

Head 9 — LOANS, REIMBURSEMENTS, CONTRIBUTIONS AND OTHER RECEIPTS

Details of Revenue

| Sub-head (Code) | Actual revenue 2000–01 | Original estimate 2001–02 | Revised estimate 2001–02 | Estimate 2002–03 |
|---|------------------------------|---------------------------------|--------------------------------|-------------------------|
| | \$'000 | \$'000 | \$'000 | \$'000 |
| 010 Repayments of loans and advances | 393,413 | 363,606 | 431,606 | 443,736 |
| 020 Pension contributions | 29,290 | 29,524 | 28,248 | 27,343 |
| 030 Recovery of salaries and staff on-costs | 3,382,307 | 3,485,961 | 3,437,180 | 3,285,607 |
| 040 Light and fuel in government buildings | 20,909 | 18,119 | 25,104 | 22,073 |
| 050 Recovery of overpayments and losses..... | 559,903 | 512,008 | 557,478 | 311,154 |
| 080 Transfers from Funds | 6,000,000 | — | — | 3,000,000 |
| 090 Other receipts | 178,295 | 141,154 | 510,424 | 536,034 |
| 110 Payments made by Trading Funds— | | | | |
| (001) Payments in lieu of profits tax | 107,083 | 80,547 | 92,796 | 48,605 |
| (002) Payments for “insurance” premium | 2,369 | 2,249 | 2,249 | 2,163 |
| (003) Reimbursements by trading funds arising from policy on “insurance” | 385 | 500 | 90 | 90 |
| Total..... | <u>10,673,954</u> | <u>4,633,668</u> | <u>5,085,175</u> | <u>7,676,805</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 Pensions 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 3.3% of general revenue in 2001–02.

Underlying Changes in Revenue Yield

The 2001–02 revised estimate of \$5,085,175,000 is a net increase of \$451,507,000 (9.7%) over the original estimate.

Under *Subhead 010 Repayments of loans and advances* the increase of \$68,000,000 (18.7%) is mainly due to the higher than expected repayments from loan recipients under the Sandwich Class Housing Purchase Loan Scheme.

Under *Subhead 040 Light and fuel in government buildings* the increase of \$6,985,000 (38.6%) is mainly due to the higher than expected electricity charges collected from the tenants of government premises.

Under *Subhead 090 Other receipts* the increase of \$369,270,000 (261.6%) is mainly due to the receipts from the sale of a government building, and the higher than expected receipts from bona vacantia by the Companies Registry and recovery of legal costs by the Department of Justice.

Under *Subhead 110 Payments made by Trading Funds* the increase of \$11,839,000 (14.2%) is mainly due to the increase in payments in lieu of profits tax from the Electrical and Mechanical Services Trading Fund arising from higher assessable profit for 2000–01. (As trading funds remain part of Government, they are not legally liable to profits tax but instead make a payment of an equivalent amount in lieu to the general revenue.)

The 2002–03 estimate of \$7,676,805,000 is a net increase of \$2,591,630,000 (51.0%) over the revised estimate for 2001–02.

Under *Subhead 040 Light and fuel in government buildings* the decrease of \$3,031,000 (12.1%) is mainly due to an expected reduction in electricity charges collected from the tenants of government premises.

Under *Subhead 050 Recovery of overpayments and losses* the decrease of \$246,324,000 (44.2%) is mainly due to an expected reduction in receipts from the recovery of the unspent balance of subventions to non-government organisations and grants to aided schools, and contract gratuity payment from officers changing their conditions of appointment from agreement terms to permanent and pensionable establishment terms.

Under *Subhead 080 Transfers from Funds* the increase of \$3,000,000,000 (100.0%) comes from the transfer of revenue from the Loan Fund.

Head 9 — LOANS, REIMBURSEMENTS, CONTRIBUTIONS AND OTHER RECEIPTS

Under *Subhead 110 Payments made by Trading Funds* the decrease of \$44,277,000 (46.5%) is mainly due to an 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 2001–02. (As trading funds remain part of Government, they are not legally liable to profits tax but instead make a payment of an equivalent amount in lieu to the general revenue.)