

Head 6 — ROYALTIES AND CONCESSIONS

Details of Revenue

Sub-head (Code)	Actual revenue 1998–99	Original estimate 1999–2000	Revised estimate 1999–2000	Estimate 2000–01
	\$'000	\$'000	\$'000	\$'000
010 Telecommunications	22,522	—	—	—
020 Quarries and mining	23,369	29,000	27,000	27,000
030 Bridges and tunnels	356,023	766,060	735,970	1,035,064
040 Radio broadcasting	9,981	11,200	9,800	11,700
070 Petrol filling	14,154	13,271	12,060	11,878
080 Taxi concessions	—	50,000	—	10,000
090 Television broadcasting	271,627	281,300	254,090	269,400
100 Parking	530,038	702,838	458,064	463,863
170 Vehicle examination	58,876	62,132	59,614	59,243
201 Slaughterhouse concessions.....	—	—	—	16,500
202 Other royalties and concessions.....	—	—	—	3,577
Total	<u>1,286,590</u>	<u>1,915,801</u>	<u>1,556,598</u>	<u>1,908,225</u>

Description of Revenue Sources

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

To *Subhead 010 Telecommunications* are credited royalties payable by Cable and Wireless HKT International Limited.

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 Cross-Harbour Tunnel before 1 September 1999 and Tate's Cairn Tunnel, and concessions payable by contractors assuming management responsibilities for the Aberdeen Tunnel, Airport Tunnel, Lion Rock Tunnel, Shing Mun Tunnels, Tseung Kwan O Tunnel, and the Lantau Link and, from 1 September 1999 onwards, the Cross-Harbour Tunnel.

To *Subhead 040 Radio broadcasting* are credited royalties payable by Hong Kong Commercial Broadcasting Company Limited and Metro Broadcast Corporation Limited.

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

To *Subhead 080 Taxi concessions* are credited premia generated from the issue of urban, New Territories and Lantau taxi licences.

To *Subhead 090 Television broadcasting* are credited royalties payable by Television Broadcasts Limited, Asia Television Limited and Hong Kong Cable Television Limited.

To *Subhead 100 Parking* are credited concessions payable by contractors who manage and operate government car parks, abandoned vehicle surrender centres, 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 1.0% of general revenue in 1999–2000.

Underlying Changes in Revenue Yield

The 1999–2000 revised estimate of \$1,556,598,000 is a net decrease of \$359,203,000 (18.7%) against the original estimate.

Under *Subhead 040 Radio broadcasting* the decrease of \$1,400,000 (12.5%) is due to the smaller than expected royalty payments made by the commercial radio stations.

Head 6 — ROYALTIES AND CONCESSIONS

Under *Subhead 080 Taxi concessions*, taxi licences are issued as and when necessary without a pre-set quota. A nil receipt is included taking into account the fact that no revenue has been collected so far.

Under *Subhead 100 Parking* the decrease of \$244,774,000 (34.8%) is mainly due to the failure of the proposed increase of parking meter charges to secure passage through the Legislative Council in 1999–2000, and the smaller than expected concessions payable by the contractors managing government car parks.

The **2000–01** estimate of \$1,908,225,000 is a net increase of \$351,627,000 (22.6%) on the revised estimate for 1999–2000.

Under *Subhead 030 Bridges and tunnels* the increase of \$299,094,000 (40.6%) is due to the full-year effect of the concessions payable by the management contractor of the Cross-Harbour Tunnel after the Tunnel reverted to Government on 1 September 1999.

Under *Subhead 040 Radio broadcasting* the increase of \$1,900,000 (19.4%) is due to the expected increase of royalties payable by the commercial radio stations.

Under *Subhead 080 Taxi concessions*, since taxi licences are issued as and when necessary without a pre-set quota, a token sum of \$10,000,000 has been adopted for revenue estimate purposes, based on the weighted average of the receipts in the past five years.

Subhead 201 Slaughterhouse concessions is a new subhead for crediting concessions payable by the management contractor of the Sheung Shui Slaughterhouse from 2000–01. The Slaughterhouse commenced operation in August 1999. The concessions received in 1999–2000 were credited to Head 9—Loans, Reimbursements, Contributions and Other Receipts *Subhead 090 Other receipts*.

Subhead 202 Other royalties and concessions is a new subhead for crediting miscellaneous royalties and concessions from 2000–01. Such revenue was previously credited to subheads under Head 9—Loans, Reimbursements, Contributions and Other Receipts or Head 11—Fees and Charges.