

APPENDIX B

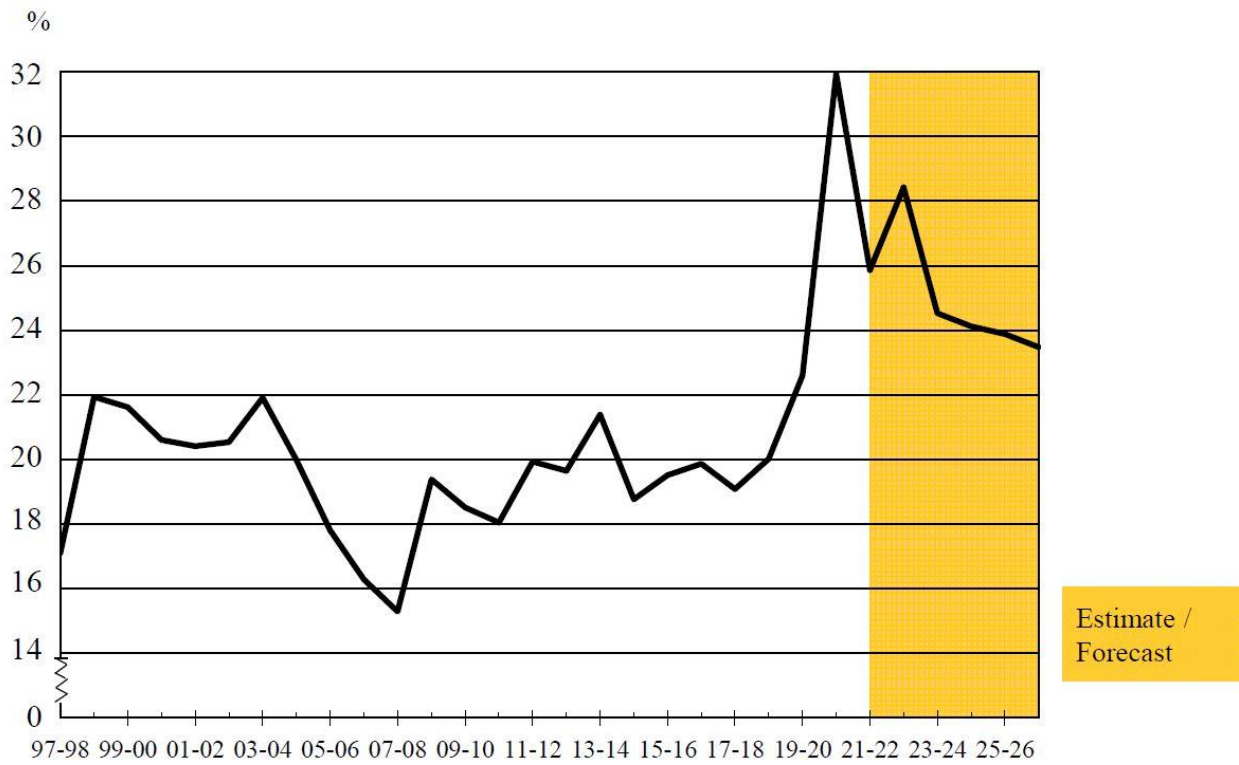
ANALYSIS OF EXPENDITURE AND REVENUE

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

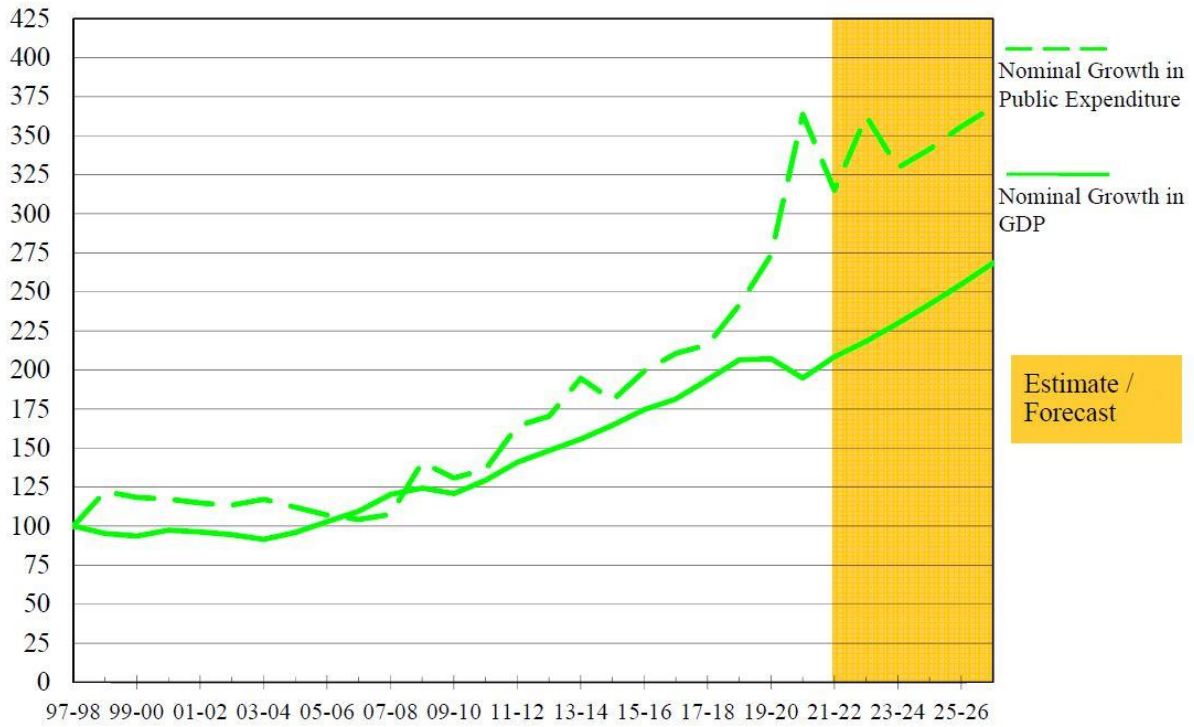
	2022-23 Estimate \$m
General Revenue Account	
Operating	682,421
Capital	9,653
	<hr/> 692,074
Capital Investment Fund	6,196
Capital Works Reserve Fund	95,954
Innovation and Technology Fund	5,885
Land Fund	79
Loan Fund	2,849
Lotteries Fund	4,252
Government Expenditure	<hr/> 807,289
Trading Funds	7,367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

Public Expenditure in terms of Percentage of GDP



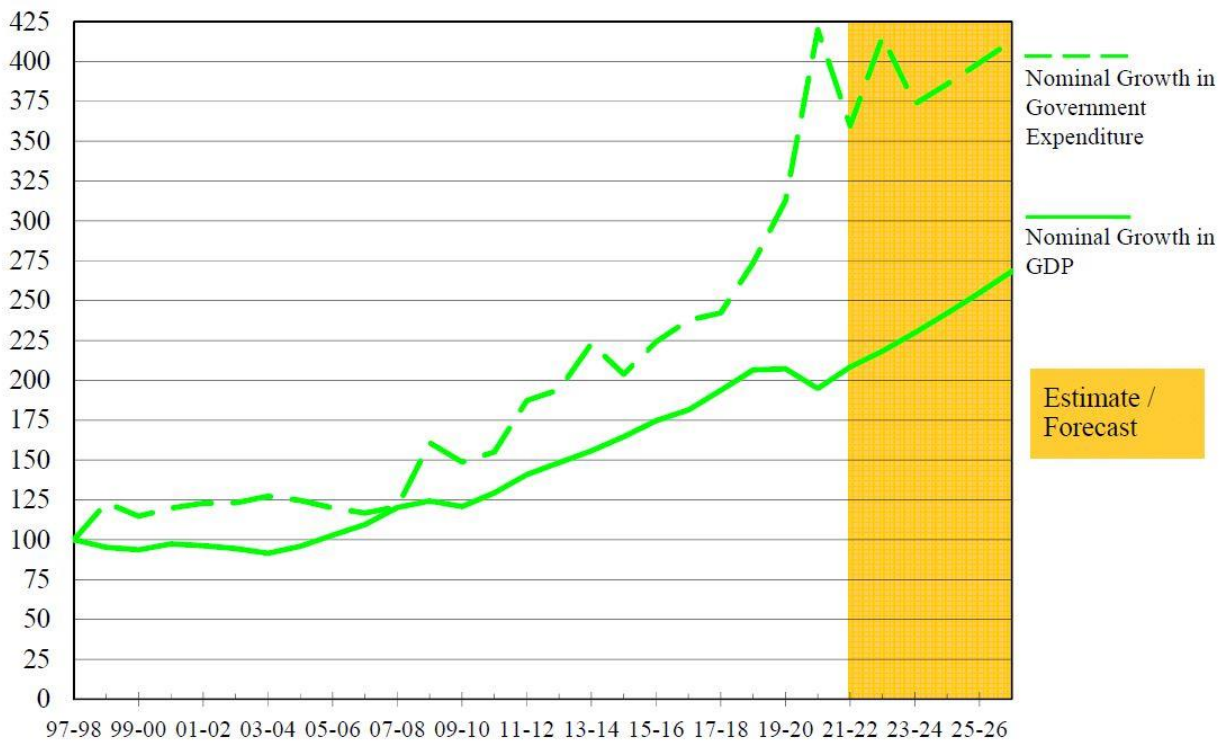
**Comparison of Cumulative Growth in Public Expenditure
with Cumulative Growth in GDP
since 1997-98**

Index
(97-98 = 100)



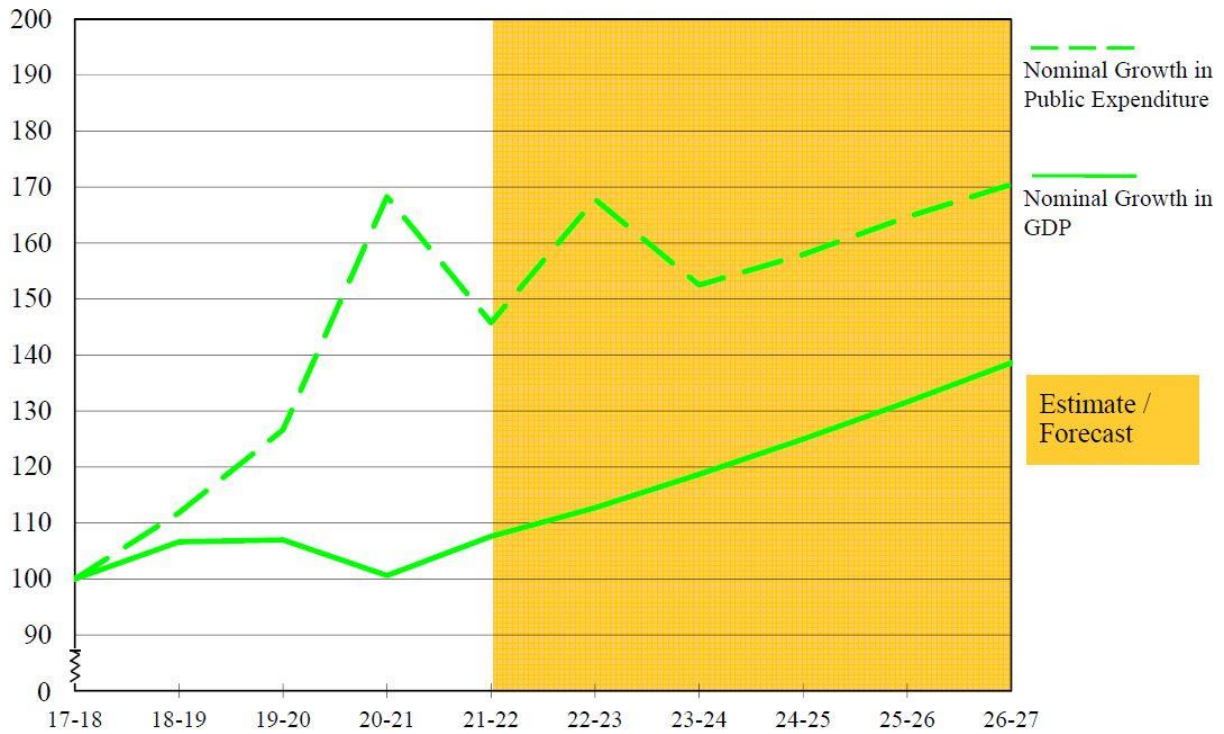
**Comparison of Cumulative Growth in Government Expenditure
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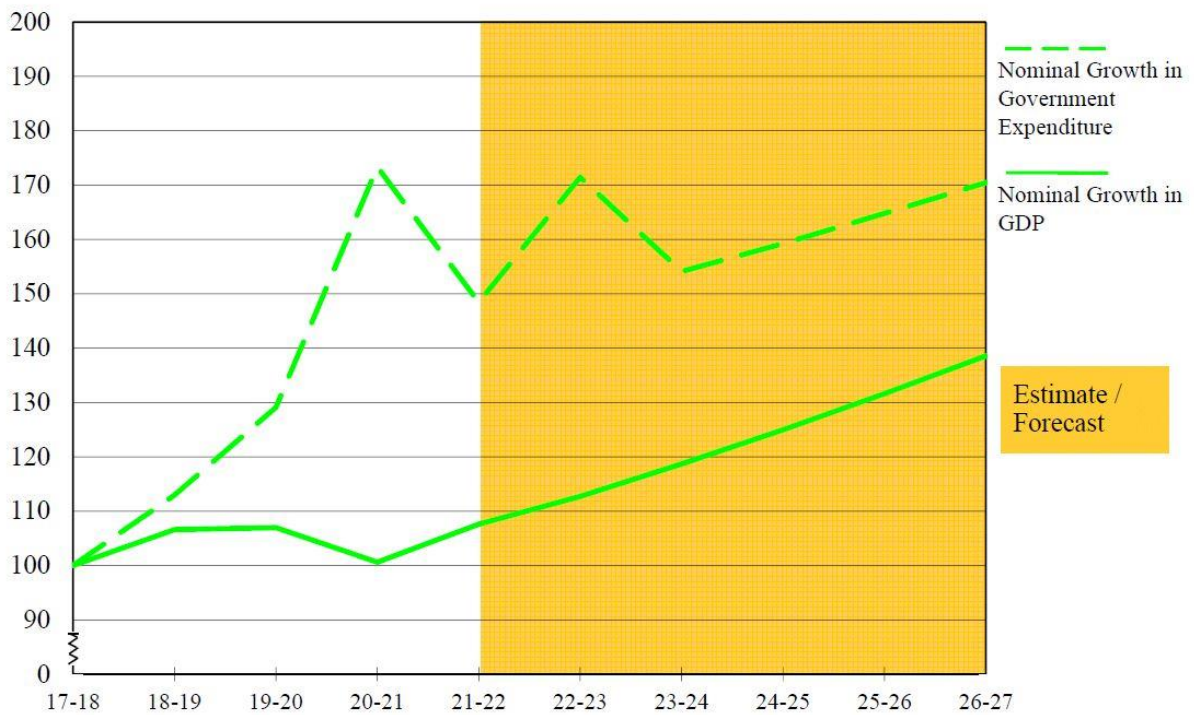
**Comparison of Cumulative Growth in Public Expenditure
with Cumulative Growth in GDP
since 2017-18**

Index
(17-18 = 100)



**Comparison of Cumulative Growth in Government Expenditure
with Cumulative Growth in GDP
since 2017-18**

Index
(17-18 = 100)



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

Recurrent Public Expenditure : Year-on-Year Change

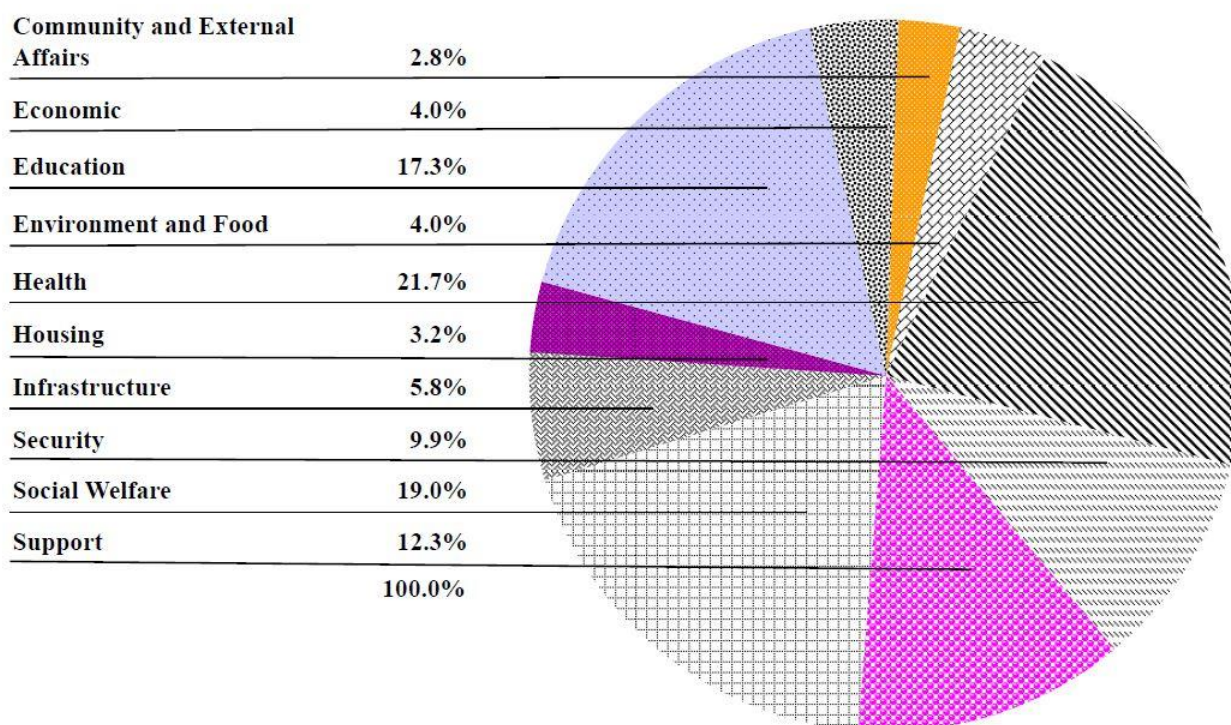
	2020-21 Actual \$m	2021-22 Revised Estimate \$m	2022-23 Estimate \$m	Increase/Decrease over 2021-22 Revised Estimate in Nominal Terms %	in Real Terms %
Education	97,297	97,171	101,936	4.9	4.3
Social Welfare	88,985	97,449	111,813	14.7	12.7
Health	87,598	98,015	127,842	30.4	29.4
Security	50,781	51,992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

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

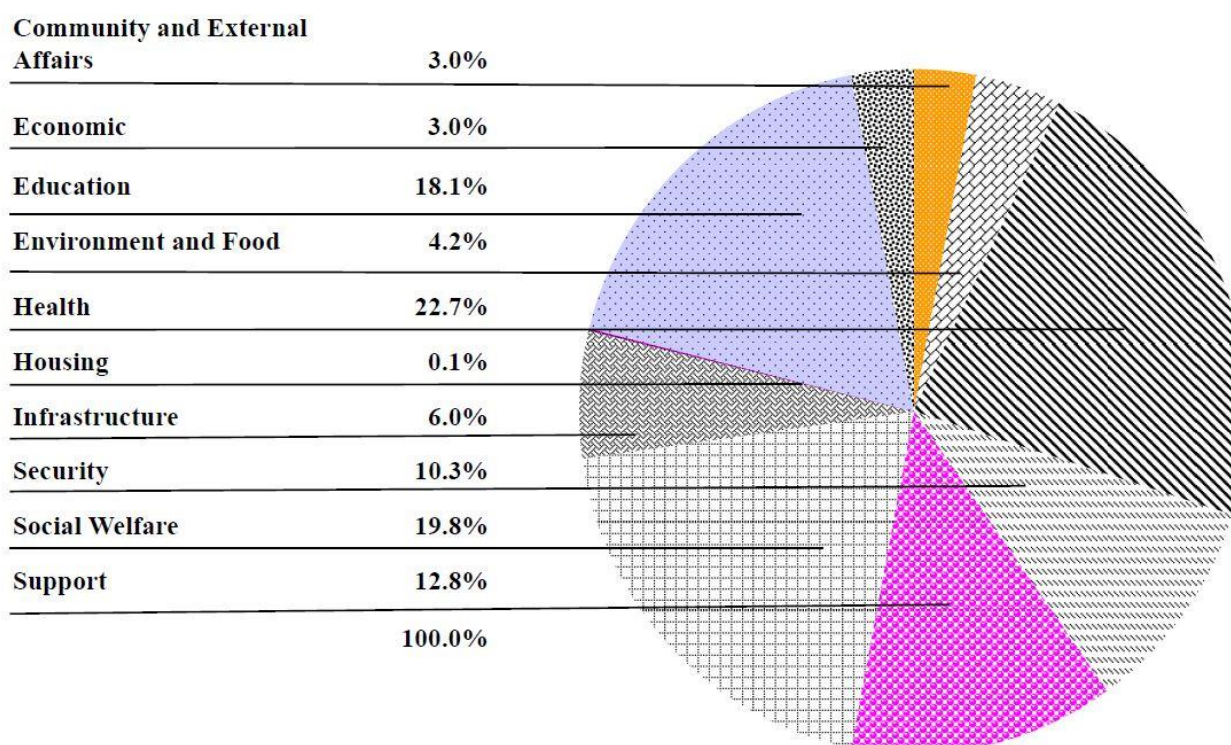
Recurrent Government Expenditure : Year-on-Year Change

	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 %
Education	97,297	97,171	101,936	4.9	4.3
Social Welfare	88,985	97,449	111,813	14.7	12.7
Health	87,598	98,015	127,842	30.4	29.4
Security	50,781	51,992	58,052	11.7	11.0
Infrastructure	29,398	31,363	33,582	7.1	5.7
Environment and Food	20,700	21,478	23,488	9.4	8.0
Economic	14,284	15,137	16,991	12.2	11.2
Housing	601	648	762	17.6	17.3
Community and External Affairs	14,458	14,752	16,656	12.9	11.5
Support	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
GDP growth in 2022				4% to 5.5%	2% to 3.5%

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



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



**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 %
Education	107,040	106,785	111,887	4.8	3.9
Social Welfare	98,046	103,910	120,031	15.5	13.4
Health	96,999	114,389	162,760	42.3	40.5
Security	64,330	56,232	65,851	17.1	15.9
Infrastructure	77,105	80,448	85,429	6.2	3.0
Environment and Food	35,311	33,651	39,060	16.1	13.7
Economic	117,727	75,071	113,789	51.6	48.7
Housing	35,151	38,257	44,914	17.4	13.7
Community and External Affairs	21,901	23,749	28,819	21.3	18.4
Support	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
GDP growth in 2022				4% to 5.5%	2% to 3.5%

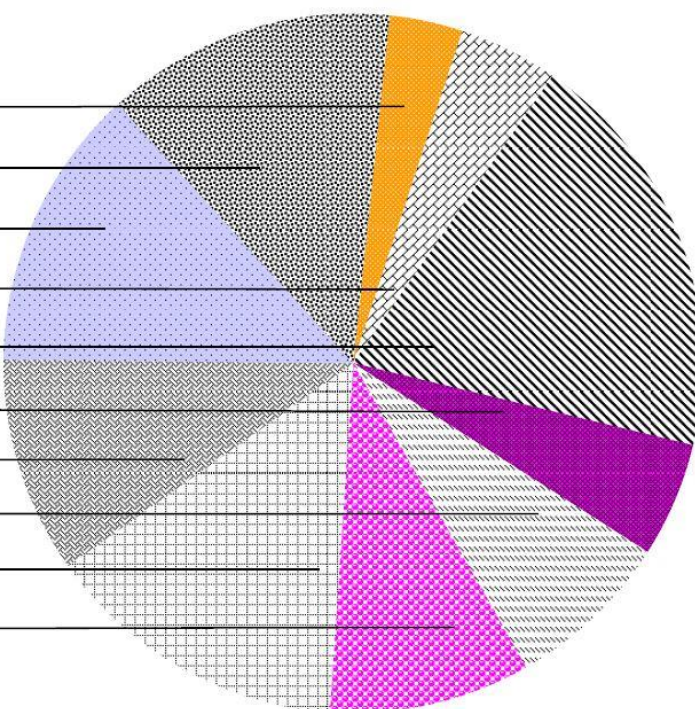
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Total Government Expenditure : Year-on-Year Change

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

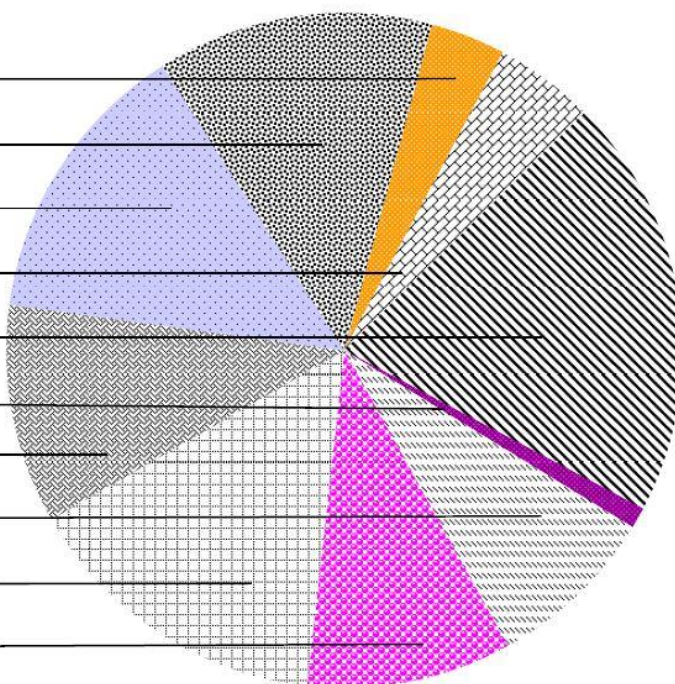
Percentage Share of Expenditure by Policy Area Group
Total Public Expenditure : 2022-23 Estimate

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%



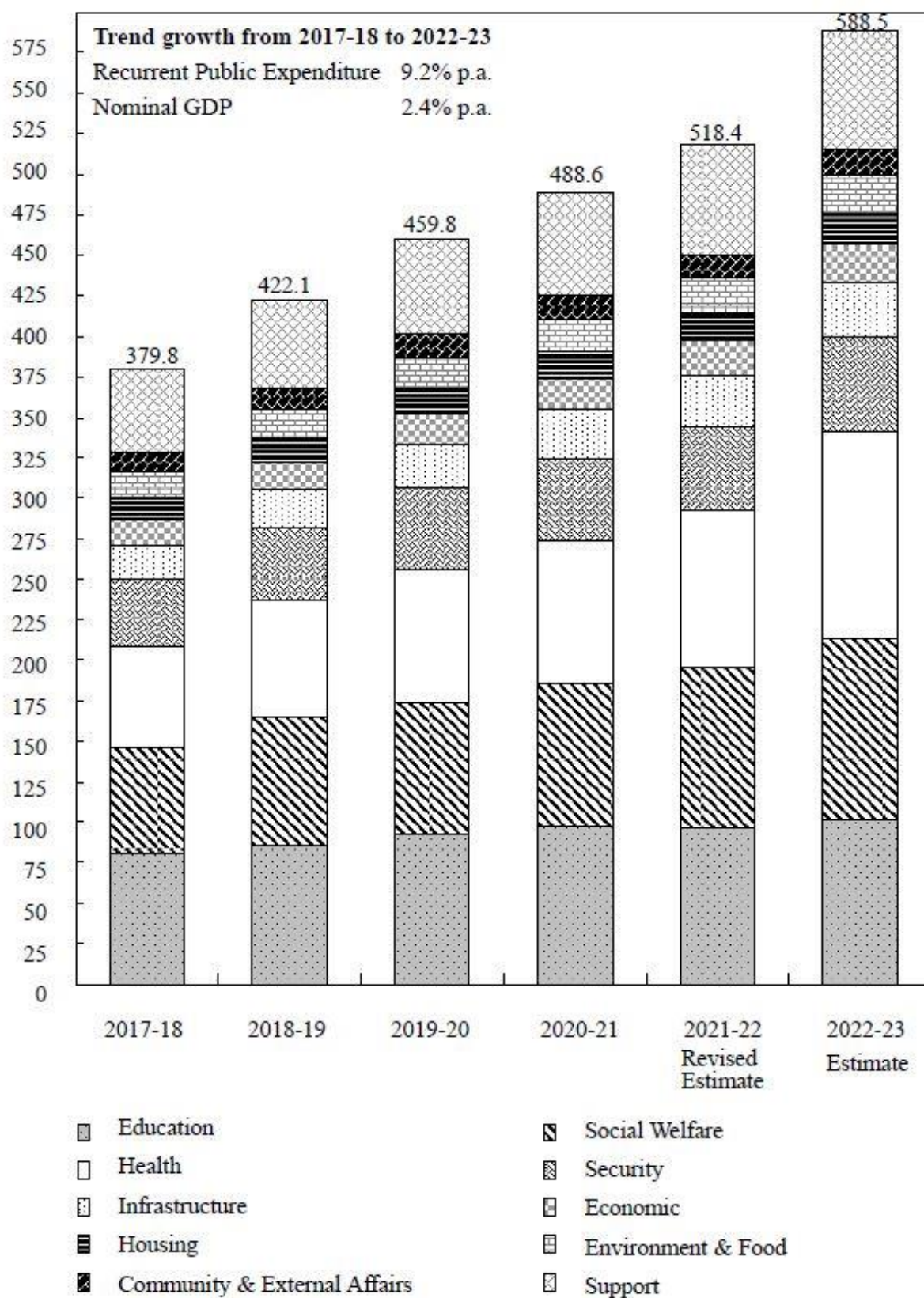
SECTION IV MAJOR CAPITAL PROJECTS PLANNED FOR COMMENCEMENT IN 2022-23

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

	Project Estimates \$ billion
Infrastructure	27.1
— 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	
— Re provisioning 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	
Health	15.7
— Re provisioning of Victoria Public Mortuary	
— Redevelopment of Our Lady of Maryknoll Hospital—main works	
— Redevelopment of Grantham Hospital, phase 1—main works	
Security	14.7
— Redevelopment of Lai Chi Kok Reception Centre	
— Construction of a District Court Building at Caroline Hill Road	
— Kong Nga Po Police Training Facilities	
Community and External Affairs	11.8
— 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	
Education	2.4
— 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	
Environment and Food	1.3
— 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

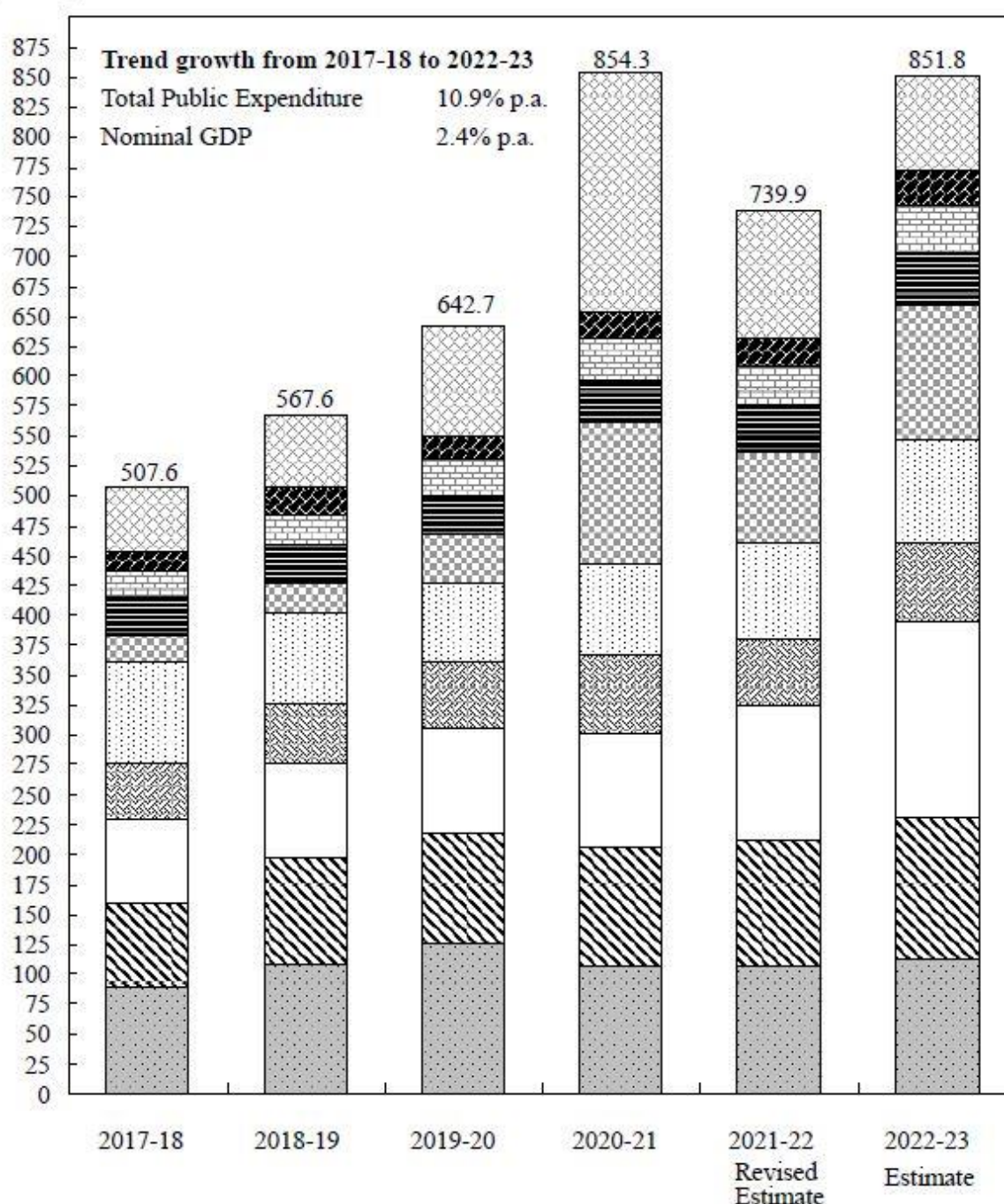
(\$billion)



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

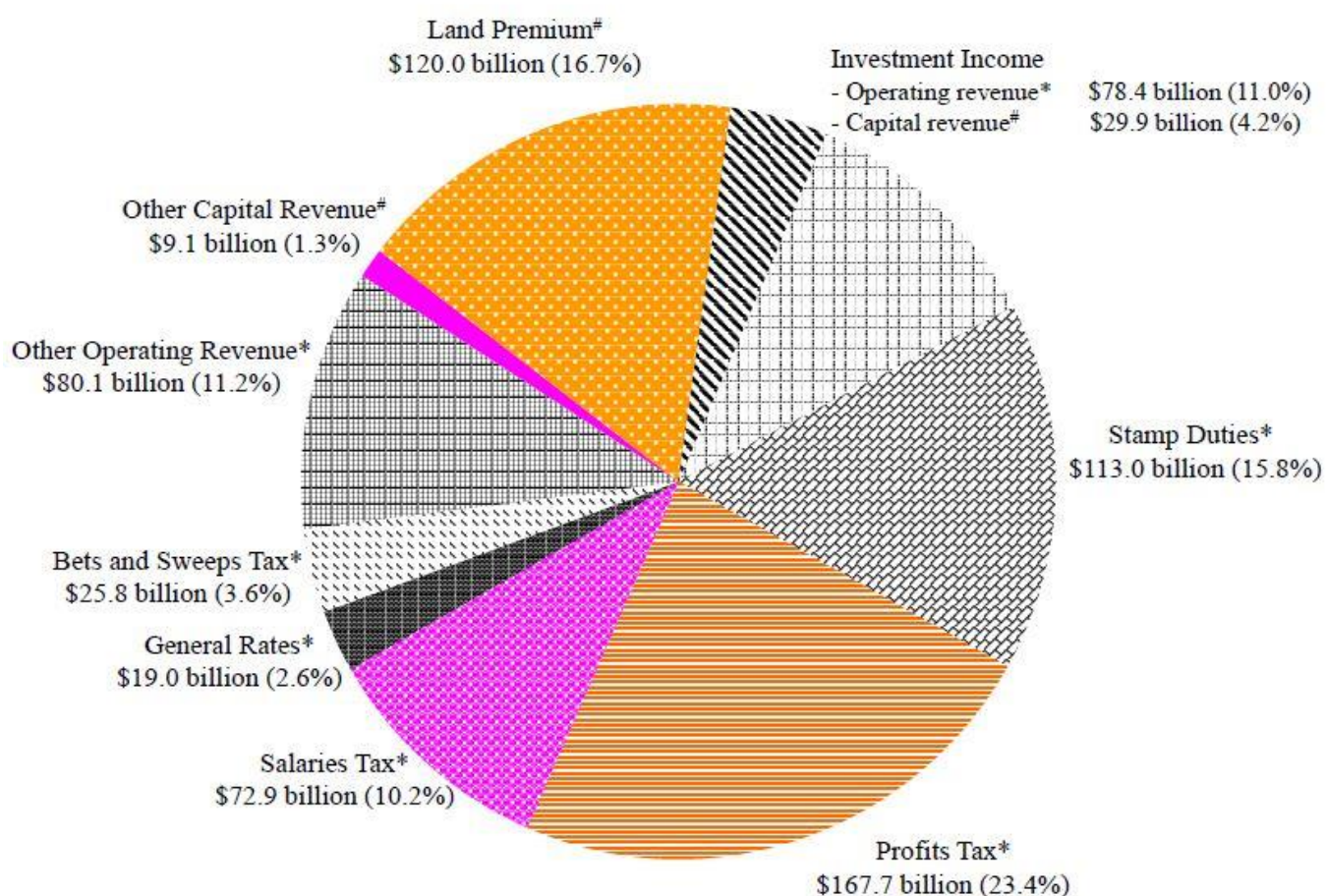
Total Public Expenditure by Policy Area Group

(\$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%
Total	\$715.9 billion	100%	23.9%

SECTION VII CLASSIFICATION OF POLICY AREA GROUP

Policy Area Group	Policy Area (Note)	
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.