

Head 9 — LOANS, REIMBURSEMENTS, CONTRIBUTIONS AND OTHER RECEIPTS

Details of Revenue

Sub-head (Code)	Actual revenue 2003–04	Original estimate 2004–05	Revised estimate 2004–05	Estimate 2005–06
	\$'000	\$'000	\$'000	\$'000
010 Repayments of loans and advances	843,104	197,295	198,491	201,798
020 Pension contributions	23,098	21,855	20,307	18,364
030 Recovery of salaries and staff on-costs	2,643,856	2,292,324	2,339,351	2,184,037
040 Light and fuel in government buildings.....	16,296	14,493	17,478	17,824
050 Recovery of overpayments and losses	389,353	434,881	538,963	499,750
080 Transfers from Funds	134,000,000	52,500,000	44,500,000	5,500,000
090 Other receipts	696,956	295,176	1,915,163	3,766,395
110 Payments made by Trading Funds—				
(001) Payments in lieu of profits tax.....	57,376	31,099	6,882	58,329
(002) Payments for “insurance” premium.....	2,920	2,833	2,836	2,801
(003) Reimbursements by trading funds arising from policy on “insurance”.....	245	216	224	224
Total	138,673,204	55,790,172	49,539,695	12,249,522

Description of Revenue Sources

To this revenue head are credited repayments of loans and advances, such as loans under the Sandwich Class Housing Purchase Loan Scheme, pension contributions (e.g. to the Widows and Orphans Pension Scheme and the Surviving Spouses' and Children's Pensions Scheme), recovery of salaries and on-costs from organisations including the Hong Kong Housing Authority and the Hospital Authority, charges for light and fuel in government buildings, recovery of overpayments and losses (including surcharges on public officers), transfers from Government Funds, and payments made by Trading Funds.

Revenue from loans, reimbursements, contributions and other receipts generated 21.7% of general revenue in 2004–05.

Underlying Changes in Revenue Yield

The **2004–05** revised estimate of \$49,539,695,000 is a net decrease of \$6,250,477,000 (11.2%) against the original estimate.

Under *Subhead 040 Light and fuel in government buildings* the increase of \$2,985,000 (20.6%) is mainly due to the higher than expected electricity charges collected from the tenants of government premises.

Under *Subhead 050 Recovery of overpayments and losses* the increase of \$104,082,000 (23.9%) is mainly due to the higher than expected recoveries of unspent balance of subventions to non-government organisations and clawback of surplus subventions from subvented schools.

Under *Subhead 080 Transfers from Funds* the decrease of \$8,000,000,000 (15.2%) is mainly due to the lower than expected transfers from Loan Fund and Capital Investment Fund.

Under *Subhead 090 Other receipts* the increase of \$1,619,987,000 (548.8%) is mainly due to the receipts from the distribution of dividends from Hong Kong Cyberport Development Holdings Limited as a result of its share of surplus proceeds from the sale of private units in the Cyberport Project, and the net proceeds derived from the sale as private flats of former subsidised sale flats under the Mixed Development Pilot Scheme.

Under *Subhead 110 Payments made by Trading Funds* the decrease of \$24,206,000 (70.9%) is mainly due to the lower than expected payments in lieu of profits tax made by Trading Funds arising from a one-off tax adjustment. (As trading funds remain part of Government, they are not liable to profits tax but instead make a payment of an equivalent amount in lieu of this to the general revenue.)

The **2005–06** estimate of \$12,249,522,000 is a net decrease of \$37,290,173,000 (75.3%) against the revised estimate of 2004–05.

Under *Subhead 080 Transfers from Funds* the decrease of \$39,000,000,000 (87.6%) is mainly because there will be no transfer from the Land Fund to the general revenue in 2005–06.

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Under *Subhead 090 Other receipts* the increase of \$1,851,232,000 (96.7%) is mainly due to the higher receipts expected from the distribution of dividends from Hong Kong Cyberport Development Holdings Limited as a result of its share of surplus proceeds from the sale of private units in the Cyberport Project, and the sale as private flats of former subsidised sale flats under the Mixed Development Pilot Scheme.

Under *Subhead 110 Payments made by Trading Funds* the increase of \$51,412,000 (517.1%) is mainly due to the expected increase in payments in lieu of profits tax made by Trading Funds in 2005–06 and the effect of the one-off tax adjustment made in 2004–05. (As trading funds remain part of Government, they are not liable to profits tax but instead make a payment of an equivalent amount in lieu of this to the general revenue.)