

Head 9 — LOANS, REIMBURSEMENTS, CONTRIBUTIONS AND OTHER RECEIPTS

Details of Revenue

Sub-head (Code)	Actual revenue 2009–10	Original estimate 2010–11	Revised estimate 2010–11	Estimate 2011–12
	\$'000	\$'000	\$'000	\$'000
010 Repayments of loans and advances	791	143	179	—
020 Pension contributions	14,023	12,933	12,337	11,405
030 Recovery of salaries and staff on-costs.....	2,144,139	2,216,066	2,161,260	2,191,708
040 Light and fuel in government buildings.....	26,638	26,830	26,881	27,086
050 Recovery of overpayments and losses	914,507	411,654	416,877	355,698
080 Transfers from Funds	—	—	—	1,800,000
090 Other receipts.....	5,945,633	1,697,128	1,260,975	1,323,310
110 Payments made by Trading Funds—				
(001) Payments in lieu of profits tax.....	174,712	68,857	232,670	122,205
(002) Payments for “insurance” premium.....	3,107	3,082	3,082	3,078
(003) Reimbursements by trading funds arising from policy on “insurance”.....	26	188	229	191
Total	<u>9,223,576</u>	<u>4,436,881</u>	<u>4,114,490</u>	<u>5,834,681</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 1.4% of total revenue in 2010–11.

Underlying Changes in Revenue Yield

The 2010–11 revised estimate of \$4,114,490,000 is a net decrease of \$322,391,000 (7.3%) against the original estimate.

Under *Subhead 010 Repayments of loans and advances*, the increase of \$36,000 (25.2%) is mainly due to the higher than expected repayment of loans and advances under the Sandwich Class Housing Purchase Loan Scheme.

Under *Subhead 090 Other receipts*, the decrease of \$436,153,000 (25.7%) is mainly due to no receipt 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 proceeds from the sale of government properties.

Under *Subhead 110 Payments made by Trading Funds*, the increase of \$163,854,000 (227.2%) is mainly due to the settlement of under-recovery of payments in lieu of profits tax from Electrical and Mechanical Services Trading Fund and Post Office. (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 2011–12 estimate of \$5,834,681,000 is a net increase of \$1,720,191,000 (41.8%) over the revised estimate of 2010–11.

Under *Subhead 010 Repayments of loans and advances*, the decrease of \$179,000 (100.0%) is mainly due to no receipt expected from repayments of loans and advances under the Sandwich Class Housing Purchase Loan Scheme.

Under *Subhead 050 Recovery of overpayments and losses*, the decrease of \$61,179,000 (14.7%) is mainly due to the anticipated reduction in recoveries of unspent balance of subventions to non-government organisations.

Under *Subhead 080 Transfers from Funds*, the increase of \$1,800,000,000 is due to the expected transfer from Capital Investment Fund to the general revenue in 2011–12.

Head 9 — LOANS, REIMBURSEMENTS, CONTRIBUTIONS AND OTHER RECEIPTS

Under *Subhead 110 Payments made by Trading Funds*, the decrease of \$110,507,000 (46.8%) 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 2010–11. (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.)