

General Revenue Account

REPORT OF THE DIRECTOR OF AUDIT



Audit Commission

The Government of the Hong Kong Special Administrative Region

Independent Auditor's Report To the President of the Legislative Council

Opinion

I certify that I have examined and audited the financial statements of the General Revenue Account set out on pages 22 to 36, which comprise the statement of assets and liabilities as at 31 March 2023, and the statement of receipts and payments for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In my opinion, the financial statements of the General Revenue Account are prepared, in all material respects, in accordance with the Public Finance Ordinance (Cap. 2) and section 11(1) of the Audit Ordinance (Cap. 122).

Basis for opinion

I conducted my audit in accordance with section 12(1) of the Audit Ordinance and the Audit Commission auditing standards. My responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the financial statements* section of my report. I have fulfilled the independence and other ethical responsibilities in accordance with those standards. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Other information

The Director of Accounting Services is responsible for the other information. The other information comprises all the information included in the Accounts of the Government of the Hong Kong Special Administrative Region for the year ended 31 March 2023 published by the Treasury, other than the financial statements and my auditor's report thereon.

My opinion on the financial statements does not cover the other information and I do not express any form of assurance conclusion thereon.

In connection with my audit of the financial statements, my responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or my knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work I have performed, I conclude that there is a material misstatement of this other information, I am required to report that fact. I have nothing to report in this regard.

Director of Accounting Services' responsibilities for the financial statements

In accordance with section 16(1) of the Public Finance Ordinance, the Director of Accounting Services is responsible for the compilation and supervision of the accounts of the Government of the Hong Kong Special Administrative Region, for the management of accounting operations and procedures, and for ensuring that all regulations, directions or instructions made or given under the Public Finance Ordinance relating thereto and in respect of the safe custody of public moneys and its accounting are complied with.

Auditor's responsibilities for the audit of the financial statements

My objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Audit Commission auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with the Audit Commission auditing standards, I exercise professional judgment and maintain professional skepticism throughout the audit. I also:

- identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;
- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the General Revenue Account's internal control; and
- evaluate the appropriateness of accounting policies used by the Director of Accounting Services and the reasonableness of accounting estimates and related disclosures.

I communicate with the Director of Accounting Services regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.

Prof. LAM Chi Yuen Nelson
Director of Audit

27 October 2023

Audit Commission
6th Floor, High Block
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66 Queensway
Hong Kong

General Revenue Account

STATEMENT OF ASSETS AND LIABILITIES AS AT 31 MARCH 2023

(Expressed in Hong Kong dollars)

	Note	2023 \$'000	2022 \$'000
Assets			
Investments with the Exchange Fund	3	264,241,584	400,826,644
Deposits with banks	4	510,222	547,906
Cash and bank balances	5	3,466,182	3,177,226
Advances	6	4,920,802	3,637,283
Suspense Accounts	7	132,526	88,590
		273,271,316	408,277,649
Liabilities			
Deposits	8	(23,673,272)	(23,632,431)
Suspense Accounts	7	(42,898)	(58,219)
		(23,716,170)	(23,690,650)
		249,555,146	384,586,999
Representing:			
General Revenue Balance			
Balance at beginning of year		384,586,999	464,728,537
Deficit for the year		(135,031,853)	(80,141,538)
Balance at end of year	9, 10	249,555,146	384,586,999

Notes 1 to 13 form part of these financial statements.

Ms Susanna CHEUNG
Director of Accounting Services
25 August 2023



General Revenue Account

STATEMENT OF RECEIPTS AND PAYMENTS FOR THE YEAR ENDED 31 MARCH 2023

(Expressed in Hong Kong dollars)

	Note	2023 \$'000	2022 \$'000
Cash and bank balances at beginning of year		3,177,226	2,972,862
Revenue	11	567,518,656	528,243,491
Expenditure	12	(702,550,509)	(608,385,029)
Deficit for the year		(135,031,853)	(80,141,538)
Other cash movements	13	135,320,809	80,345,902
Cash and bank balances at end of year		3,466,182	3,177,226

Notes 1 to 13 form part of these financial statements.

Ms Susanna CHEUNG
Director of Accounting Services
25 August 2023



General Revenue Account

NOTES TO THE FINANCIAL STATEMENTS

(Expressed in Hong Kong dollars, unless otherwise stated)

1. Purpose and Legislation

- (i) The Public Finance Ordinance (Cap. 2) provides for the control and management of the public finances of Hong Kong and for incidental and connected purposes. The General Revenue Account records moneys raised or received for the purposes of the Government (except where provided otherwise in other Ordinances) and appropriations of expenditure in accordance with the Appropriation Ordinance and the Supplementary Appropriation Ordinance.
- (ii) The Statement of Assets and Liabilities and the Statement of Receipts and Payments of the General Revenue Account constitute the statement of the assets and liabilities and the annual statement of the receipts and payments of the Government as specified in section 11(1)(a) and (b) of the Audit Ordinance (Cap. 122). These Statements exclude the assets and liabilities and the receipts and payments of the Funds established under section 29 of the Public Finance Ordinance, viz Capital Works Reserve Fund, Capital Investment Fund, Civil Service Pension Reserve Fund, Disaster Relief Fund, Innovation and Technology Fund, Land Fund, Loan Fund, Lotteries Fund and Bond Fund, for which separate financial statements are prepared.

2. Accounting Policies

- (i) The General Revenue Account is kept on a cash basis. Transactions are recorded when moneys are received or paid. The Statement of Assets and Liabilities does not include fixed assets, loans, investments other than those made under section 26 of the Public Finance Ordinance, and debtors and creditors other than those covered by sections 20, 21, 22, 23, 24, 27 and 30 of the Public Finance Ordinance.
- (ii) For the purposes of these financial statements, a contingent liability is defined as:
 - (a) a possible obligation that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Government; or
 - (b) a present obligation that arises from past events but is not recognised because:
 - it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation; or
 - the amount of the obligation cannot be measured with sufficient reliability.
- (iii) Foreign currency transactions during the year are translated into Hong Kong dollars at the exchange rates ruling at the transaction dates. Foreign currency balances are translated into Hong Kong dollars at weighted average cost.

3. Investments with the Exchange Fund

- (i) These are investments and deposits held under section 26 of the Public Finance Ordinance:

	2023 \$'000	2022 \$'000
Investments (Notes (ii) to (iv) below)	264,237,571	400,819,822
Deposits	4,013	6,822
	<u>264,241,584</u>	<u>400,826,644</u>

General Revenue Account

3. Investments with the Exchange Fund *(Continued)*

- (ii) The investments represent the cost of investments together with the investment income received in the year being reported.
- (iii) Pursuant to the Financial Secretary's decision announced in the 2016-17 Budget, as from 1 July 2016, a top-up allocation of \$4.8 billion was made from the General Revenue Account to the Future Fund. The Future Fund was established on 1 January 2016 as a notional savings account within the fiscal reserves. Together with the top-up allocation, it was placed with the Exchange Fund for securing higher investment returns over a ten-year investment period in accordance with an arrangement entered into with the Hong Kong Monetary Authority in December 2015. In October 2022, the arrangement was extended for a further five-year period. Investment return on the Future Fund placement is determined annually based on a composite rate (-3.0% and 17.8% for the calendar years 2022 and 2021 respectively) computed on a weighted average basis with reference to the agreed rate under the Investment Portfolio (Note (iv) below) and the annual rate of return linked with the performance of the Long-Term Growth Portfolio. The Future Fund, together with investment return not received and compounded on an annual basis, is retained within the Exchange Fund until 31 December 2030 or upon decision of the Financial Secretary for withdrawal, whichever is the earlier. In respect of the General Revenue Account portion of \$4.8 billion, such accumulated investment return not received as revenue amounted to \$3.69 billion as at 31 December 2022 (*2021: \$3.89 billion*), including the investment loss for the calendar year 2022 of \$0.20 billion (*2021: investment return of \$1.36 billion*). As announced in the 2021-22 Budget Speech, the accumulated investment return on the Future Fund would be brought back to the Government's accounts and recorded as investment income on a progressive basis starting from 2021-22. During the financial year 2022-23, no amount of the accumulated investment return on the Future Fund attributable to the General Revenue Account was brought back and recorded as investment income (*2022: Nil*).
- (iv) The part of the fiscal reserves outside the Future Fund (Note (iii) above) is referred to as Operating and Capital Reserves. Investment income on the Operating and Capital Reserves placement with the Exchange Fund is calculated, in accordance with an arrangement entered into with the Hong Kong Monetary Authority in 2007, on the basis of the average annual investment return of the Exchange Fund's Investment Portfolio for the past six years or the average annual yield of three-year government bond (replacing the three-year Exchange Fund Notes with effect from 1 January 2016) for the previous year subject to a minimum of zero percent, whichever is the higher. The rate of return for the calendar year 2022 was 5.6% (*2021: 4.7%*). The annual investment income is receivable on 31 December each year.

4. Deposits with Banks

These are Hong Kong dollar and foreign currency deposits placed with licensed banks in Hong Kong for investment under section 26 of the Public Finance Ordinance:

	2023 \$'000	2022 \$'000
Hong Kong dollar	44,879	60,201
Foreign currency	465,343	487,705
	<u>510,222</u>	<u>547,906</u>

5. Cash and Bank Balances

These balances cover cash in hand, in transit, with banks and agents, and with public officers for operating standing or special imprest accounts as provided under section 22 of the Public Finance Ordinance.

General Revenue Account

6. Advances

Advances are paid under the authority of warrants issued under section 20 of the Public Finance Ordinance for a variety of reasons and are either recoverable or chargeable to expenditure upon authority being given:

	2023 \$'000	2022 \$'000
Advances to Government officers	2,328,090	1,335,372
Expenditure on Vietnamese migrants (Note (i) below)	1,161,991	1,161,991
Payments on behalf of non-departmental public bodies, trading funds and non-statutory corporations wholly-owned by Government	485,950	523,040
Others	944,771	616,880
	<u>4,920,802</u>	<u>3,637,283</u>

- (i) The sum of \$1,161.991 million is the outstanding balance of expenditure on Vietnamese migrants recoverable from the United Nations High Commissioner for Refugees (UNHCR). In January 1998, the High Commissioner for Refugees informed the Government of the Hong Kong Special Administrative Region (HKSAR) that in the absence of further funding prospects, the repayment of \$3.865 million in February 1998 was the last reimbursement that the UNHCR could realistically foresee. If the UNHCR defaults on repayment of the outstanding advances, the Government of the HKSAR will not be able to enforce repayment through legal means as the UNHCR is immune from suit under the International Organizations and Diplomatic Privileges Ordinance (Cap. 190). Consequently, the full recovery of the amount due is doubtful.

During the financial year 2022-23, the Government of the HKSAR continued to pursue the repayment of the outstanding advances from the UNHCR and to urge it to make renewed efforts to look for donations with a view to settling the amount. So far, the Government of the HKSAR has not received any further repayments.

Efforts to press the UNHCR for early settlement of the outstanding advances will continue. The Government of the HKSAR takes note of the Public Accounts Committee's suggestion to the Panel on Security in March 2020 that the Government of the HKSAR should re-consider writing off the outstanding payment, and will carefully consider the suggestion.

7. Suspense Accounts

These Suspense Accounts are established under Resolutions passed by the Legislative Council under section 30 of the Public Finance Ordinance:

	2023 \$'000	2022 \$'000
Assets:		
Correctional Services Industries (Note (i) below)	59,379	28,825
Government Logistics Department — Unallocated Stores (Note (i) below)	72,613	59,231
The Financial Secretary Incorporated (Note (ii) below)	534	534
	<u>132,526</u>	<u>88,590</u>
Liabilities:		
The Special Coin (Note (iii) below)	(42,898)	(58,219)
Net balance	<u>89,628</u>	<u>30,371</u>

- (i) The balances on the Correctional Services Industries Suspense Account and the Government Logistics Department — Unallocated Stores Suspense Account represent the cost of stocks in hand.

General Revenue Account

7. Suspense Accounts *(Continued)*

- (ii) The balance on The Financial Secretary Incorporated Suspense Account represents the net amount arising from dealing with the regrant or renewal of Government Leases and managing the properties comprised therein.
- (iii) The balance on The Special Coin Suspense Account represents the unutilised balance of net proceeds arising from issuing and dealing with special and commemorative coins.

8. Deposits

These are moneys received from time to time from individuals or organisations under sections 23 and 24 of the Public Finance Ordinance for a variety of reasons and are in due course either repayable or transferable to General Revenue:

	2023 \$'000	2022 \$'000
Tax reserve certificates	13,887,320	14,526,711
Water deposits	2,047,862	2,010,073
Tenancy deposits	1,786,057	1,838,155
Tax overpayments	1,287,071	961,729
Legal aid deposits	933,253	1,109,586
Private works	438,243	419,307
Others	3,293,466	2,766,870
	<u>23,673,272</u>	<u>23,632,431</u>

9. Contingent Liabilities

As at 31 March 2023, the Government had the following contingent liabilities:

- (i) guarantees provided under the SME Financing Guarantee Scheme — 100% Guarantee Product amounting to \$97,152 million (2022: \$75,915 million);
- (ii) guarantee to the Hong Kong Export Credit Insurance Corporation for liabilities under contracts of insurance amounting to \$44,078 million (2022: \$40,316 million);
- (iii) guarantees provided under the SME Financing Guarantee Scheme — Special Concessionary Measures amounting to \$33,558 million (2022: \$30,988 million);
- (iv) guarantees provided under the SME Financing Guarantee Scheme — 90% Guarantee Product amounting to \$10,701 million (2022: \$9,277 million);
- (v) legal claims, disputes and proceedings amounting to \$3,702 million (2022: \$3,703 million);
- (vi) guarantees provided under the SME Loan Guarantee Scheme amounting to \$1,602 million (2022: \$2,399 million); and
- (vii) guarantees provided under the Special Loan Guarantee Scheme amounting to \$185 million (2022: \$214 million).

General Revenue Account

10. Commitments

The balances of non-recurrent and capital funding approvals that were unspent were as follows:

	2023	2022
	\$'000	\$'000
Non-recurrent expenditure	119,372,331	125,340,315
Plant, vehicles and equipment	13,991,741	13,657,420
Capital subventions	3,137,481	3,103,634
Capital works	220,810	269,026
	136,722,363	142,370,395

11. Revenue

Analysis of total revenue by Head:

Head	2023				2022
	Original	Actual	Over/(Under)	Variance	Actual
	Estimate		the Estimate		
	\$'000	\$'000	\$'000	%	\$'000
1 Duties	12,836,639	11,982,051	(854,588)	(6.7)	12,467,324
2 General Rates	18,982,000	19,099,987	117,987	0.6	19,255,931
3 Internal Revenue					
Profits tax	167,660,000	174,212,471	6,552,471	3.9	167,335,572
Salaries tax	72,850,000	79,490,374	6,640,374	9.1	75,570,184
Stamp duties	113,000,000	69,976,545	(43,023,455)	(38.1)	99,677,267
Other internal revenue	36,697,540	36,788,233	90,693	0.2	35,932,206
	390,207,540	360,467,623	(29,739,917)	(7.6)	378,515,229
4 Motor Vehicle Taxes	6,773,000	4,966,455	(1,806,545)	(26.7)	6,166,841
5 Fines, Forfeitures and Penalties	2,029,098	2,369,570	340,472	16.8	2,594,077
6 Royalties and Concessions	3,544,160	3,483,872	(60,288)	(1.7)	5,794,638
7 Properties and Investments					
Income from Investments with the Exchange Fund (Note (i) below)	-	15,246,442	-	-	25,099,306
Others	-	26,074,393	-	-	22,976,994
	41,219,260	41,320,835	101,575	0.2	48,076,300
9 Loans, Reimbursements, Contributions and Other Receipts	108,620,349	108,008,337	(612,012)	(0.6)	40,619,080
10 Utilities	3,643,391	3,202,054	(441,337)	(12.1)	3,199,687
11 Fees and Charges	12,942,166	12,617,872	(324,294)	(2.5)	11,554,384
Total	600,797,603	567,518,656	(33,278,947)	(5.5)	528,243,491

General Revenue Account

11. Revenue (Continued)

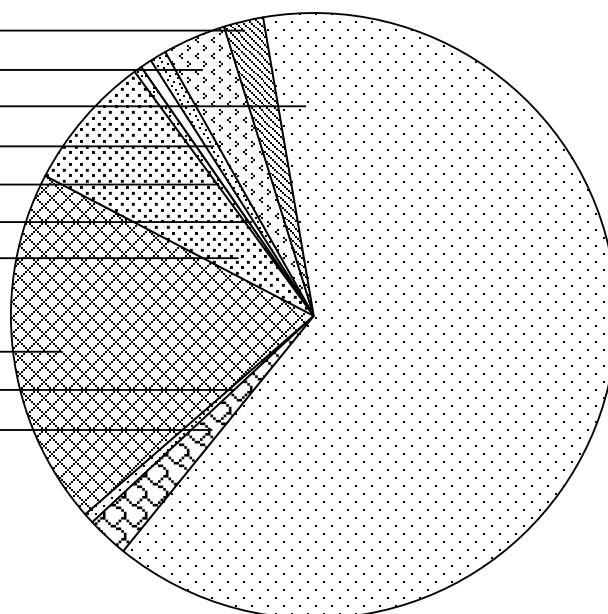
- (i) Pursuant to the Financial Secretary's directives, the investment incomes of the General Revenue Account for the calendar years 2014 and 2015 totalling \$40.99 billion (comprising \$14.84 billion for 2014 and \$26.15 billion for 2015), along with the investment incomes on other parts of the fiscal reserves for the two years, were set aside and retained within the Exchange Fund for the Housing Reserve, and not received in the respective financial years 2014-15 and 2015-16. The Housing Reserve was established in December 2014. As explained in the 2015-16 Budget Speech, the Housing Reserve is to provide financial resources to meet the ten-year public housing supply target. The investment income retained within the Exchange Fund earns the same rate of investment return as stipulated in Note 3(iv). As announced in the 2019-20 Budget Speech, the Housing Reserve would be brought back to the Government's accounts and recorded as investment income over four financial years from 2019-20 to 2022-23. At the same time, \$82.37 billion (the balance of the Housing Reserve as at 31 December 2018 which included \$46.44 billion from the General Revenue Account) was earmarked for public housing development.

During the financial year 2022-23, no amount was brought back from the Housing Reserve to the General Revenue Account (2022: \$6 billion). As at 31 March 2023, there was no investment income and accumulated investment return (i.e. up to calendar year 2022) not received and recorded by the General Revenue Account and retained for the Housing Reserve (2022: Nil).

Further analysis of revenue appears on pages 120 to 128 of the Supporting Statements.

Analysis of Revenue for the year ended 31 March 2023

Duties	\$12.0 Billion	2%
General Rates	\$19.1 Billion	3%
Internal Revenue	\$360.4 Billion	63%
Motor Vehicle Taxes	\$5.0 Billion	1%
Fines, Forfeitures and Penalties	\$2.4 Billion	1%
Royalties and Concessions	\$3.5 Billion	1%
Properties and Investments	\$41.3 Billion	7%
Loans, Reimbursements, Contributions and Other Receipts (Including Transfers from Funds)	\$108.0 Billion	19%
Utilities	\$3.2 Billion	1%
Fees and Charges	\$12.6 Billion	2%



Total Revenue
\$567.5 Billion

General Revenue Account

12. Expenditure

Analysis of total expenditure by Head:

Head	2023				2022
	Original Estimate \$'000	Actual \$'000	Over/(Under) the Estimate \$'000	Variance %	Actual \$'000
21 Chief Executive's Office	124,557	125,969	1,412	1.1	121,016
22 Agriculture, Fisheries and Conservation Department	2,062,883	1,989,469	(73,414)	(3.6)	1,885,884
25 Architectural Services Department	2,548,412	2,581,897	33,485	1.3	2,605,037
24 Audit Commission	194,968	190,688	(4,280)	(2.2)	184,867
23 Auxiliary Medical Service	108,149	101,355	(6,794)	(6.3)	105,467
82 Buildings Department	1,877,937	1,877,838	(99)	-	1,875,098
26 Census and Statistics Department	786,767	741,589	(45,178)	(5.7)	1,000,826
27 Civil Aid Service	129,635	126,474	(3,161)	(2.4)	136,783
28 Civil Aviation Department	1,303,008	1,287,216	(15,792)	(1.2)	1,219,690
33 Civil Engineering and Development Department	2,845,271	2,850,129	4,858	0.2	2,832,065
30 Correctional Services Department	5,168,088	5,010,468	(157,620)	(3.0)	4,739,953
31 Customs and Excise Department	5,758,534	5,467,082	(291,452)	(5.1)	5,172,885
37 Department of Health	26,273,769	20,605,826	(5,667,943)	(21.6)	20,409,173
92 Department of Justice	2,348,334	1,822,831	(525,503)	(22.4)	1,873,389
39 Drainage Services Department	3,447,176	3,466,991	19,815	0.6	3,223,911
42 Electrical and Mechanical Services Department	1,754,417	1,677,984	(76,433)	(4.4)	1,535,939
44 Environmental Protection Department	9,151,948	7,720,001	(1,431,947)	(15.6)	7,479,474
45 Fire Services Department	8,543,769	8,235,618	(308,151)	(3.6)	7,655,939
49 Food and Environmental Hygiene Department	10,534,486	10,513,739	(20,747)	(0.2)	9,796,476
46 General Expenses of the Civil Service	5,251,577	4,810,494	(441,083)	(8.4)	4,288,486
166 Government Flying Service	633,805	683,877	50,072	7.9	524,306
48 Government Laboratory	579,200	582,298	3,098	0.5	567,182
59 Government Logistics Department	622,373	608,866	(13,507)	(2.2)	600,840

General Revenue Account

12. Expenditure (Continued)

Head	2023				2022
	Original Estimate \$'000	Actual \$'000	Over/(Under) the Estimate \$'000	Variance %	Actual \$'000
51 Government Property Agency	2,639,164	2,505,479	(133,685)	(5.1)	2,493,562
143 Government Secretariat: Civil Service Bureau	745,093	751,661	6,568	0.9	723,584
* 152 Government Secretariat: Commerce and Economic Development Bureau	4,587,376	1,764,909	(2,822,467)	(61.5)	10,353,054
^ 55 Government Secretariat: Commerce and Economic Development Bureau (Communications and Creative Industries Branch)	1,145,565	223,510	(922,055)	(80.5)	649,159
144 Government Secretariat: Constitutional and Mainland Affairs Bureau	871,973	842,930	(29,043)	(3.3)	781,172
# 132 Government Secretariat: Culture, Sports and Tourism Bureau	-	4,067,080	4,067,080	-	-
138 Government Secretariat: Development Bureau (Planning and Lands Branch)	1,763,315	1,515,490	(247,825)	(14.1)	1,362,865
159 Government Secretariat: Development Bureau (Works Branch)	2,141,062	2,061,076	(79,986)	(3.7)	797,686
156 Government Secretariat: Education Bureau	76,746,002	74,263,890	(2,482,112)	(3.2)	73,507,833
* 137 Government Secretariat: Environment and Ecology Bureau (Environment Branch)	1,859,807	1,888,680	28,873	1.6	1,796,034
* 139 Government Secretariat: Environment and Ecology Bureau (Food Branch)	191,962	163,864	(28,098)	(14.6)	194,603
148 Government Secretariat: Financial Services and the Treasury Bureau (Financial Services Branch)	1,111,628	1,109,199	(2,429)	(0.2)	1,116,238
147 Government Secretariat: Financial Services and the Treasury Bureau (The Treasury Branch)	69,505,458	67,216,661	(2,288,797)	(3.3)	35,144,100

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12. Expenditure (Continued)

Head	2023				2022
	Original Estimate \$'000	Actual \$'000	Over/(Under) the Estimate \$'000	Variance %	Actual \$'000
* 140 Government Secretariat: Health Bureau	114,249,465	113,658,985	(590,480)	(0.5)	86,529,525
* 53 Government Secretariat: Home and Youth Affairs Bureau	2,773,302	1,299,723	(1,473,579)	(53.1)	2,321,271
* 62 Government Secretariat: Housing Bureau	7,339,612	4,030,972	(3,308,640)	(45.1)	2,619,582
155 Government Secretariat: Innovation and Technology Commission	853,624	760,691	(92,933)	(10.9)	781,195
* 135 Government Secretariat: Innovation, Technology and Industry Bureau	705,795	637,672	(68,123)	(9.7)	720,314
141 Government Secretariat: Labour and Welfare Bureau	1,024,317	904,875	(119,442)	(11.7)	962,734
47 Government Secretariat: Office of the Government Chief Information Officer	1,716,267	1,494,974	(221,293)	(12.9)	1,208,506
142 Government Secretariat: Offices of the Chief Secretary for Administration and the Financial Secretary	13,185,623	56,111,377	42,925,754	325.5	34,579,999
96 Government Secretariat: Overseas Economic and Trade Offices	585,170	441,064	(144,106)	(24.6)	371,724
151 Government Secretariat: Security Bureau	1,152,881	1,146,706	(6,175)	(0.5)	1,078,167
* 158 Government Secretariat: Transport and Logistics Bureau	558,543	412,471	(146,072)	(26.2)	470,125
60 Highways Department	4,270,565	4,190,494	(80,071)	(1.9)	4,114,519
63 Home Affairs Department	3,247,839	2,930,714	(317,125)	(9.8)	2,858,033
168 Hong Kong Observatory	418,806	405,923	(12,883)	(3.1)	393,811
122 Hong Kong Police Force	26,668,233	25,196,656	(1,471,577)	(5.5)	23,330,171
70 Immigration Department	6,942,529	6,618,096	(324,433)	(4.7)	6,473,705
72 Independent Commission Against Corruption	1,298,858	1,292,848	(6,010)	(0.5)	1,236,888
121 Independent Police Complaints Council	99,124	100,807	1,683	1.7	100,529

General Revenue Account

12. Expenditure (Continued)

Head	2023				2022
	Original Estimate \$'000	Actual \$'000	Over/(Under) the Estimate \$'000	Variance %	Actual \$'000
74 Information Services Department	694,135	689,902	(4,233)	(0.6)	669,813
76 Inland Revenue Department	1,867,074	1,775,681	(91,393)	(4.9)	1,758,525
78 Intellectual Property Department	232,593	223,104	(9,489)	(4.1)	212,753
79 Invest Hong Kong	226,714	226,097	(617)	(0.3)	170,551
174 Joint Secretariat for the Advisory Bodies on Civil Service and Judicial Salaries and Conditions of Service	45,881	44,653	(1,228)	(2.7)	41,903
80 Judiciary	2,401,549	2,297,560	(103,989)	(4.3)	2,223,626
90 Labour Department	2,715,209	2,446,380	(268,829)	(9.9)	2,274,723
91 Lands Department	3,276,500	3,286,079	9,579	0.3	3,225,348
94 Legal Aid Department	1,635,755	1,529,202	(106,553)	(6.5)	1,397,092
112 Legislative Council Commission	1,078,375	1,027,068	(51,307)	(4.8)	917,117
95 Leisure and Cultural Services Department	11,498,782	11,063,583	(435,199)	(3.8)	10,494,793
100 Marine Department	1,940,360	1,729,617	(210,743)	(10.9)	1,715,419
106 Miscellaneous Services	7,039,071	120,202	(6,918,869)	(98.3)	153,247
180 Office for Film, Newspaper and Article Administration	54,070	53,047	(1,023)	(1.9)	51,412
114 Office of The Ombudsman	126,755	129,476	2,721	2.1	128,035
116 Official Receiver's Office	224,951	219,113	(5,838)	(2.6)	224,769
120 Pensions	47,452,500	45,596,767	(1,855,733)	(3.9)	43,653,345
118 Planning Department	845,851	844,275	(1,576)	(0.2)	803,196
136 Public Service Commission Secretariat	32,239	32,428	189	0.6	30,566
160 Radio Television Hong Kong	1,080,178	1,086,602	6,424	0.6	1,003,039
162 Rating and Valuation Department	772,848	664,090	(108,758)	(14.1)	596,218
163 Registration and Electoral Office	1,205,329	846,545	(358,784)	(29.8)	1,294,750
169 Secretariat, Commissioner on Interception of Communications and Surveillance	24,255	23,543	(712)	(2.9)	25,150

General Revenue Account

12. Expenditure (Continued)

Head	2023				2022
	Original		Over/(Under)	Variance	Actual
	Estimate	Actual	the Estimate	%	\$'000
	\$'000	\$'000	\$'000		\$'000
170 Social Welfare Department	104,061,985	101,405,863	(2,656,122)	(2.6)	95,638,427
181 Trade and Industry Department	1,496,511	1,593,336	96,825	6.5	1,339,473
186 Transport Department	16,721,080	11,095,725	(5,625,355)	(33.6)	8,920,916
188 Treasury	582,622	538,303	(44,319)	(7.6)	510,720
190 University Grants Committee	22,586,429	22,802,257	215,828	1.0	22,423,078
194 Water Supplies Department	9,315,811	9,316,234	423	-	9,113,603
173 Working Family and Student Financial Assistance Agency	8,390,079	6,984,601	(1,405,478)	(16.8)	7,104,048
	<u>692,073,512</u>	<u>692,779,509</u>	<u>705,997</u>	<u>0.1</u>	<u>597,021,029</u>
184 Transfers to Funds	5,771,000	4,771,000	(1,000,000)	(17.3)	11,364,000
Non-recurrent appropriation to a special fund to meet the expenditure for safeguarding national security (Note (i) below)	-	5,000,000	5,000,000	-	-
Total	<u>697,844,512</u>	<u>702,550,509</u>	<u>4,705,997</u>	<u>0.7</u>	<u>608,385,029</u>

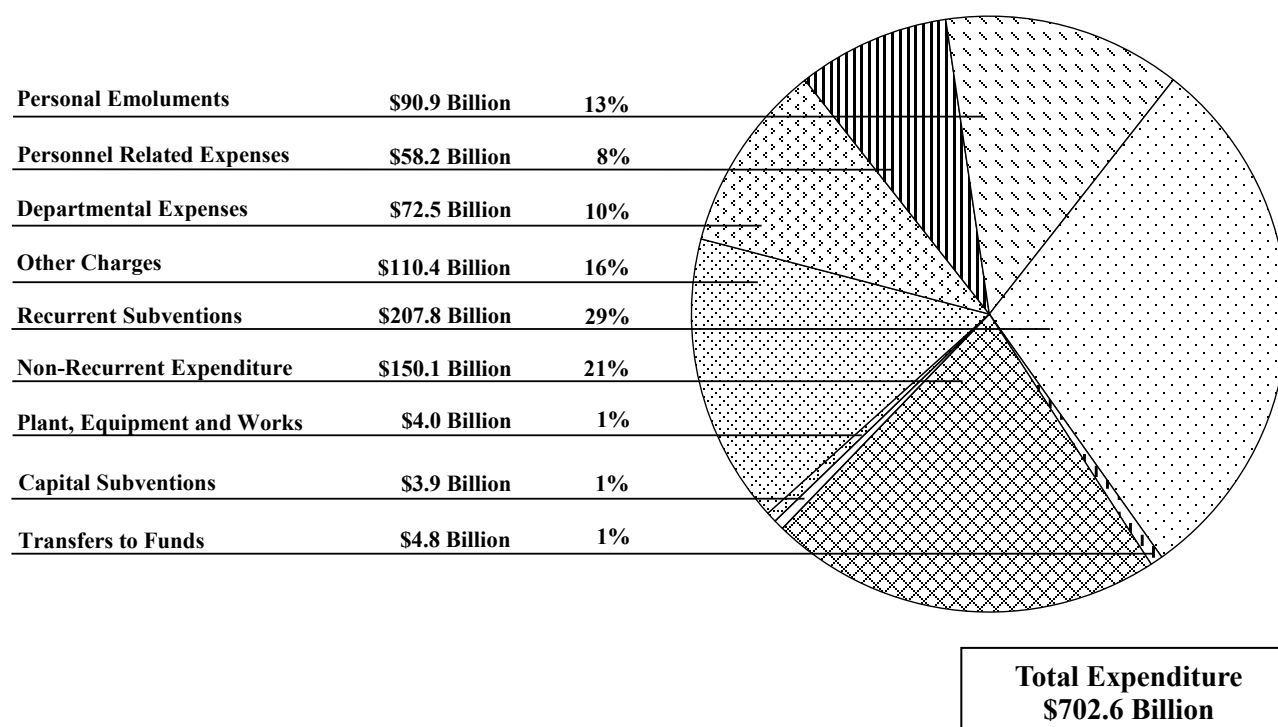
- (i) The Law of the People's Republic of China on Safeguarding National Security in the Hong Kong Special Administrative Region provides that the Financial Secretary of the Hong Kong Special Administrative Region shall, upon approval of the Chief Executive, appropriate from the general revenue a special fund to meet the expenditure for safeguarding national security and approve the establishment of relevant posts, which are not subject to any restrictions in the relevant provisions of the laws in force in the Region. This \$5 billion provision is the non-recurrent appropriation which is to increase the special fund for meeting the expenditure for safeguarding national security.

- * With effect from 1 July 2022, the list of Heads of Expenditure have been renamed as follows –
- Head 152 "Government Secretariat: Commerce and Economic Development Bureau (Commerce, Industry and Tourism Branch)" as "Government Secretariat: Commerce and Economic Development Bureau"
 - Head 137 "Government Secretariat: Environment Bureau" as "Government Secretariat: Environment and Ecology Bureau (Environment Branch)"
 - Head 139 "Government Secretariat: Food and Health Bureau (Food Branch)" as "Government Secretariat: Environment and Ecology Bureau (Food Branch)"
 - Head 140 "Government Secretariat: Food and Health Bureau (Health Branch)" as "Government Secretariat: Health Bureau"
 - Head 53 "Government Secretariat: Home Affairs Bureau" as "Government Secretariat: Home and Youth Affairs Bureau"
 - Head 62 "Housing Department" as "Government Secretariat: Housing Bureau"
 - Head 135 "Government Secretariat: Innovation and Technology Bureau" as "Government Secretariat: Innovation, Technology and Industry Bureau"
 - Head 158 "Government Secretariat: Transport and Housing Bureau (Transport Branch)" as "Government Secretariat: Transport and Logistics Bureau"
- # Head 132 "Government Secretariat: Culture, Sports and Tourism Bureau" has been created with effect from 1 July 2022.
- ^ Head 55 "Government Secretariat: Commerce and Economic Development Bureau (Communications and Creative Industries Branch)" has been deleted with effect from 1 July 2022.

Further analysis of expenditure appear on pages 129 to 153 of the Supporting Statements.

General Revenue Account

Analysis of Expenditure for the year ended 31 March 2023



13. Other Cash Movements

These are cash movements arising from changes in other assets and liabilities:

	2023 \$'000	2022 \$'000
Reduction/(Increase) in Assets		
Investments with the Exchange Fund	136,585,060	80,158,110
Deposits with banks	37,684	40,823
Advances	(1,283,519)	445,880
Suspense Accounts	(43,936)	(39,690)
	135,295,289	80,605,123
Increase/(Reduction) in Liabilities		
Deposits	40,841	(248,849)
Suspense Accounts	(15,321)	(10,372)
	25,520	(259,221)
	135,320,809	80,345,902

General Revenue Account

Revenue, Expenditure and General Revenue Balance for the years ended 31 March 2014 to 2023

\$Billion

