

## **APPENDIX B**

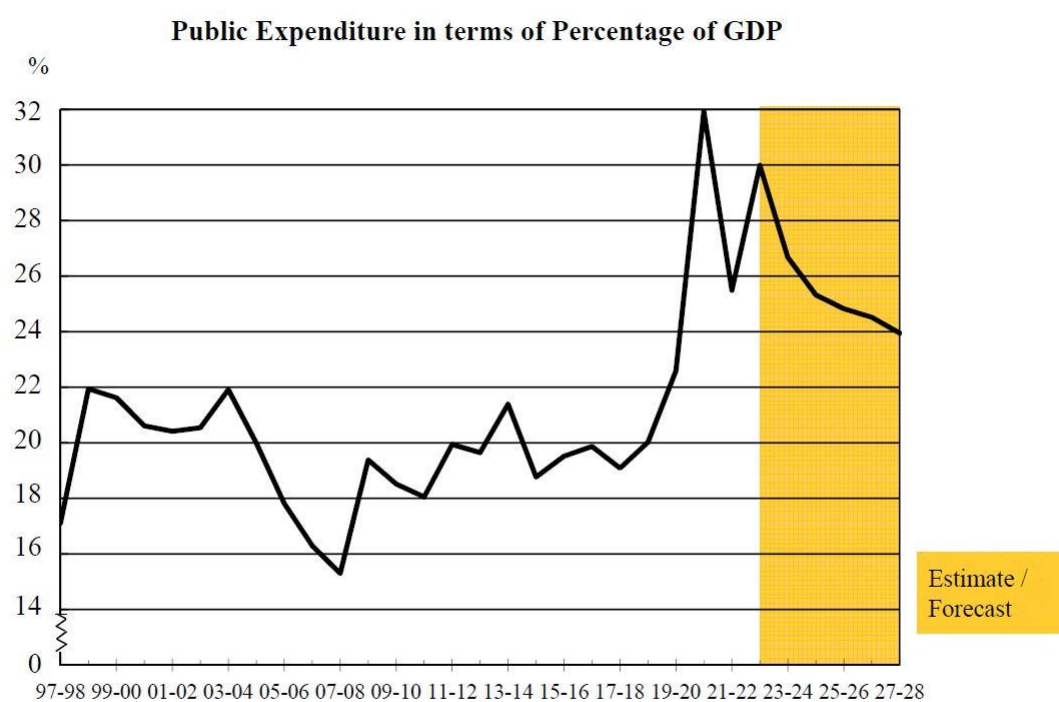
### **ANALYSIS OF EXPENDITURE AND REVENUE**

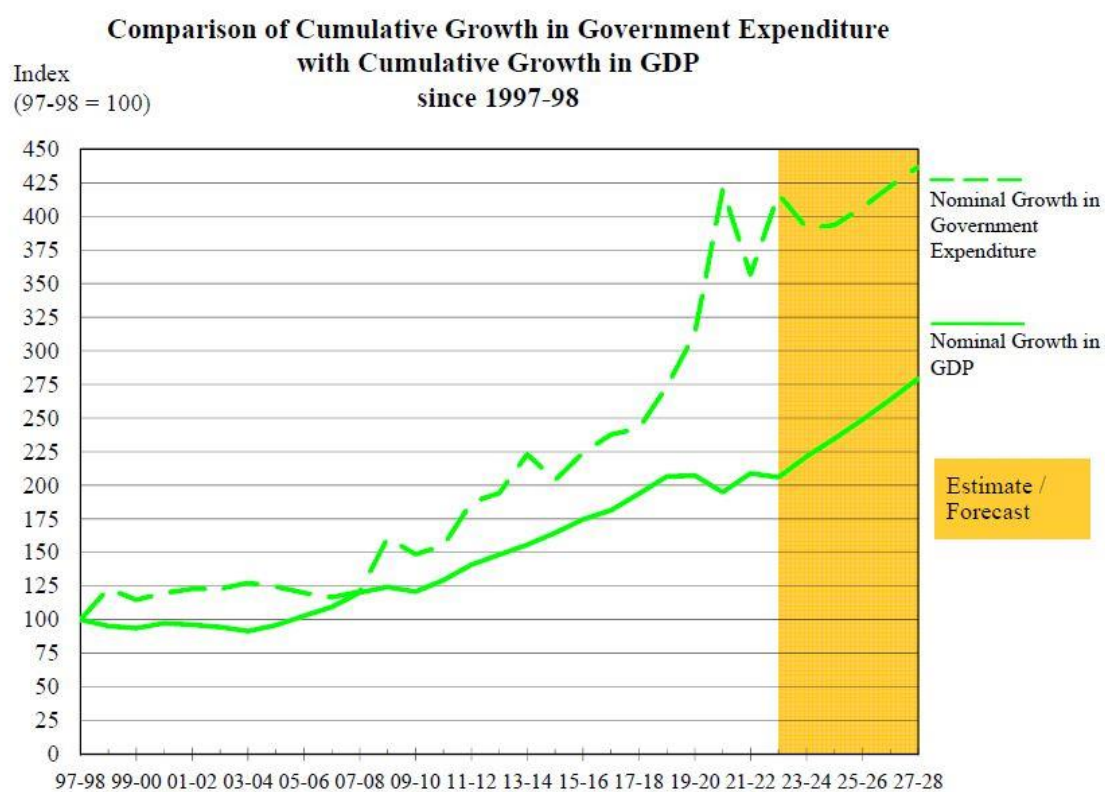
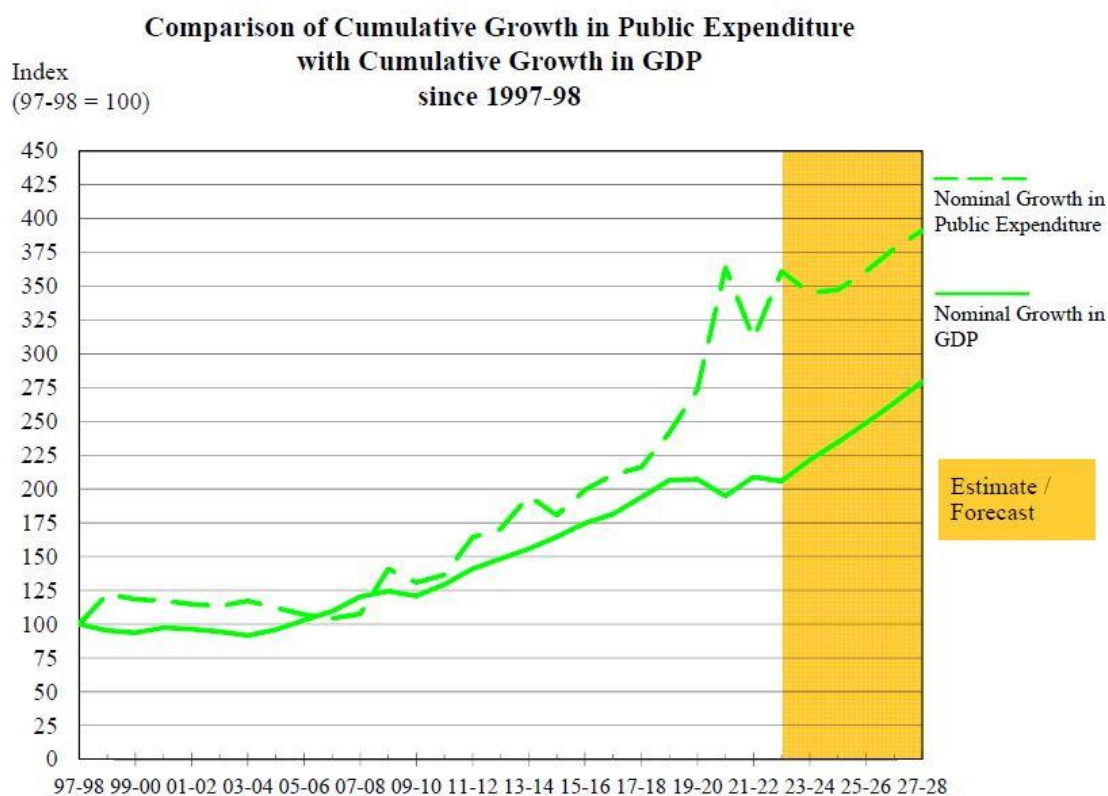


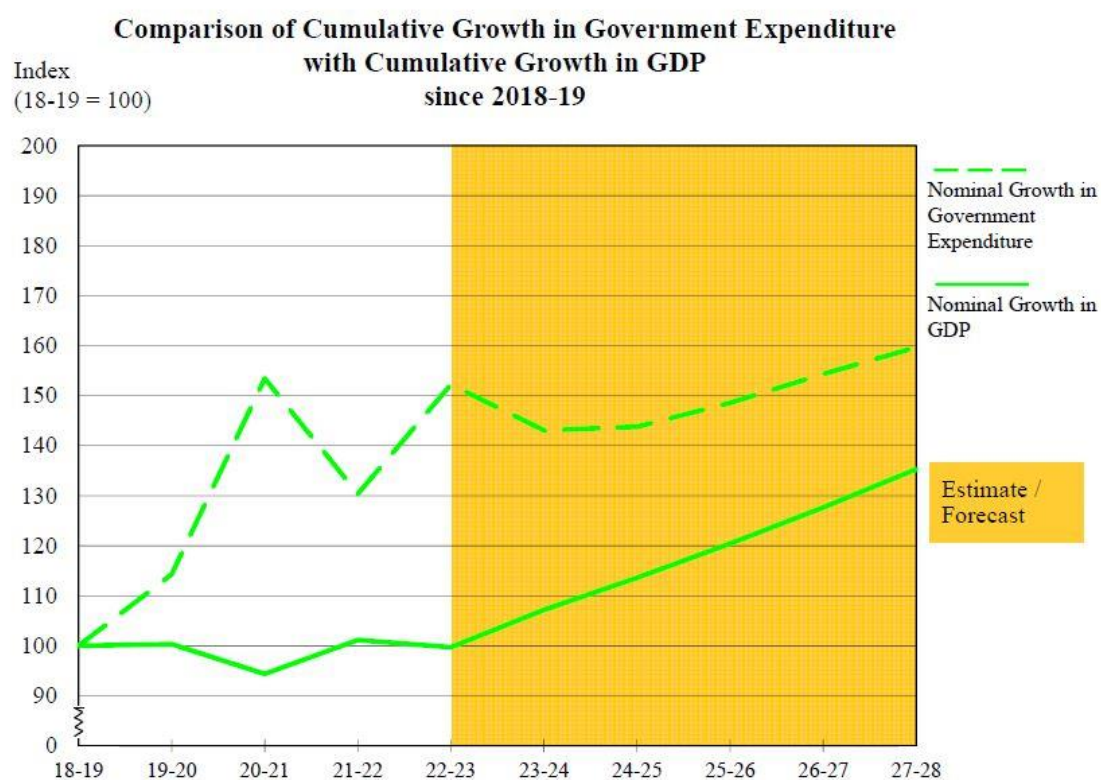
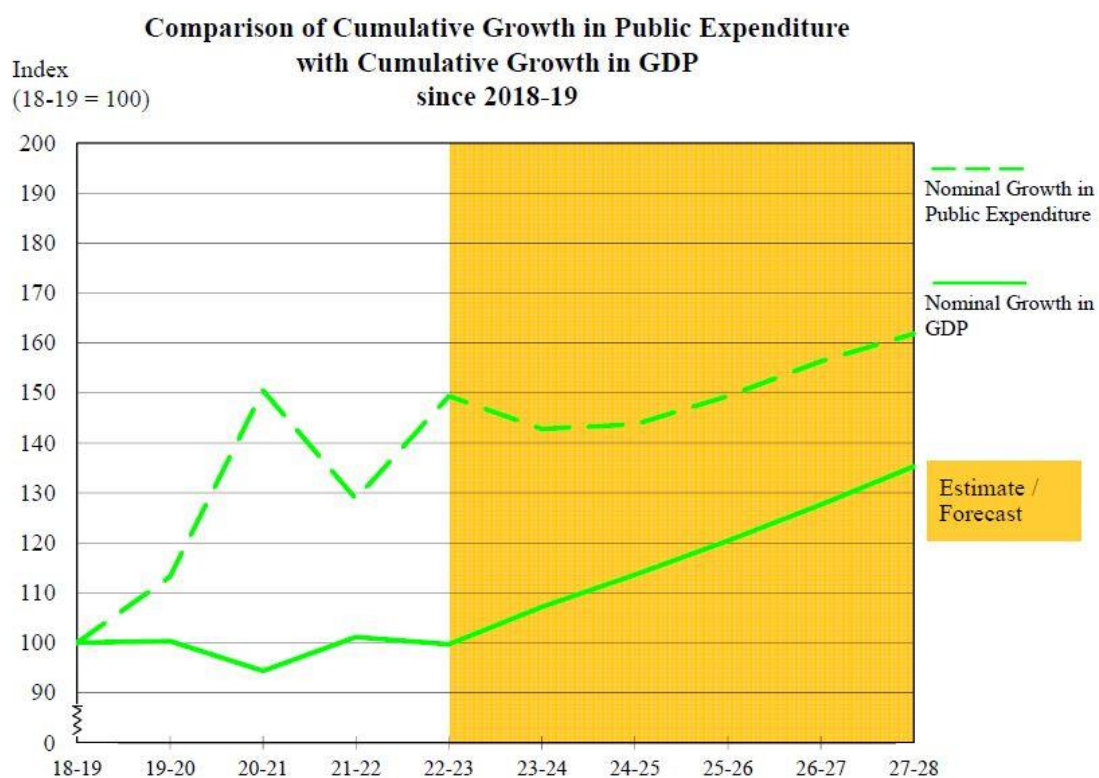
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**SECTION I THE ESTIMATES IN THE CONTEXT OF THE ECONOMY****Relationship between Government Expenditure, Public Expenditure and GDP**

	<b>2023-24 Estimate \$m</b>
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
<b>Government Expenditure</b>	<hr/> <b>760,979</b>
Trading Funds	6,113
Housing Authority	43,448
<b>Public Expenditure</b>	<hr/> <b>810,540</b> <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 %
<b>Education</b>	97,218	97,749	104,025	6.4	5.5
<b>Social Welfare</b>	97,070	106,002	120,957	14.1	11.4
<b>Health</b>	98,329	127,072	104,439	-17.8	-18.7
<b>Security</b>	51,644	55,310	58,554	5.9	5.0
<b>Infrastructure</b>	31,573	32,339	35,278	9.1	7.3
<b>Environment and Food</b>	21,657	22,926	25,581	11.6	9.4
<b>Economic</b>	19,297	20,604	22,907	11.2	9.3
<b>Housing</b>	17,363	18,531	19,630	5.9	3.3
<b>Community and External Affairs</b>	15,105	15,793	17,645	11.7	9.7
<b>Support</b>	65,209	68,797	75,409	9.6	7.2
	514,465	565,123	584,425	3.4	1.8
<b>GDP growth in 2023</b>				6.5% to 8.5%	3.5% to 5.5%

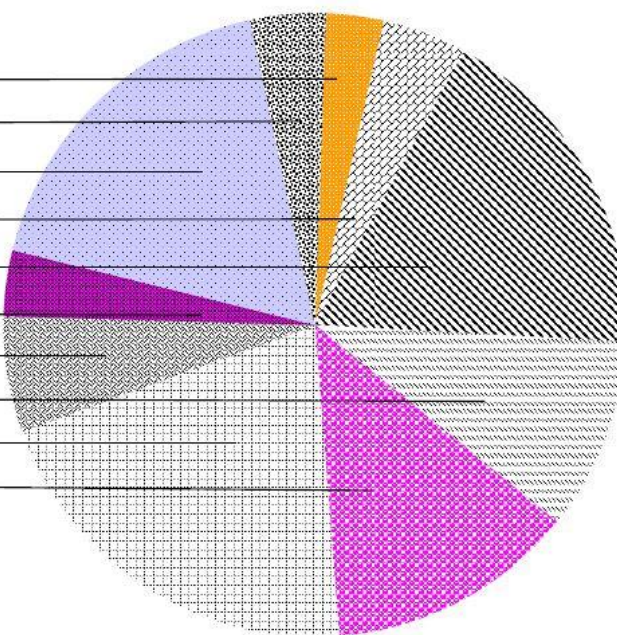
**SECTION II      RECURRENT PUBLIC/GOVERNMENT EXPENDITURE  
BY POLICY AREA GROUP**

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

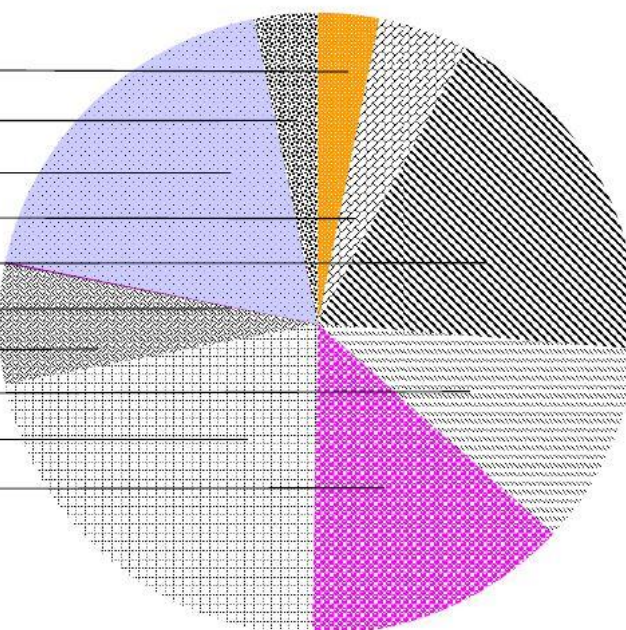
**Percentage Share of Expenditure by Policy Area Group**  
**Recurrent Public Expenditure : 2023-24 Estimate**

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

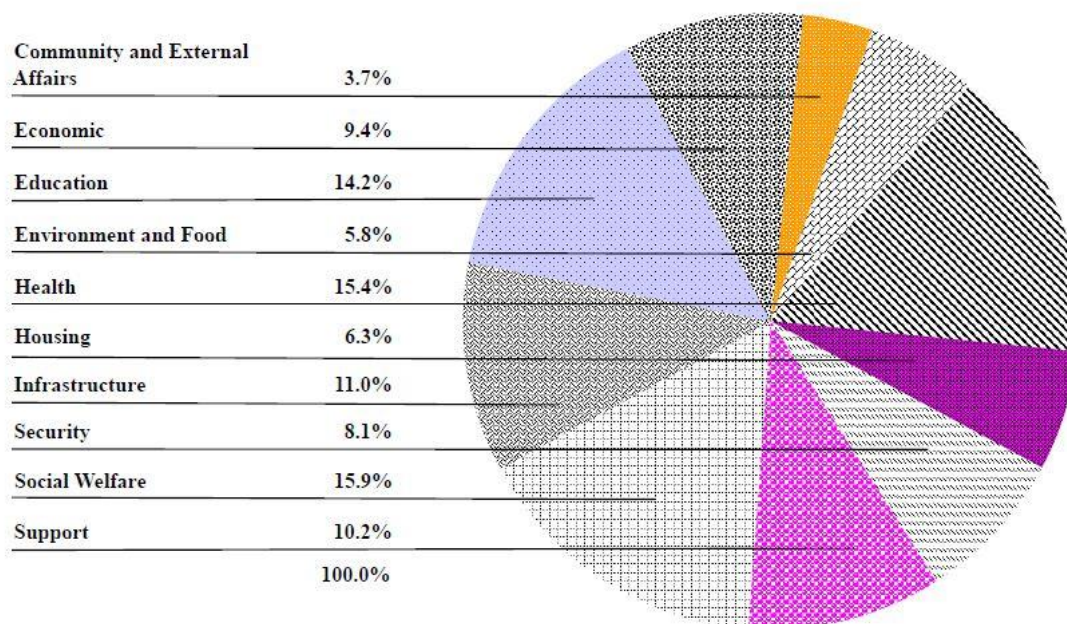
### SECTION III TOTAL PUBLIC/GOVERNMENT EXPENDITURE BY POLICY AREA GROUP

#### Total Government Expenditure : Year-on-Year Change

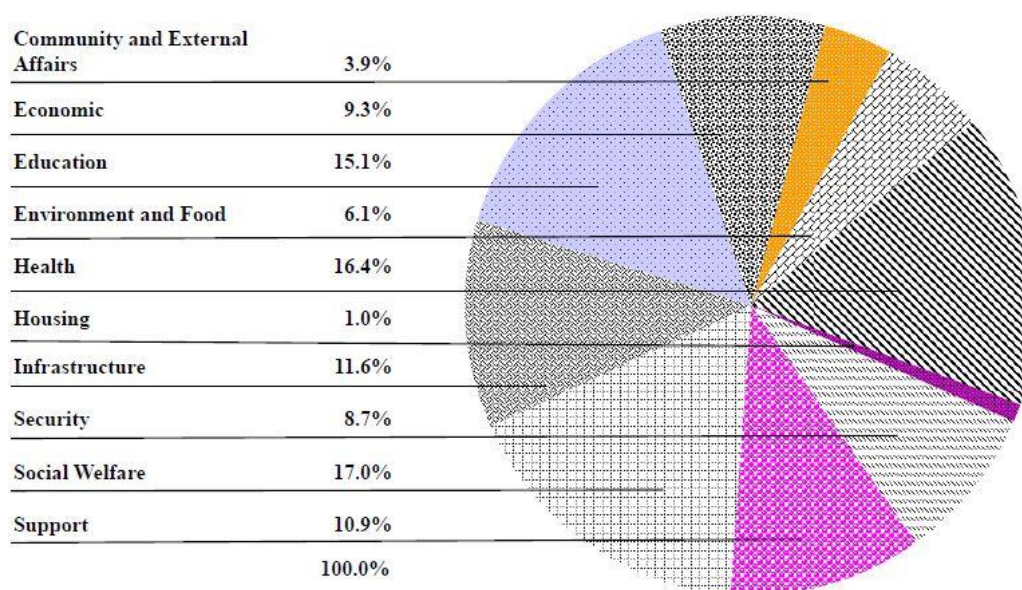
	2021-22 Actual \$m	2022-23 Revised Estimate \$m	2023-24 Estimate \$m	Increase/Decrease over 2022-23 Revised Estimate in Nominal Terms %	in Real Terms %
<b>Education</b>	106,937	106,892	<b>114,675</b>	<b>7.3</b>	<b>6.1</b>
<b>Social Welfare</b>	103,391	111,559	<b>129,003</b>	<b>15.6</b>	<b>12.8</b>
<b>Health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

**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**



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



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

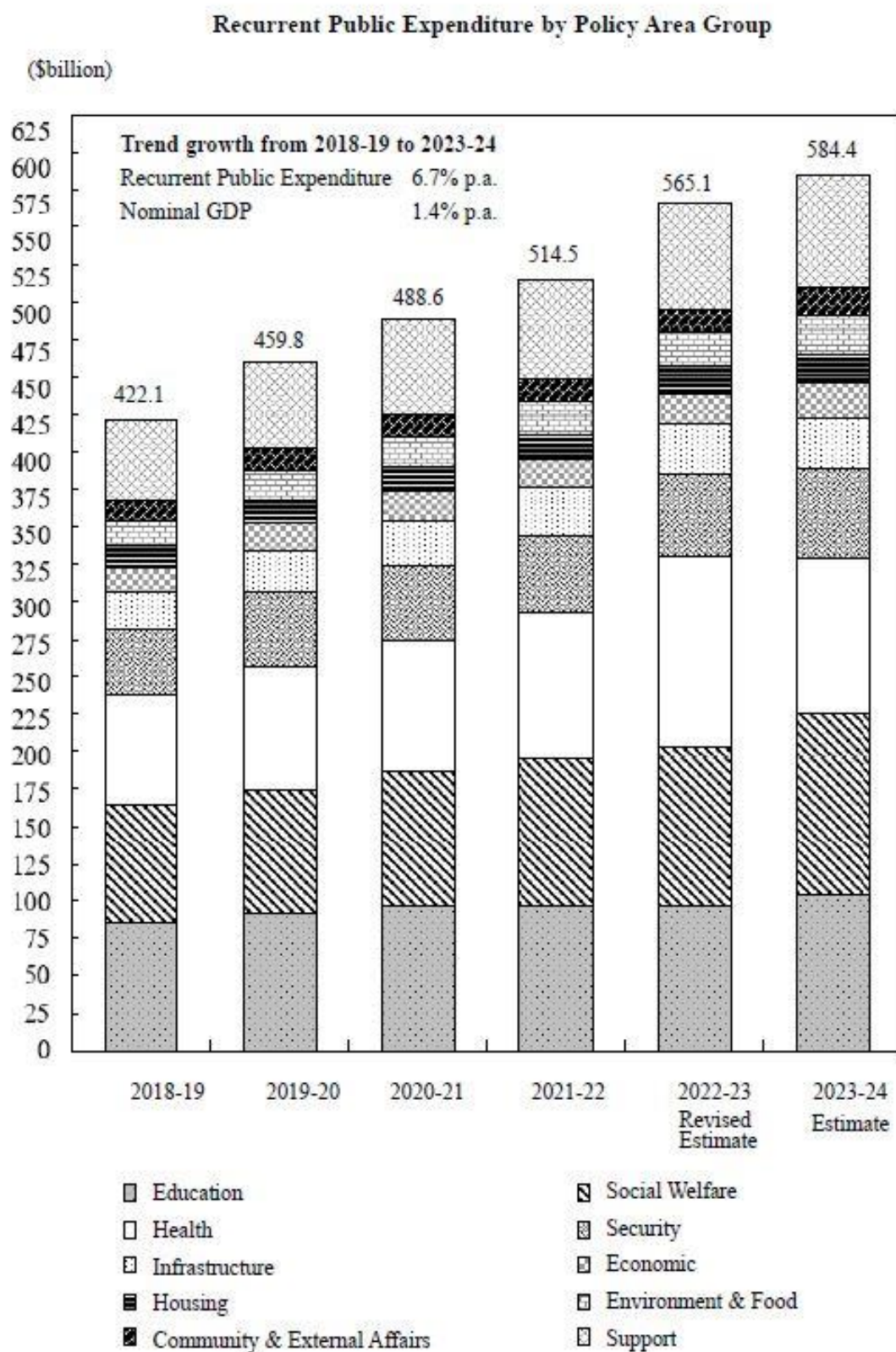
Major capital projects estimated to begin in 2023-24 include –

	<b>Project Estimates \$ billion</b>
<b>Infrastructure</b>	<b>54.0</b>
— 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	
<b>Housing</b>	<b>14.9</b>
— Implementation of Light Public Housing—the First Batch of Projects	
<b>Environment and Food</b>	<b>12.3</b>
— 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	
<b>Health</b>	<b>9.9</b>
— Redevelopment of Kwong Wah Hospital, phase 2—main works	

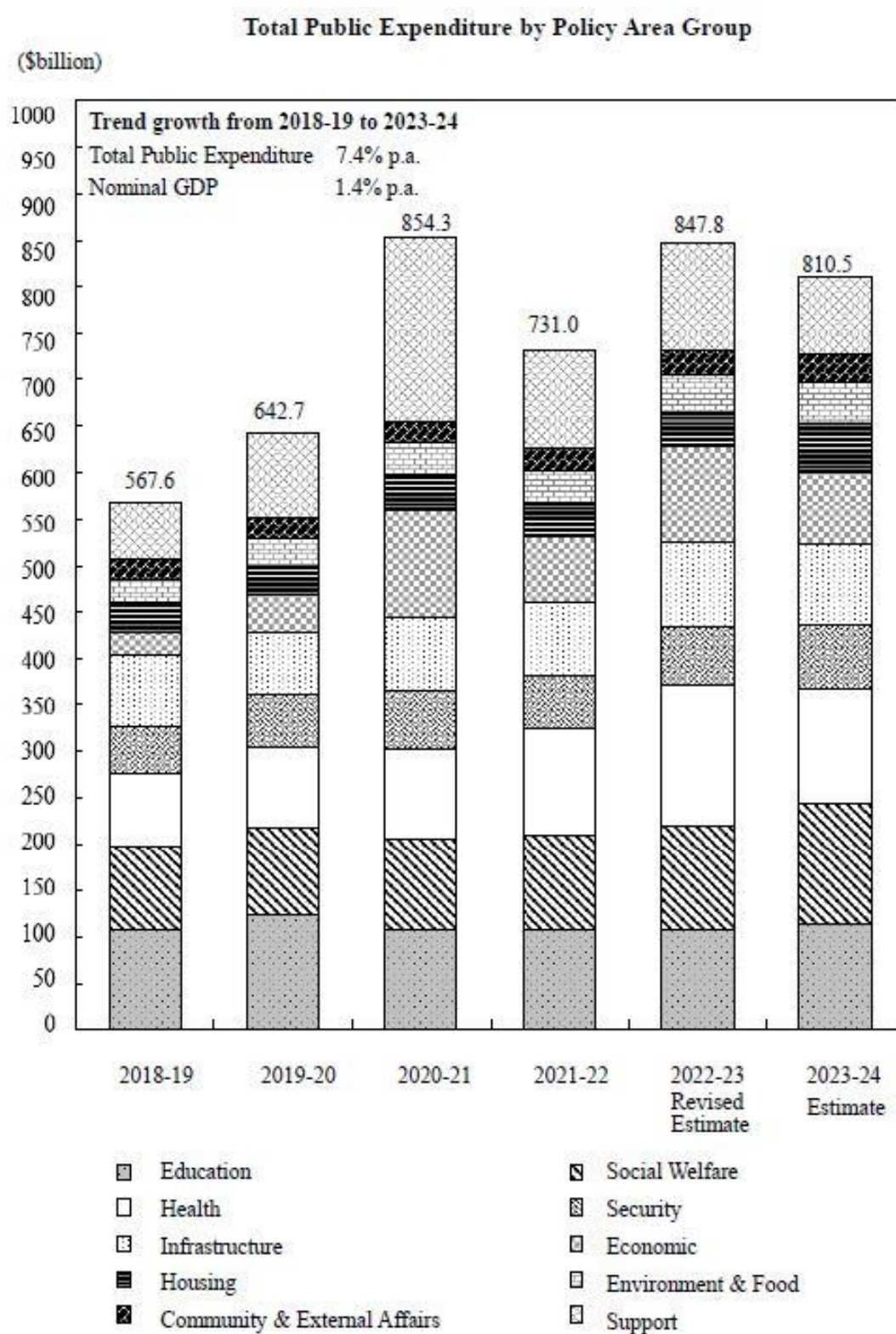
**Project  
Estimates  
\$ billion**

<b>Education</b>	<b>8.5</b>
— 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)	
<b>Security</b>	<b>6.7</b>
— Reprovisioning of Kong Wan Fire Station	
— Redevelopment of Lai Chi Kok Reception Centre	
<b>Support</b>	<b>3.4</b>
— Joint-user Complex with Market in Area 67, Tseung Kwan O	
<b>Community and External Affairs</b>	<b>3.3</b>
— 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	

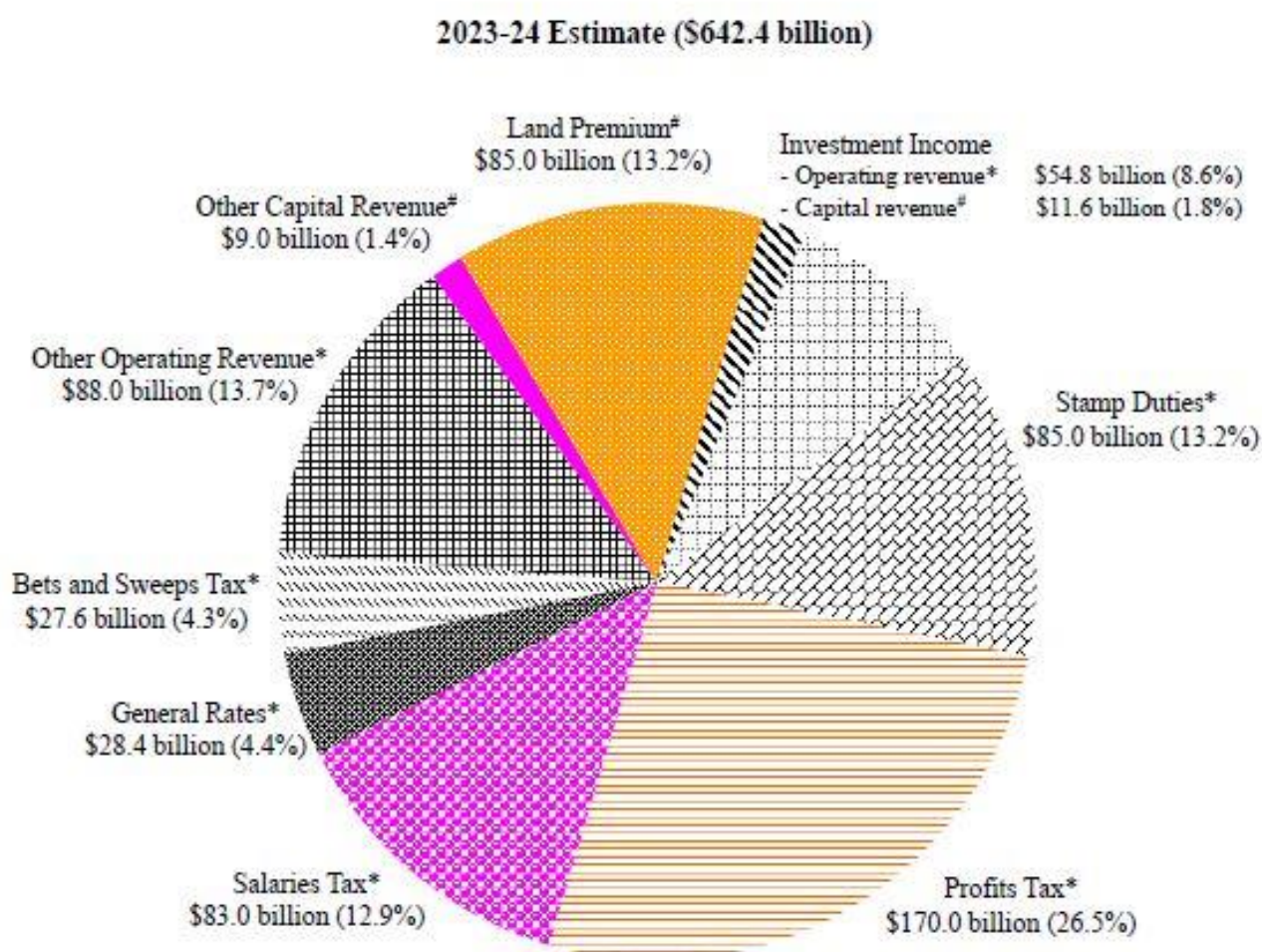
## SECTION V TRENDS IN PUBLIC EXPENDITURE : 2018-19 TO 2023-24



## 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.

