

## Head 7 — PROPERTIES AND INVESTMENTS

### Details of Revenue

Sub-head (Code)	Actual revenue 2004–05	Original estimate 2005–06	Revised estimate 2005–06	Estimate 2006–07
	\$'000	\$'000	\$'000	\$'000
010 Government land licences, government rents (other than those charged at 3% of rateable values in accordance with the Government Rent (Assessment and Collection) Ordinance (Cap. 515) ) and rents from short term tenancies .....	1,406,284	1,366,897	1,320,618	<b>1,361,230</b>
020 Rents from government quarters .....	646,240	605,031	629,946	<b>579,054</b>
030 Rents from government properties .....	1,074,274	866,844	952,195	<b>958,177</b>
040 Investment income and interest .....	4,915,956	4,785,175	3,836,014	<b>6,408,722</b>
060 Returns on equity investments in statutory agencies/corporations .....	1,652,176	1,767,769	1,931,717	<b>1,841,116</b>
080 Recovery from Housing Authority under current financial arrangement .....	38,211	29,301	29,301	<b>77,970</b>
090 Government rents charged at 3% of rateable values in accordance with the Government Rent (Assessment and Collection) Ordinance (Cap. 515) .....	3,930,629	4,323,000	4,507,000	<b>4,856,000</b>
Total .....	<u>13,663,770</u>	<u>13,744,017</u>	<u>13,206,791</u>	<u><b>16,082,269</b></u>

### Description of Revenue Sources

To this revenue head are credited the yields from government land licences; government rents including those charged at 3% of rateable values in accordance with the Government Rent (Assessment and Collection) Ordinance (Cap. 515); and rents from short term tenancies, government quarters and properties. Investment income earned on the balances of the General Revenue Account and other interest receipts arising from the General Revenue Account, returns from equity investments in statutory agencies and corporations other than those credited to the Capital Investment Fund, and recovery from the Housing Authority of the land costs of Home Ownership Scheme flats are also included in this head.

Revenue from properties and investments generated 6.6% of general revenue in 2005–06.

### Underlying Changes in Revenue Yield

The 2005–06 revised estimate of \$13,206,791,000 is a net decrease of \$537,226,000 (3.9%) against the original estimate.

Under *Subhead 040 Investment income and interest*, the decrease of \$949,161,000 (19.8%) is due to a lower than expected investment return.

The 2006–07 estimate of \$16,082,269,000 is a net increase of \$2,875,478,000 (21.8%) over the revised estimate for 2005–06.

Under *Subhead 040 Investment income and interest*, the increase of \$2,572,708,000 (67.1%) reflects the increase in anticipated investment return on the balance of the General Revenue Account from the Exchange Fund in 2006–07.

Under *Subhead 080 Recovery from Housing Authority under current financial arrangement*, the increase of \$48,669,000 (166.1%) is due to the expected increase in residual construction payment in relation to HOS flats sold in previous years.