

APPENDIX B

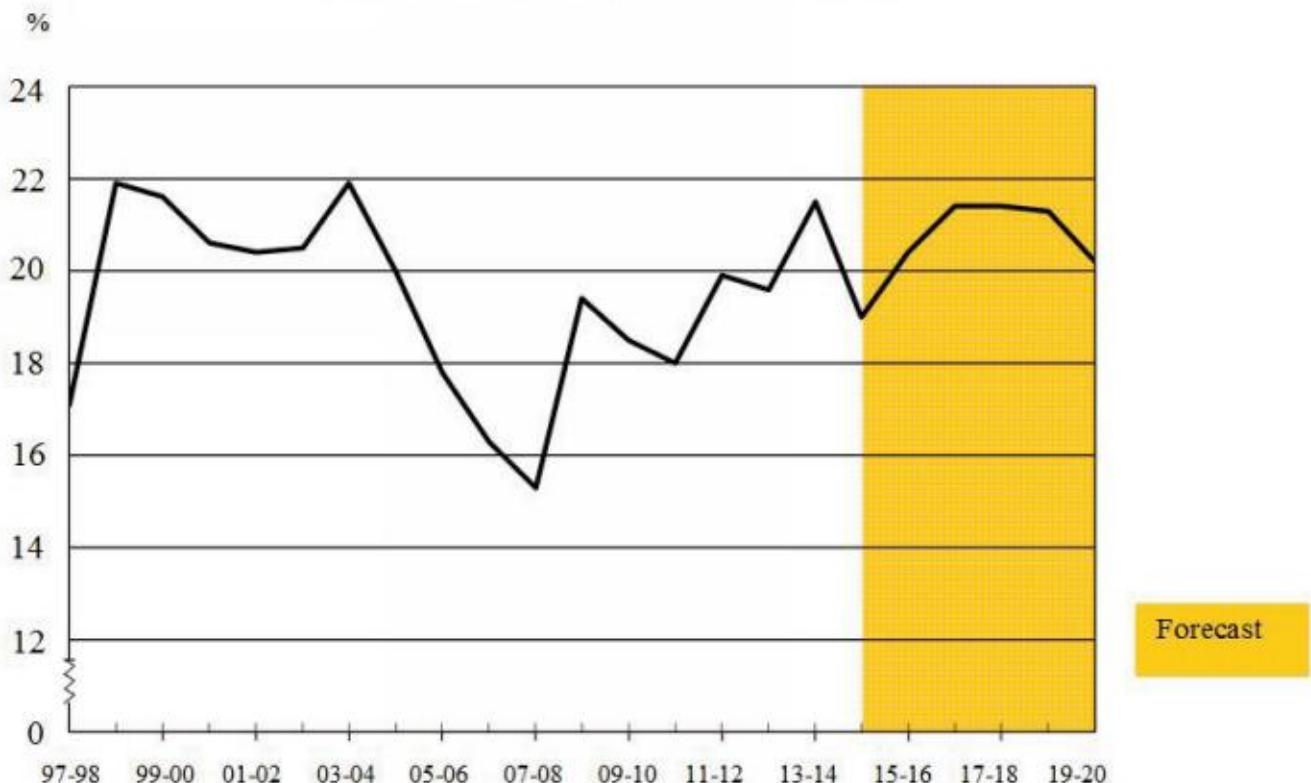
ANALYSIS OF EXPENDITURE AND REVENUE

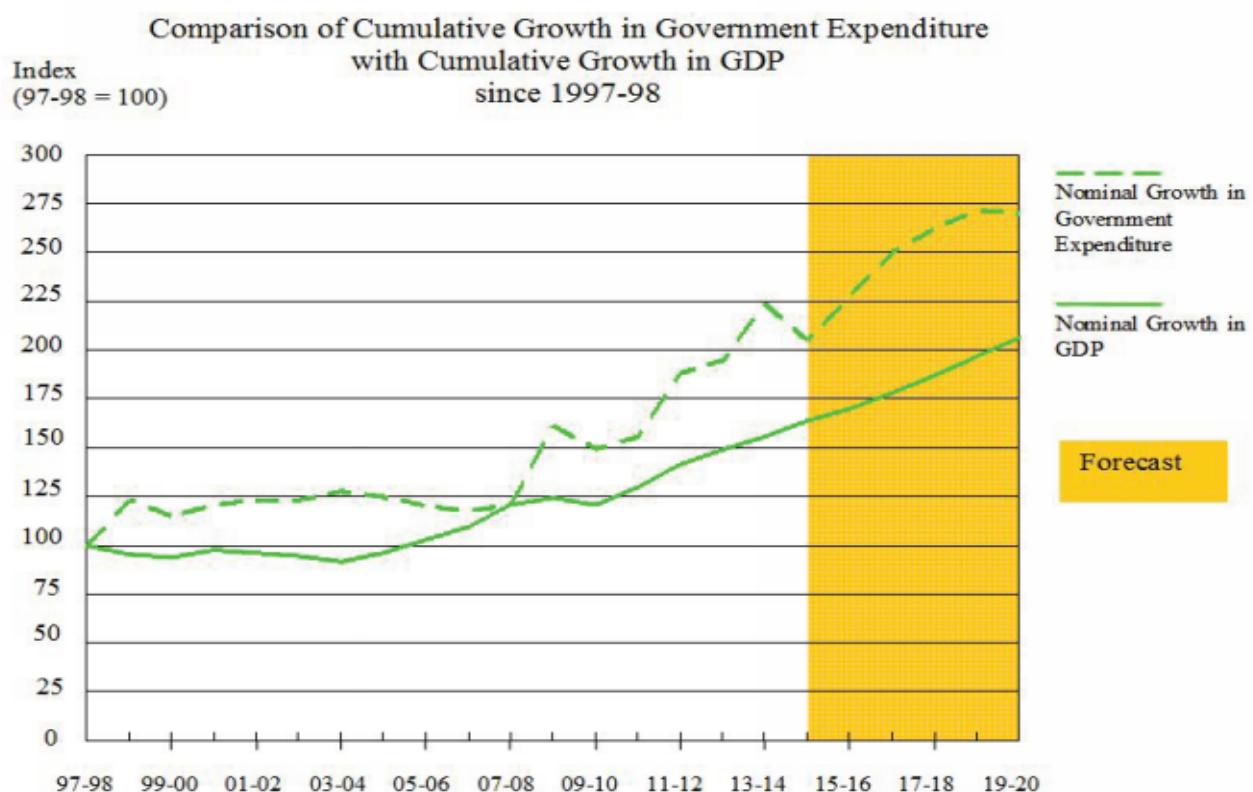
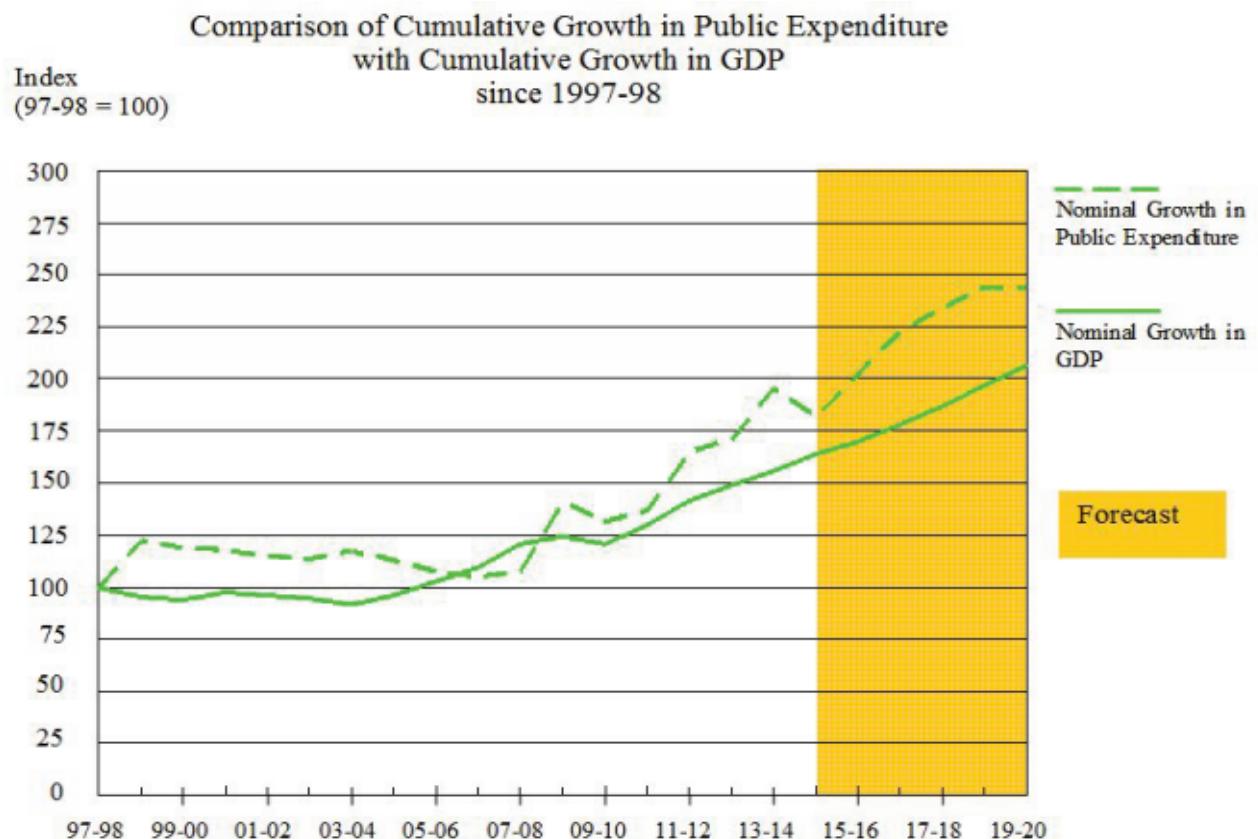
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SECTION I THE ESTIMATES IN THE CONTEXT OF THE ECONOMY**Relationship between Government Expenditure, Public Expenditure and GDP**

	2015-16 Estimate \$m
General Revenue Account	
Operating	354,300
Capital	3,917
	<hr/>
	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
	<hr/>
Government Expenditure	440,827
Trading Funds	5,189
Housing Authority	28,147
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Public Expenditure	474,163
	<hr/>
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	In 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
	<hr/> <hr/> 300,575	<hr/> <hr/> 323,852	<hr/> <hr/> 342,736	<hr/> <hr/> 5.8	<hr/> <hr/> 4.4

Nominal GDP growth in 2015 **2.5% to 4.5%**

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

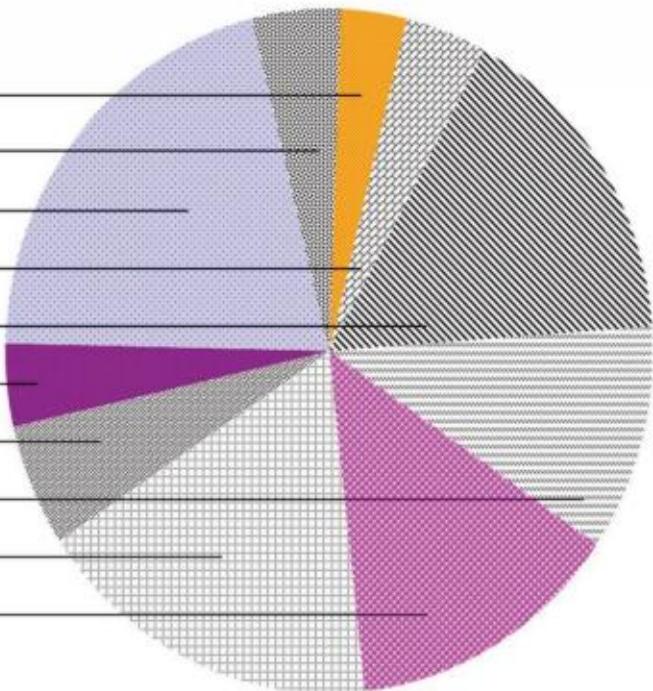
Recurrent Government Expenditure : Year-on-Year Change

	2013-14 Actual \$m	2014-15 Revised Estimate \$m	2015-16 Estimate \$m	In 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
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>
	284,389	306,333	324,584	6.0	4.6

Nominal GDP growth in 2015 **2.5% to 4.5%**

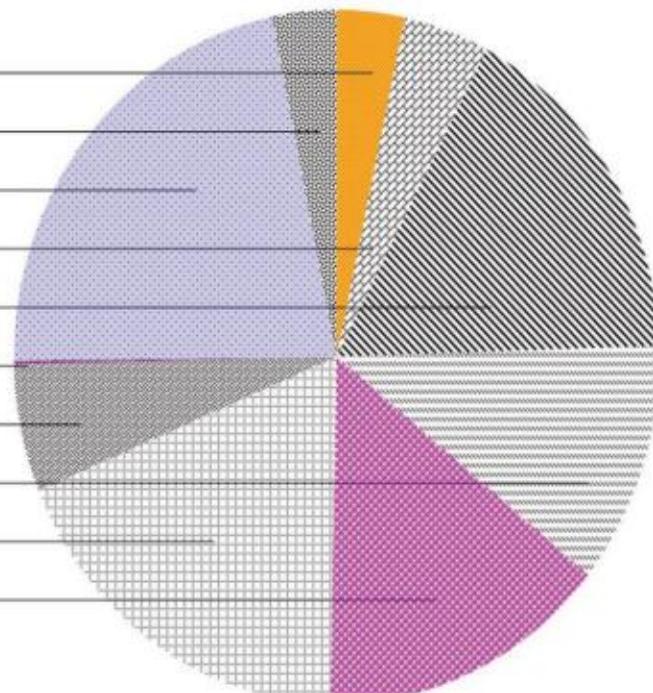
Percentage Share of Expenditure by Policy Area Group
Recurrent Public Expenditure : 2015-16 Estimate

Community and External Affairs	3.3%
Economic	4.4%
Education	20.8%
Environment and Food	4.1%
Health	15.9%
Housing	3.9%
Infrastructure	5.8%
Security	10.7%
Social Welfare	17.4%
Support	13.7%
100.0%	



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

Community and External Affairs	3.4%
Economic	3.2%
Education	22.0%
Environment and Food	4.3 %
Health	16.8%
Housing	0.1%
Infrastructure	6.0%
Security	11.3%
Social Welfare	18.4%
Support	14.5%
100.0%	



**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	In 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
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	457,346	426,004	474,163	11.3	9.0

Nominal GDP growth in 2015 **2.5% to 4.5%**

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

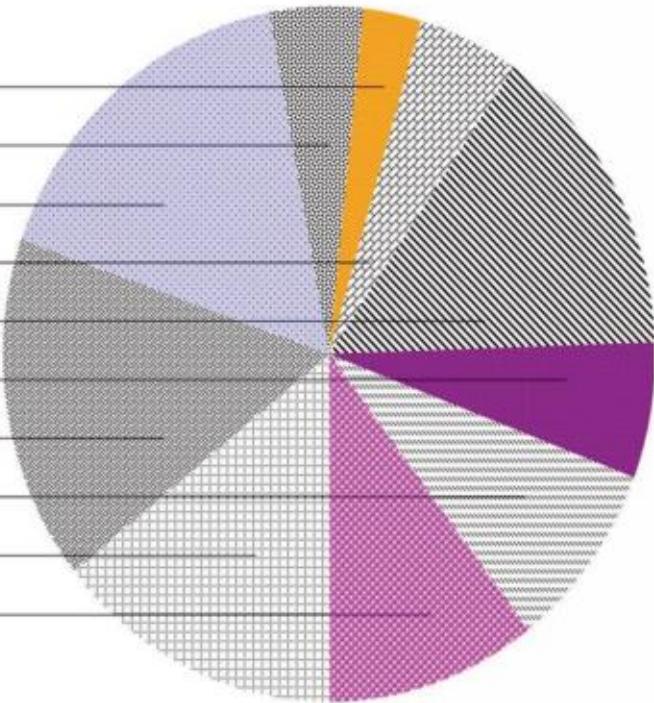
Total Government Expenditure : Year-on-Year Change

	2013-14 Actual \$m	2014-15 Revised Estimate \$m	2015-16 Estimate \$m	Increase/Decrease over 2014-15	
				Revised Estimate in Nominal Terms %	Revised Estimate 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
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	433,543	397,140	440,827	11.0	8.8

Nominal GDP growth in 2015 **2.5% to 4.5%**

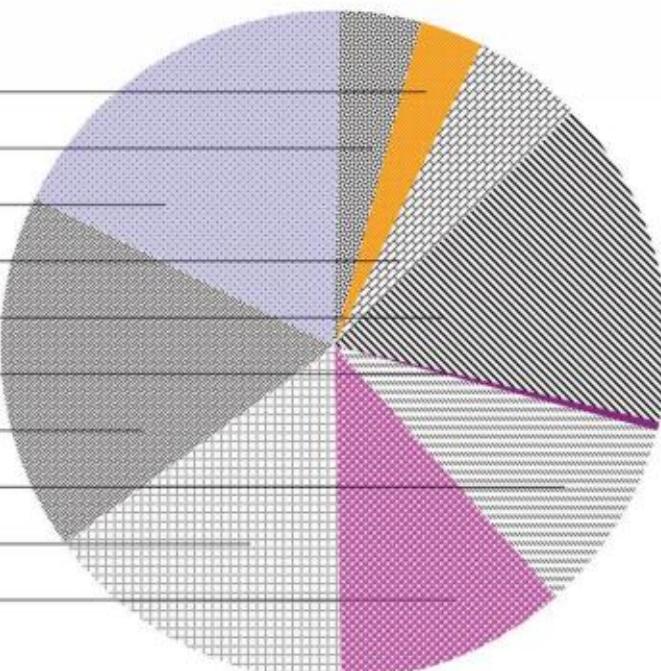
Percentage Share of Expenditure by Policy Area Group
Total Public Expenditure : 2015-16 Estimate

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

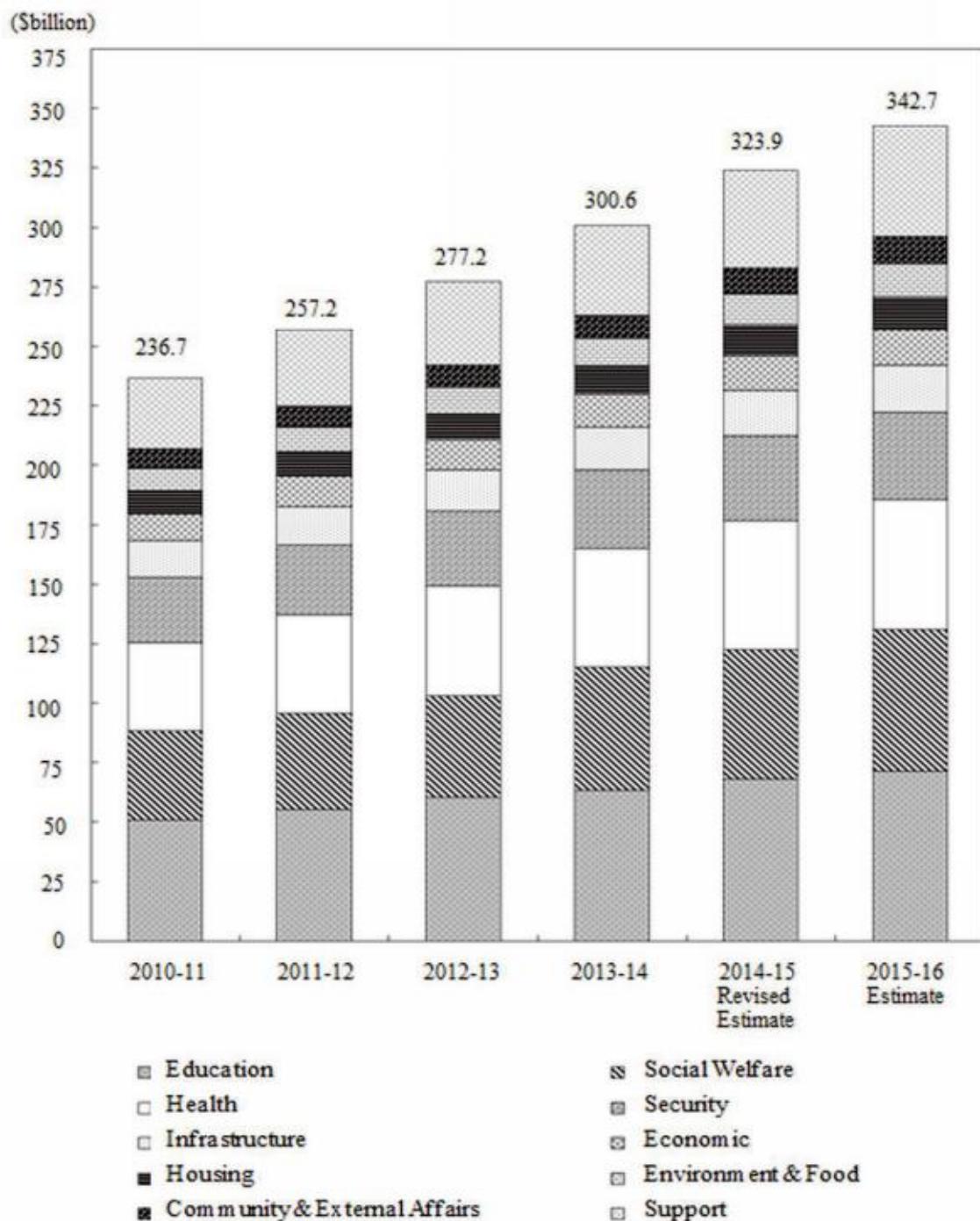
Major capital projects estimated to begin in 2015-16 include –

	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	

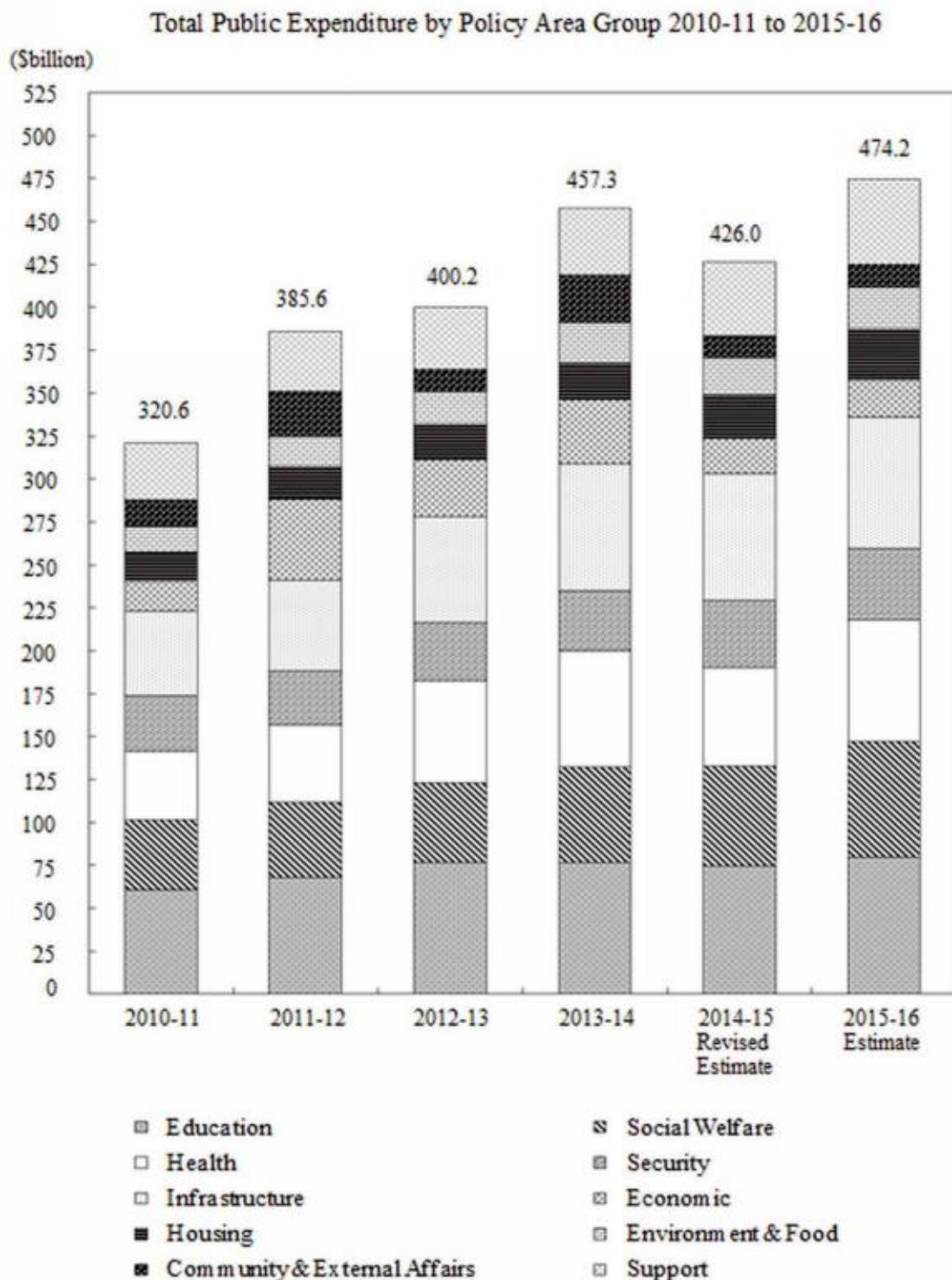
	Project Estimates \$ billion
Support	8.2
— Construction of West Kowloon Government Offices	
— Relocation of New Territories West Regional Office and Water Resources Education Centre of Water Supplies Department to Tin Shui Wai	
Health	3.2
— Expansion of the blood transfusion service headquarters	
— Expansion 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	

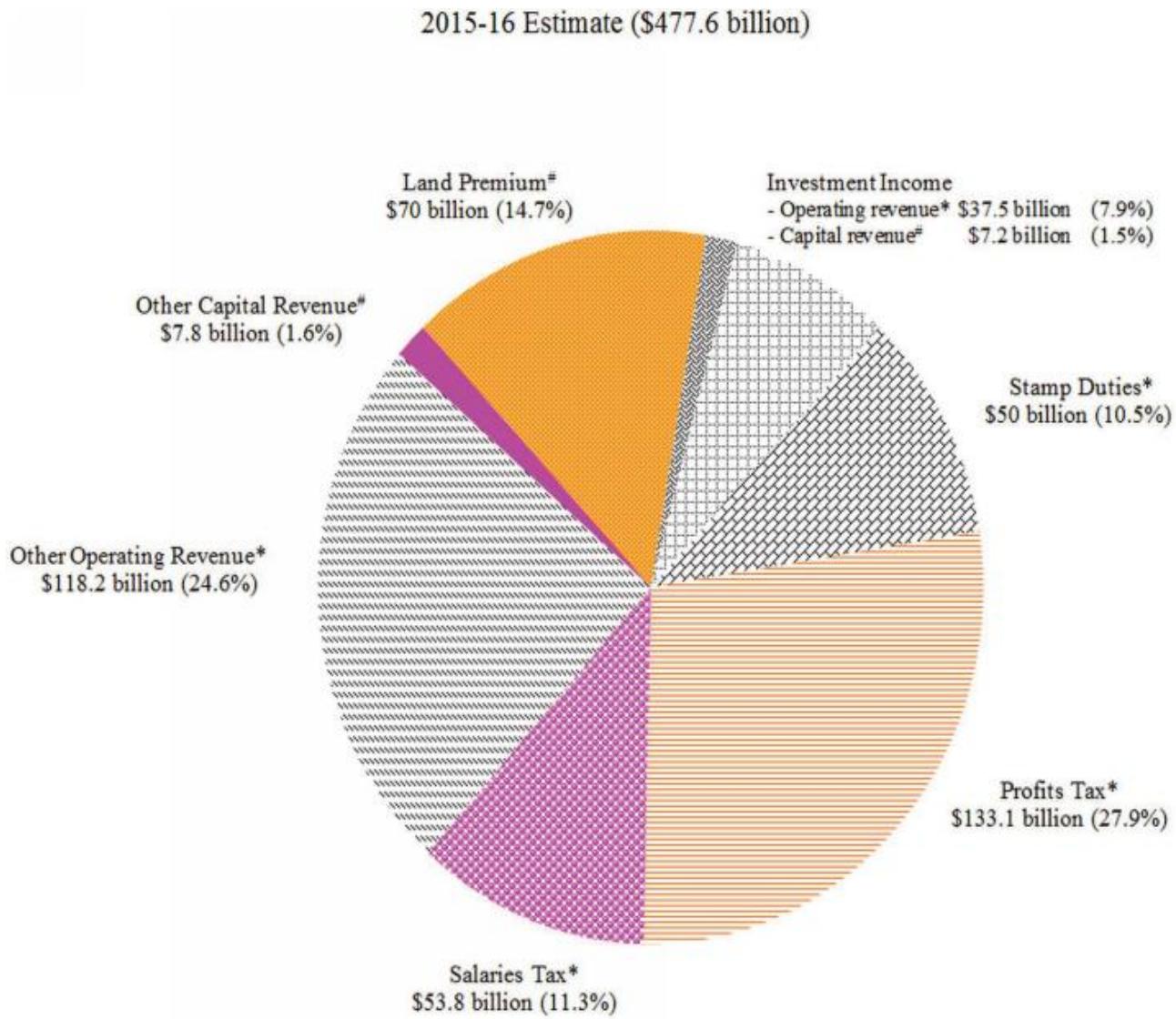
SECTION V TRENDS IN PUBLIC EXPENDITURE : 2010-11 TO 2015-16

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

* 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 18	District and Community Relations Recreation, Culture, Amenities and Entertainment Licensing
Economic	3 6 8 1 17 34 4 7 5	Air and Sea Communications and Logistics Development Commerce and Industry Employment and Labour Financial Services Information Technology and Broadcasting Manpower Development Posts, Competition Policy and Consumer Protection Public Safety Travel and Tourism
Education	16	Education
Environment and Food	2 32 23	Agriculture, Fisheries and Food Safety Environmental Hygiene Environmental Protection, Conservation, Power and Sustainable Development
Health	15	Health
Housing	31	Housing
Infrastructure	22 21 24	Buildings, Lands, Planning, Heritage Conservation, Greening and Landscape Land and Waterborne Transport Water Supply, Drainage and Slope Safety
Security	12 13 10 9 11 20	Administration of Justice Anti-corruption Immigration Control Internal Security Legal Administration Legal Aid
Social Welfare	14 33	Social Welfare Women's Interests
Support	26 30 28 27 25 29	Central Management of the Civil Service Complaints Against Maladministration Constitutional and Mainland Affairs Intra-Governmental Services Revenue Collection and Financial Control 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.