

Head 9 — LOANS, REIMBURSEMENTS, CONTRIBUTIONS AND OTHER RECEIPTS

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 Repayments of loans and advances	205,508	201,798	202,647	119,101
020 Pension contributions	20,187	18,364	18,264	16,411
030 Recovery of salaries and staff on-costs	2,298,414	2,184,037	2,142,904	2,096,897
040 Light and fuel in government buildings.....	16,972	17,824	19,550	24,422
050 Recovery of overpayments and losses.....	678,700	499,750	540,327	394,682
080 Transfers from Funds	44,500,000	5,500,000	—	6,900,000
090 Other receipts	1,980,915	3,766,395	2,801,562	3,643,317
110 Payments made by Trading Funds—				
(001) Payments in lieu of profits tax.....	6,883	58,329	95,778	64,490
(002) Payments for “insurance” premium	2,833	2,801	2,829	2,856
(003) Reimbursements by trading funds arising from policy on “insurance”	301	224	163	163
Total	<u>49,710,713</u>	<u>12,249,522</u>	<u>5,824,024</u>	<u>13,262,339</u>

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 Pension 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 2.9% of general revenue in 2005-06.

Underlying Changes in Revenue Yield

The 2005-06 revised estimate of \$5,824,024,000 is a net decrease of \$6,425,498,000 (52.5%) against the original estimate.

Under *Subhead 080 Transfers from Funds*, the decrease of \$5,500,000,000 (100.0%) is because no transfer from Loan Fund is expected in 2005-06.

Under *Subhead 090 Other receipts*, the decrease of \$964,833,000 (25.6%) is mainly due to the lower than expected receipts from the distribution of dividends from Hong Kong Cyberport Development Holdings Limited generated from the sale of private units in the Cyberport Project, partly offset by the higher than expected receipts from the Hong Kong Institute of Education and Housing Department for discharging their liability for the enhanced monthly pensions paid to officers retired under Compulsory Retirement Scheme and Voluntary Departure Scheme respectively.

Under *Subhead 110 Payments made by Trading Funds*, the increase of \$37,416,000 (61.0%) is mainly due to the higher than expected payments in lieu of profits tax made by Trading Funds arising from higher assessable profit for 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.)

The 2006-07 estimate of \$13,262,339,000 is a net increase of \$7,438,315,000 (127.7%) over the revised estimate of 2005-06.

Under *Subhead 010 Repayments of loans and advances*, the decrease of \$83,546,000 (41.2%) is mainly due to the fact that the interest-free advance to the Guangdong Authority for carrying out works related to the supply of water to Hong Kong is expected to be fully repaid before the end of 2006-07.

Under *Subhead 020 Pension contributions*, the decrease of \$1,853,000 (10.1%) is mainly due to the anticipated lower pension contributions in respect of Widows and Orphans/ Surviving Spouse's and Children's Pension Schemes.

Under *Subhead 040 Light and fuel in government buildings*, the increase of \$4,872,000 (24.9%) is mainly due to the expected increase in electricity charges collected from the tenants of government premises.

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Under *Subhead 050 Recovery of overpayments and losses*, the decrease of \$145,645,000 (27.0%) is mainly due to the discounting of a refund of the Reserved Supplementary Grants from University Grants Committee-funded institutions credited in 2005–06 and the anticipated reduction in recoveries of unspent balance of subventions to non-government organisations.

Under *Subhead 080 Transfers from Funds*, the increase of \$6,900,000,000 is due to the expected transfer from Loan Fund and Capital Investment Fund to the general revenue in 2006–07.

Under *Subhead 090 Other receipts*, the increase of \$841,755,000 (30.0%) is mainly due to the higher receipts expected from the distribution of dividends from Hong Kong Cyberport Development Holdings Limited generated from the sale of private units in the Cyberport Project, partly offset by the anticipated decrease in receipts 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 \$31,261,000 (31.7%) is mainly due to the expected decrease in payments in lieu of profits tax made by Trading Funds arising from an expected lower level of assessable profit of Trading Funds for 2005–06. (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.)