

Head 5 — FINES, FORFEITURES AND PENALTIES

Details of Revenue

Sub-head (Code)	Actual revenue 2007–08	Original estimate 2008–09	Revised estimate 2008–09	Estimate 2009–10
	\$'000	\$'000	\$'000	\$'000
010 Court fines and statutory penalties.....	479,030	478,453	460,543	513,573
020 Forfeitures.....	44,667	39,936	43,139	30,670
030 Fixed penalty system (Traffic Contraventions) .	236,861	243,004	231,775	231,775
040 Fixed penalty system (Criminal Proceedings) ...	233,381	249,769	216,419	234,165
050 Payments by civil servants.....	3,029	2,315	2,726	2,316
Total	<u>996,968</u>	<u>1,013,477</u>	<u>954,602</u>	<u>1,012,499</u>

Description of Revenue Sources

To this revenue head are credited fines imposed by the Courts and penalties imposed by statute, forfeitures resulting from Court orders or from breaches of contracts and agreements with the Government, penalties arising from the fixed penalty system for traffic offences under the Fixed Penalty (Traffic Contraventions) Ordinance (Cap. 237) and the Fixed Penalty (Criminal Proceedings) Ordinance (Cap. 240), the fixed penalty ticket system for parking offences in public housing estates and payments by civil servants in respect of disciplinary proceedings and breaches of contract.

Revenue from fines, forfeitures and penalties generated 0.4% of total revenue in 2008–09.

Underlying Changes in Revenue Yield

The 2008–09 revised estimate of \$954,602,000 is a net decrease of \$58,875,000 (5.8%) against the original estimate.

Under *Subhead 040 Fixed penalty system (Criminal Proceedings)*, the decrease of \$33,350,000 (13.4%) is mainly due to the lower than expected number of fixed penalty tickets issued for traffic offences.

Under *Subhead 050 Payments by civil servants*, the increase of \$411,000 (17.8%) is mainly due to the higher than expected payment by civil servants resigning from the civil service who choose to pay salary in lieu of observing the prescribed notice period.

The 2009–10 estimate of \$1,012,499,000 is a net increase of \$57,897,000 (6.1%) over the revised estimate for 2008–09.

Under *Subhead 010 Court fines and statutory penalties*, the increase of \$53,030,000 (11.5%) is mainly due to expected increase in the amount of fines imposed on some cases.

Under *Subhead 020 Forfeitures*, the decrease of \$12,469,000 (28.9%) is mainly due to anticipated decrease in revenue from forfeiture cases.

Under *Subhead 050 Payments by civil servants*, the decrease of \$410,000 (15.0%) is mainly due to expected decrease in payment by civil servants resigning from the civil service who choose to pay salary in lieu of observing the prescribed notice period.