium Range Forecast

(\$ billion)	2023-24 Revised Estimate	2024-25 Estimate	2025-26 Forecast	2026-27 Forecast	2027-28 Forecast	2028-29 Forecast
Operating surplus/ (deficit)	(92.4)	(33.1)	(2.1)	27.4	41.2	55.7
Capital surplus/ (deficit)	(80.9)	(110.8)	(81.8)	(74.6)	(27.2)	22.4
Proceeds from issuance of government bonds	72.5	120.0	135.0	135.0	135.0	95.0
Repayment of government bonds	(0.8)	(24.2)	(44.8)	(54.9)	(106.3)	(107.9)
Consolidated surplus / (deficit) after issuance and repayment of bonds	(101.6)	(48.1)	6.3	32.9	42.7	65.2

Fiscal reserves at 31 March	733.2	685.1	691.4	724.3	767.0	832.2
In terms of no. of months of government expenditure	12	11	11	11	11	12
In terms of % of GDP	24.5%	21.7%	20.7%	20.6%	20.7%	21.2%

Appendices –

1. Education
2. Social Welfare
3. Health

Education

1. Estimated government expenditure on education amounts to \$115.7 billion in 2024-25, accounting for 14.9% of total estimated government expenditure, and is 2% or \$2.3 billion higher than the 2023-24 revised estimate (RE).
2. Estimated recurrent government expenditure on education is \$106.8 billion in 2024-25, accounting for 18.4% of total estimated recurrent government expenditure, and is 3.5% or \$3.6 billion higher than the 2023-24 RE.
3. The key initiatives are highlighted below –

Initiatives under recurrent government expenditure

(a) New initiatives

- (i) \$17 million in 2024-25 (\$104 million full-year provision w.e.f. 2027-28) is for providing additional grant to the eight University Grants Committee (UGC)-funded universities for supporting the expansion of the Hong Kong PhD Fellowship Scheme from 300 to 400 places.
- (ii) \$21 million in 2024-25 (\$104 million full-year provision w.e.f. 2031-32) is for providing additional subsidies for students pursuing the applied degree programmes on top of the existing Study Subsidy Scheme for Designated Professions/Sectors (SSSDP).
- (iii) \$17 million in 2024-25 (\$29 million full-year provision w.e.f. 2025-26) is for enhancing the staff provision of resource teachers for students comorbid with autism spectrum disorder in aided special schools and extending it to schools for social development.

(b) Existing initiatives

- (i) \$715 million in 2024-25 (2023-24 RE: \$307 million; \$816 million full-year provision w.e.f. 2025-26) is for increasing the number of publicly-funded research postgraduate places from the existing 5 595 to 7 200 in the 2024/25 academic year, so as to give further boost to the development of academic research in the UGC-funded universities.
- (ii) \$230 million in 2024-25 (2023-24 RE: \$182 million; \$935 million full-year provision w.e.f. 2027-28) is for expanding the SSSDP to cover top-up degree programmes for the first time, and for rationalising the implementation details of the SSSDP and the Non-

means-tested Subsidy Scheme for Self-financing Undergraduate Studies in Hong Kong to benefit students from different backgrounds with effect from the 2023/24 academic year; and for increasing in phases the numbers of subsidised places, subject to the progress of the review of the Post Secondary Colleges Ordinance (Cap. 320).

Initiatives under non-recurrent and capital expenditure

(a) Existing initiatives

- (i) A total commitment of \$3,000 million and cash flow of \$5 million in 2024-25 (2023-24 RE: \$349 million) is for implementing the Research Matching Grant Scheme.
- (ii) A total commitment of \$1,260 million and cash flow of \$94 million in 2024-25 (2023-24 RE: \$86 million) is for implementing the Enhancement and Start-up Grant Scheme for Self-financing Post-secondary Education to provide financial support to independent self-financing post-secondary institutions to develop and enhance programmes that meet market needs but require high start-up costs.
- (iii) A total commitment of \$500 million and cash flow of \$80 million in 2024-25 (2023-24 RE: \$174 million) is for supporting the implementation of a Global STEM Professorship Scheme.
- (iv) \$1,800 million in 2024-25 (with \$1,732 million cash flow in 2023-24 RE) is for school maintenance (Major Repairs for aided and Direct Subsidy Scheme (DSS) schools and Emergency Repairs for aided schools).
- (v) A total provision of \$1,000 million and cash flow of \$27 million in 2024-25 (2023-24 RE: \$105 million) is for supporting simple minor internal conversion works for some 600 aided schools.
- (vi) A total provision of around \$2,000 million and cash flow of \$89 million in 2024-25 (2023-24 RE: \$125 million) is for expediting installation of lifts for public sector and DSS schools without such provisions, starting from 2019-20.

Social Welfare

1. Estimated government expenditure on Social Welfare amounts to \$136.2 billion in 2024-25, accounting for 17.5% of total estimated government expenditure, and is 15.7% or \$18.4 billion higher than the 2023-24 revised estimate (RE).
2. Estimated recurrent government expenditure on Social Welfare is \$127.4 billion in 2024-25, accounting for 22% of total estimated recurrent government expenditure, and is 13.3% or \$15.0 billion higher than the 2023-24 RE.
3. The key initiatives are highlighted below –

Initiatives under recurrent government expenditure

(a) New initiatives

Additional provision of \$115.0 million in 2024-25 (\$114.9 million additional full-year provision w.e.f. 2025-26) for setting up a designated team in each of the 21 District Support Centres for Persons with Disabilities across the territory to support special school leavers and their carers.

(b) Existing initiatives

- (i) Additional provision of \$535.7 million in 2024-25 (\$559.8 million additional full-year provision w.e.f. 2025-26) for expanding the coverage of the Residential Care Service Voucher Scheme for the Elderly from care-and-attention places to nursing home places, and 1 000 more vouchers, so that more eligible elderly persons can be admitted to participating residential care homes for the elderly (RCHes) without waiting.
- (ii) Starting from April 2024, increase the rates of household and child allowances under the Working Family Allowance Scheme by 15% across the board, with an additional expenditure of about \$257 million per year.
- (iii) Additional provision of \$181.4 million in 2024-25 (\$293.3 million additional full-year provision w.e.f. 2025-26) for increasing the incentive payment for home-based child carers of the Neighbourhood Support Child Care Project, and doubling the number of service places to 2 000, with a view to doubling the number of beneficiaries to 20 000.
- (iv) Additional provision of \$171.9 million in 2024-25 (\$186.5 million additional full-year provision w.e.f. 2025-26) for increasing the number of emergency places for residential child care service and

strengthening professional support for child abuse victims and their families, with a view to making preparations for coping with the possible upsurge in the number of reported child abuse cases after the mandatory reporting regime comes into effect.

- (v) Additional provision of \$170.4 million in 2024-25 (\$178.4 million additional full-year provision w.e.f. 2025-26) for increasing the number of residential child care service places, substantially increasing the incentive payment for foster families, and strengthening the support and training for foster families, etc.
- (vi) Additional provision of a total of \$73.7 million from 2024-25 to 2029-30 for increasing the number of mentees under the Second Cohort of the Strive and Rise Programme to 4 000 and establishing an Alumni Club for mentee graduates who have completed the Programme.
- (vii) Additional provision of \$72.4 million in 2024-25 (\$98.8 million additional full-year provision w.e.f. 2026-27) for setting up 10 more aided standalone child care centres in phases, and increasing the maximum level of Child Care Centre Parent Subsidy from \$600 to \$1,000 per month.
- (viii) Additional provision of \$60.6 million in 2024-25 (\$121.3 million additional full-year provision w.e.f. 2025-26) for increasing nursing staff in specified residential care homes for persons with disabilities (RCHDs)¹ in 2024 to enhance the care for their ageing residents.
- (ix) Additional provision of \$36.5 million in 2024-25 (\$60.2 million additional full-year provision w.e.f. 2025-26) for enhancing the services of Integrated Community Centres for Mental Wellness, including strengthening early identification of persons with mental health needs and early intervention, and scaling up the training of social workers in community mental health service units to raise their capacity in handling complicated cases.
- (x) Additional provision of \$14.2 million in 2024-25 (\$28.4 million additional full-year provision w.e.f. 2025-26) for upgrading 104 designated residential respite places in private RCHEs from EA2 to EA1 standard with a view to meeting statutory requirements, and expanding the network of respite services.
- (xi) Additional provision of \$13.2 million in 2024-25 (\$26.4 million additional full-year provision w.e.f. 2025-26) for setting up

¹Including Long Stay Care Homes, Hostels for Severely Mentally Handicapped Persons, Hostels for Moderately Mentally Handicapped Persons, Hostels for Severely Physically Handicapped Persons, Care and Attention Homes for Severely Disabled Persons and Supported Hostels.

Appendix 2 (Cont'd)

additional Parents/Relatives Resource Centres and enhancing peer support services to support persons in mental recovery and their carers.

- (xii) Additional provision of \$6.8 million in 2024-25 (\$20.4 million additional full-year provision w.e.f. 2025-26) for gradually increasing service places of the Extended Care Programme in Day Activity Centres and the Work Extension Programme starting from 2024-25.

(c) Social Security

The expenditure on social security since 2019-20 is as follows –

	2019-20 (Actual)	2020-21 (Actual)	2021-22 (Actual)	2022-23 (Actual)	2023-24 (Revised Estimate)	2024-25 (Estimate)
CSSA (\$ million)	20,305 (22,667)@	21,158 (22,853)^	22,069 (22,909)&	22,610 (23,196)&	22,048 (22,625)&	22,457 (23,055)&
SSA (\$ million)	31,507 (36,643)@	35,344 (38,166)^	38,224 (39,754)&	42,059 (43,706)&	47,398 (49,277)&	54,957 (57,232)&
Total (\$ million)*	51,812 (59,310)@	56,502 (61,019)^	60,294 (62,663)&	64,670 (66,902)&	69,446 (71,902)&	77,414 (80,287)&

@ Includes the one-month additional payment as announced in the Budget and another one-month additional payment announced by FS in August 2019.

^ Includes the one-month additional payment as announced in the Budget.

& Includes the half-month additional payment as announced in the Budget.

* Figures may not add up due to rounding.

Initiatives under non-recurrent and capital expenditure

(a) New initiatives

Set up a dedicated fund of \$500 million (with cash flow of \$100 million in 2024-25) to help non-governmental organisations operating subvented welfare services meet their development needs for staff training and system enhancement.

(b) Existing initiatives

- (i) Inject additional \$1 billion into the Innovation and Technology Fund for Application in Elderly and Rehabilitation Care and expand its scope to cover gerontechnology products suitable for household use.
- (ii) Inject additional \$80 million (in two tranches) into the Elder Academy Development Foundation to encourage the elderly to pursue lifelong learning and promote active ageing.

Health

1. Estimated government expenditure on health amounts to \$127.9 billion in 2024-25, accounting for 16.5% of total estimated government expenditure, and is 6.5% or \$7.7 billion higher than the 2023-24 revised estimate (RE).
2. Estimated recurrent government expenditure on health is \$109.5 billion in 2024-25, accounting for 18.9% of total estimated recurrent government expenditure, and is 4.6% or \$4.8 billion higher than the 2023-24 RE.
3. The key initiatives are highlighted below –

Initiatives under recurrent government expenditure

A. Hospital Authority (HA)

The Government will continue to provide funding for HA to meet projected increasing demand based on the triennium funding arrangement announced in the 2017 Policy Address. The 2024-25 financial provision for HA totals \$95.4 billion (comprising \$93.5 billion recurrent subvention and \$1.9 billion capital subvention), representing an increase of 2.2% over the 2023-24 revised estimate (\$93.4 billion).

The recurrent subvention at \$93.5 billion represents an increase of 2.0% over the 2023-24 revised estimate (\$91.7 billion). The following key measures will be implemented –

Existing initiatives

- (i) enhancing service planning and commissioning of redeveloped / expanded hospitals and community health centres;
- (ii) providing additional hospital beds, additional operating theatre and endoscopy sessions;
- (iii) enhancing general outpatient services;
- (iv) enhancing cancer services, particularly chemotherapy services and Linear Accelerator services;
- (v) enhancing clinical services such as ophthalmology, radiology, pathology and drug refill service for selected elderly patients at Specialist Outpatient Clinics, as well as non-clinical supporting services;

Appendix 3 (Cont'd)

- (vi) enhancing telehealth services, ambulatory care services and community-based care;
- (vii) developing personalised care, improving patient experience, operational workflow, surgical outcome and patient safety through the application of advanced technology and developing smart hospitals; and
- (viii) attracting and retaining staff to alleviate manpower shortage and constraint, including providing additional promotion opportunities; and enhancing various training programmes.

B. Department of Health

(a) New initiatives

- (i) \$77 million in 2024-25 (\$393 million total time-limited provision for three years from 2024-25 to 2026-27) for enhancing public dental services, including the enhancement of Healthy Teeth Collaboration and emergency dental service, and launching Primary Dental Co-care Pilot Scheme for Adolescents;
- (ii) \$59 million in 2024-25 (\$9 million full-year provision w.e.f. 2024-25 and \$339 million total time-limited provision for five years from 2024-25 to 2028-29) for implementing a sponsorship scheme for training of dental hygienists and dental therapists and a programme of internship and period of assessment for local dental graduates/non-locally trained dentists; and
- (iii) \$43 million in 2024-25 (\$196 million total time-limited provision for five years from 2024-25 to 2028-29) for setting up of the Centre for Medical Products Regulation Preparatory Office and enhancement of the existing services for Chinese Medicine, Western Drugs and Medical Devices to provide necessary support to the Centre for Medical Products Regulation.

(b) Existing initiatives

- (i) Additional time-limited provision of \$254 million in 2024-25 (\$6,578 million total time-limited provision for five years from 2023-24 to 2027-28) for the Elderly Health Care Voucher Scheme (EHVS) –
 - Additional time-limited provision of \$230 million in 2024-25 (\$6,531 million total time-limited provision for five years from 2023-24 to 2027-28) for meeting the cash flow

requirements for EHVS including the “Three-year Pilot Scheme”; and

- Additional time-limited provision of \$24 million in 2024-25 (\$47 million total time-limited provision for two years from 2024-25 to 2025-26) for Health Care Voucher Division to engage additional manpower to tackle the expected workload for Greater Bay Area (GBA) matters, EHVS topics and cross-border medical cooperation;
- (ii) Additional provision of \$29 million in 2024-25 (\$144 million full year provision w.e.f. 2027-28) for carrying out service enhancements and organisational transformation through the increased use of IT as identified in the Strategic Plan to Re-engineer and Transform Public Services (SPRINT);
- (iii) Additional time-limited provision of \$16 million in 2024-25 (\$243 million total time-limited provision for three years from 2024-25 to 2026-27) for implementing Human Papilloma Virus (HPV) vaccination catch-up programme;
- (iv) Additional time-limited provision of \$13 million in 2024-25 (\$65 million total time-limited provision for five years from 2024-25 to 2028-29) for procurement of recombinant influenza vaccine and HPV vaccine;
- (v) Additional time-limited provision of \$15 million in 2024-25 (\$74 million total time-limited provision for five years from 2024-25 to 2028-29) for strengthening support to Secretariats of Boards/Councils to cope with additional workload generated by new healthcare-related initiatives; and
- (vi) Additional time-limited provision of \$14 million in 2024-25 (\$99 million total time-limited provision for seven years from 2024-25 to 2030-31) for carrying out territory-wide improvement works for existing clinics under the Healthcare Facilities Development Programme.

C. Health Bureau

(a) New initiatives

Time-limited provision of \$32 million in 2024-25 (\$140 million total time-limited provision for five years from 2024-25 to 2028-29) for establishing the Greater Bay Area International Clinical Trial Institute to provide a one-stop clinical trial support platform that coordinates

clinical trial resources, and to promote cooperation with the clinical trial network in the Mainland, in particular the GBA.

(b) Existing initiatives

Additional provision of \$183 million in 2024-25 (\$300 million full year provision w.e.f. 2025-26) for the operation cost of three District Health Centres to be commissioned in 2024-25.

Initiatives under non-recurrent and capital expenditure

(a) New initiatives

A total capital commitment of \$1,396 million (with \$243 million cash flow in 2024-25) to roll out the eHealth+ to build a comprehensive healthcare information infrastructure over the next five years.

(b) Existing initiatives

- (i) A provision of \$1,911 million in 2024-25 (2023-24 RE:\$1,712 million), including \$911 million allocated out of the \$5 billion earmarked for enhancing technology adoption, is for HA to procure equipment and implement computerisation projects.
- (ii) A total commitment of \$14,473 million and cash flow of \$328 million in 2024-25 (2023-24 RE: \$311 million) is for procurement and administration of COVID-19 vaccines.
- (iii) A total commitment of \$1,000 million and cash flow of \$152 million in 2024-25 (2023-24 RE: \$133 million) is for Chinese Medicine Development Fund;
- (iv) A total commitment of \$682 million and cash flow of \$347 million in 2024-25 (2023-24 RE: \$215 million) is for Hong Kong Genome Project;
- (v) A total commitment of \$1,111 million (including an additional commitment of \$515 million for the extension of District Health Centre Expresses' services) and cash flow of \$234 million in 2024-25 (2023-24 RE: \$155 million) is for the "DHC Express" Scheme;
- (vi) A total commitment of \$1,000 million and cash flow of \$184 million in 2024-25 (2023-24 RE: \$184 million) is for the

Appendix 3 (Cont'd)

Indemnity Fund for Adverse Events Following Immunization with Coronavirus Disease-2019 Vaccines;

- (vii) A total commitment of \$4,223 million and cash flow of \$340 million in 2024-25 (2023-24 RE: \$244 million) is for Health and Medical Research Fund;
- (viii) A total commitment of \$80 million and cash flow of \$11 million in 2024-25 (2023-24 RE: \$5 million) is for the preparation for service commencement of the Chinese Medicine Hospital;
- (ix) A total capital commitment of \$8,620 million and cash flow of \$1,650 million in 2024-25 (2023-24 RE: \$356 million) is for the development of Chinese Medicine Hospital. [Remark: this is a health project with funding vote controlled by Architectural Services Department.]; and
- (x) A total capital commitment of \$384 million and cash flow of \$99 million in 2024-25 (2023-24 RE: \$17 million) is for IT support for the Chinese Medicine Hospital.