

SUMMARY

Background

The General Revenue Account (GRA) is the main operating account through which the Government's finances are controlled. The following tables summarise the estimates for 2002–03 and set these estimates in their historical context.

Movement of the Account

	Actual				Revised Estimate	Estimate
	1997–98	1998–99	1999–2000	2000–01	2001–02	2002–03
	\$m	\$m	\$m	\$m	\$m	\$m
OPENING BALANCE	126,616	190,112	174,561	145,387	129,934	83,113
Expenditure	162,483	179,650	178,247	188,551	203,691	218,467
Revenue♣	220,141	170,393	157,104	172,734	155,668	171,668†
Surplus/(Deficit) before Fund Transfers	57,658	(9,257)	(21,143)	(15,817)	(48,023)	(46,799)
Net Transfers (to)/from Funds	5,838	(6,294)	(8,031)	2,371	(26)	(18,019)
Surplus/(Deficit) after Fund Transfers	63,496	(15,551)	(29,174)	(13,446)	(48,049)	(64,818)
Write-back of provision for loss in investments with the Exchange Fund	—	—	—	(2,007)§	1,228§	—
CLOSING BALANCE	190,112	174,561	145,387	129,934	83,113	18,295

♣ Including \$17,864 million income from land transactions in 1997–98 credited to the General Revenue Account before the enactment of the revised Capital Works Reserve Fund resolution effective from 1 January 1998; exceptional receipts from the first tranche of the MTR Corporation Limited share offer of \$10,061 million in 2000–01; and estimated proceeds from the second tranche of the MTR Corporation Limited share offer of \$15,000 million in 2002–03.

† After Budget revenue measures.

§ In 2000–01 the amount refers to provision for the diminution in the market value of investments with the Exchange Fund during the period from 1 January 2001 to 31 March 2001.

§ In 2001–02 the amount refers to the write-back of the provision in 2000–01, less the estimated amount required to meet the diminution in the market value of investments with the Exchange Fund in January 2002.

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Expenditure Analysis

	Actual								Revised Estimate		Estimate	
	1997-98		1998-99		1999-2000		2000-01		2001-02		2002-03	
	\$m	%	\$m	%	\$m	%	\$m	%	\$m	%	\$m	%
Recurrent Expenditure												
Personal Emoluments	40,114	25	44,092	24	46,488	26	50,497	27	52,182	26	52,848	24
Personnel Related Expenses	13,617	8	12,103	7	13,289	7	14,497	8	17,872	9	17,201	8
Departmental Expenses	8,067	5	8,935	5	10,184	6	12,934	7	15,260	7	17,022	8
Other Charges	24,139	15	28,568	16	29,590	17	30,355	16	32,191	16	35,353	16
Subventions	63,449	39	70,579	39	74,362	41	76,239	40	80,451	39	83,577	38
Sub-total	149,386	92	164,277	91	173,913	97	184,522	98	197,956	97	206,001	94
Additional Commitments	—	—	—	—	—	—	—	—	—	—	1,830	1
Total Recurrent Expenditure	149,386	92	164,277	91	173,913	97	184,522	98	197,956	97	207,831	95
Capital Expenditure												
Plant, Equipment and Works	852	—	790	1	1,372	1	853	—	1,175	1	1,182	1
Subventions	1,065	1	1,454	1	954	1	1,012	1	981	—	1,138	—
Other	11,180	7	13,129	7	2,008	1	2,164	1	3,579	2	2,836	1
Sub-total	13,097	8	15,373	9	4,334	3	4,029	2	5,735	3	5,156	2
Additional Commitments	—	—	—	—	—	—	—	—	—	—	5,480	3
Total Capital Expenditure	13,097	8	15,373	9	4,334	3	4,029	2	5,735	3	10,636	5
Total Expenditure (Recurrent + Capital)	162,483	100	179,650	100	178,247	100	188,551	100	203,691	100	218,467	100
Transfers to Funds	2,697		15,044		13,031		3,629		26		21,019	
Total including Transfers to Funds	165,180		194,694		191,278		192,180		203,717		239,486	

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Revenue Analysis

	Actual								Revised Estimate		Estimate†	
	1997-98		1998-99		1999-2000		2000-01		2001-02		2002-03	
	\$m	%	\$m	%	\$m	%	\$m	%	\$m	%	\$m	%
Recurrent Revenue												
Internal Revenue:												
Earnings and profits tax	91,524	42	75,746	45	66,914	43	73,870	43	77,900	50	78,322	46
Bets and sweeps tax	13,453	6	12,228	7	11,938	8	12,630	7	11,382	7	12,605	7
Hotel accommodation tax	511	—	219	—	182	—	223	—	220	—	232	—
Stamp duties	29,097	13	10,189	6	12,116	7	10,911	7	8,832	6	10,971	6
Air passenger departure tax	1,002	1	573	—	499	—	537	—	654	1	885	1
Cross-Harbour Tunnel passage tax	200	—	195	—	97	—	—	—	—	—	—	—
	135,787	62	99,150	58	91,746	58	98,171	57	98,988	64	103,015	60
Duties	8,465	4	7,698	5	7,377	5	7,293	5	6,781	4	6,961	4
General Rates	6,258	2	3,614	2	7,132	4	14,428	8	12,470	8	9,143	5
Motor Vehicle Taxes	4,246	2	2,237	1	2,613	2	3,025	2	2,744	2	2,661	2
Royalties and Concessions	1,889	1	1,286	1	1,577	1	1,767	1	1,903	1	1,849	1
Other Revenue	41,757	19	52,718	31	43,363	28	33,955	20	27,957	18	28,316	17
Total Recurrent Revenue	198,402	90	166,703	98	153,808	98	158,639	93	150,843	97	151,945	89
Capital Revenue												
Internal Revenue:												
Estate duty	1,588	1	1,237	1	1,272	1	1,503	—	1,400	1	1,600	1
Taxi Concessions	23	—	—	—	—	—	—	—	—	—	10	—
Other Revenue♣	20,128	9	2,453	1	2,024	1	12,592	7	3,425	2	18,113	10
Total Capital Revenue	21,739	10	3,690	2	3,296	2	14,095	7	4,825	3	19,723	11
Total Revenue (Recurrent + Capital)	220,141	100	170,393	100	157,104	100	172,734	100	155,668	100	171,668	100
Transfers from Funds	8,535		8,750		5,000		6,000		—		3,000	
Total including Transfers from Funds	228,676		179,143		162,104		178,734		155,668		174,668	

Statistical Analysis of Revenue

	1997-98	1998-99	1999-2000	2000-01	2001-02	2002-03
	Actual	Actual	Actual	Actual	Revised Estimate	Estimate†
Recurrent Revenue as % of Total Revenue	90%	98%	98%	93%	97%	89%
Capital Revenue as % of Total Revenue	10%	2%	2%	7%	3%	11%

† After Budget revenue measures.

♣ Including \$17,864 million income from land transactions in 1997-98 credited to the General Revenue Account before the enactment of the revised Capital Works Reserve Fund resolution effective from 1 January 1998; exceptional receipts from the first tranche of the MTR Corporation Limited share offer of \$10,061 million in 2000-01; and estimated proceeds from the second tranche of the MTR Corporation Limited share offer of \$15,000 million in 2002-03.