

Head 9 — LOANS, REIMBURSEMENTS, CONTRIBUTIONS AND OTHER RECEIPTS

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 Repayments of loans and advances	3,390	1,022	1,751	508
020 Pension contributions	16,995	14,732	15,739	14,234
030 Recovery of salaries and staff on-costs	2,122,131	2,179,873	2,264,134	2,310,999
040 Light and fuel in government buildings.....	24,813	23,118	22,934	23,620
050 Recovery of overpayments and losses.....	452,339	346,455	842,867	426,898
080 Transfers from Funds	31,600,000	21,700,000	1,800,000	600,000
090 Other receipts	3,564,522	4,394,106	3,328,440	1,819,890
110 Payments made by Trading Funds—				
(001) Payments in lieu of profits tax.....	205,898	132,282	198,993	79,630
(002) Payments for “insurance” premium	2,930	3,029	3,029	3,107
(003) Reimbursements by trading funds arising from policy on “insurance”	163	195	847	847
Total	<u>37,993,181</u>	<u>28,794,812</u>	<u>8,478,734</u>	<u>5,279,733</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 (excluding transfer from funds) generated 2.5% of total revenue in 2008–09.

Underlying Changes in Revenue Yield

The **2008–09** revised estimate of \$8,478,734,000 is a net decrease of \$20,316,078,000 (70.6%) against the original estimate.

Under *Subhead 010 Repayments of loans and advances*, the increase of \$729,000 (71.3%) is mainly due to the higher than expected repayment of loans and advances under the Sandwich Class Housing Purchase Loan Scheme.

Under *Subhead 050 Recovery of overpayments and losses*, the increase of \$496,412,000 (143.3%) is mainly due to the higher than expected refunds of unspent balance of grants from University Grants Committee-funded institutions and the Early Retirement Ex-gratia Payment Fund, and the unexpected one-off recovery of overpaid rent from the Housing Department.

Under *Subhead 080 Transfers from Funds*, the decrease of \$19,900,000,000 (91.7%) is mainly due to no transfer from Capital Works Reserve Fund to the general revenue to be made in 2008–09.

Under *Subhead 090 Other receipts*, the decrease of \$1,065,666,000 (24.3%) is mainly due to the expected deferment of the distribution of dividends from Hong Kong Cyberport Development Holdings Limited as a result of delay in the completion of private units in the Cyberport Project.

Under *Subhead 110 Payments made by Trading Funds*, the increase of \$67,363,000 (49.7%) is mainly due to the higher than expected payments in lieu of profits tax made by Trading Funds arising from higher assessable profits for 2007–08. (As Trading Funds remain part of Government, they are not liable to profits tax but will instead make a payment of an equivalent amount to the general revenue.)

The **2009–10** estimate of \$5,279,733,000 is a net decrease of \$3,199,001,000 (37.7%) against the revised estimate of 2008–09.

Under *Subhead 010 Repayments of loans and advances*, the decrease of \$1,243,000 (71.0%) is mainly due to the expected decrease in repayments of loans and advances under the Sandwich Class Housing Loan Scheme.

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Under *Subhead 050 Recovery of overpayments and losses*, the decrease of \$415,969,000 (49.4%) is mainly due to the discounting of clawbacks of overpaid rent from the Housing Department and the anticipated reduction in refunds of grants from the University Grants Committee-funded institutions.

Under *Subhead 080 Transfers from Funds*, the decrease of \$1,200,000,000 (66.7%) is due to the expected decrease in transfer from Capital Investment Fund to the general revenue in 2009–10.

Under *Subhead 090 Other receipts*, the decrease of \$1,508,550,000 (45.3%) is mainly due to the expected decrease in the distribution of dividends from Hong Kong Cyberport Development Holdings Limited as a result of projected decrease in the sale of private units in the Cyberport Project.

Under *Subhead 110 Payments made by Trading Funds*, the decrease of \$119,285,000 (58.8%) is mainly due to the exclusion of the settlement of under-recovery of payment in lieu of profits tax from Electrical and Mechanical Services Trading Fund and Post Office and the expected decrease in payments in lieu of profits tax made by Trading Funds arising from expected lower assessable profits for 2008–09. (As Trading Funds remain part of Government, they are not liable to profits tax but will instead make a payment of an equivalent amount to the general revenue.)