

Head 6 — ROYALTIES AND CONCESSIONS

Details of Revenue

Sub-head (Code)	Actual revenue 2010–11	Original estimate 2011–12	Revised estimate 2011–12	Estimate 2012–13
	\$'000	\$'000	\$'000	\$'000
020 Quarries and mining	49,781	55,200	58,040	54,700
030 Bridges and tunnels	1,372,790	1,316,877	1,372,202	1,369,465
070 Petrol filling.....	1,767	1,789	1,871	1,920
100 Parking.....	361,429	352,920	383,174	393,324
170 Vehicle examination.....	40,516	39,394	39,658	39,658
201 Slaughterhouse concessions	31,114	30,372	28,179	28,179
202 Other royalties and concessions.....	594,046	613,621	2,476,908	1,209,164
Total	<u>2,451,443</u>	<u>2,410,173</u>	<u>4,360,032</u>	<u>3,096,410</u>

Description of Revenue Sources

To this revenue head are credited the royalties payable by franchised companies, revenue arising from government car parks, bridges and tunnels, petrol filling stations and various other royalties and concessions.

To *Subhead 020 Quarries and mining* are credited royalties from quarry contracts and mining leases.

To *Subhead 030 Bridges and tunnels* are credited royalties from the Tate's Cairn Tunnel and Discovery Bay Tunnel; revenue from the Route 8K linking Cheung Sha Wan and Sha Tin; and concessions payable by contractors assuming management responsibilities for the Aberdeen Tunnel, Kai Tak Tunnel, Lion Rock Tunnel, Shing Mun Tunnels, Tseung Kwan O Tunnel, the Tsing Ma Control Area and the Cross-Harbour Tunnel.

To *Subhead 070 Petrol filling* are credited royalties from petrol filling stations of oil companies in Hong Kong.

To *Subhead 100 Parking* are credited concessions payable by contractors who manage and operate government car parks, the Austin Road Cross Border Coach Terminus and on-street parking meters.

To *Subhead 170 Vehicle examination* are credited concessions payable by the contractor who manages and operates the New Kowloon Bay Vehicle Examination Centre.

To *Subhead 201 Slaughterhouse concessions* are credited concessions payable by the contractor who manages and operates the Sheung Shui Slaughterhouse.

To *Subhead 202 Other royalties and concessions* are credited miscellaneous royalties and concessions.

Royalties and concessions generated 1.3% of total revenue in 2011–12.

Underlying Changes in Revenue Yield

The 2011–12 revised estimate of \$4,360,032,000 is a net increase of \$1,949,859,000 (80.9%) over the original estimate.

Under *Subhead 202 Other royalties and concessions*, the increase of \$1,863,287,000 (303.7%) is mainly due to the receipt of a higher than anticipated one-off spectrum utilization fee from auction of the 850 MHz and 900 MHz bands in 2011–12 for the provision of public mobile telecommunications services.

The 2012–13 estimate of \$3,096,410,000 is a net decrease of \$1,263,622,000 (29.0%) against the revised estimate for 2011–12.

Under *Subhead 202 Other royalties and concessions*, the decrease of \$1,267,744,000 (51.2%) is mainly due to the anticipated lesser amount of spectrum utilization fees to be received in 2012–13.