

Head 9 — LOANS, REIMBURSEMENTS, CONTRIBUTIONS AND OTHER RECEIPTS

Details of Revenue

Sub-head (Code)	Actual revenue 2001–02	Original estimate 2002–03	Revised estimate 2002–03	Estimate 2003–04
	\$'000	\$'000	\$'000	\$'000
010 Repayments of loans and advances	428,433	443,736	396,769	361,472
020 Pension contributions	27,641	27,343	25,720	24,797
030 Recovery of salaries and staff on-costs	3,279,737	3,285,607	3,372,563	3,067,865
040 Light and fuel in government buildings	21,646	22,073	18,086	16,364
050 Recovery of overpayments and losses.....	558,705	311,154	401,635	321,203
080 Transfers from Funds	—	3,000,000	2,300,000	133,700,000†
090 Other receipts	571,341	536,034	895,924	6,495,794
110 Payments made by Trading Funds—	92,795	48,605	141,746	83,086
(001) Payments in lieu of profits tax				
(002) Payments for “insurance” premium	2,249	2,163	2,928	2,920
(003) Reimbursements by trading funds arising from policy on “insurance”	135	90	239	239
Total.....	<u>4,982,682</u>	<u>7,676,805</u>	<u>7,555,610</u>	<u>144,073,740</u>

† The transfer from the Land Fund to the General Revenue Account is subject to the passing of the amendment to the Resolution of the Land Fund.

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 5.2% of general revenue in 2002–03.

Underlying Changes in Revenue Yield

The 2002–03 revised estimate of \$7,555,610,000 is a net decrease of \$121,195,000 (1.6%) against the original estimate.

Under *Subhead 010 Repayments of loans and advances* the decrease of \$46,967,000 (10.6%) is mainly due to the lower than expected repayments from loan recipients under the Sandwich Class Housing Purchase Loan Scheme pursuant to rescheduling of loan payments for recipients with proven financial difficulties.

Under *Subhead 040 Light and fuel in government buildings* the decrease of \$3,987,000 (18.1%) is mainly due to the lower than expected electricity charges collected from the tenants of government premises.

Under *Subhead 050 Recovery of overpayments and losses* the increase of \$90,481,000 (29.1%) is mainly due to the higher than expected recoveries of overpaid Comprehensive Social Security Assistance and Social Security Allowance, unspent balance of grants to aided schools, and recovery of higher than expected 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 decrease of \$700,000,000 (23.3%) is mainly due to lower than expected transfer from the Loan Fund.

Under *Subhead 090 Other receipts* the increase of \$359,890,000 (67.1%) is mainly due to the receipts from the Housing Authority for discharging its liability for the enhanced monthly pension paid to officers retired under its Voluntary Departure Scheme.

Under *Subhead 110 Payments made by Trading Funds* the increase of \$94,055,000 (184.9%) is mainly due to the higher than expected payments in lieu of profits tax from Trading Funds arising from higher assessable profit 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.)

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The **2003–04** estimate of \$144,073,740,000 is a net increase of \$136,518,130,000 (1,806.8%) over the revised estimate of 2002–03.

Under *Subhead 050 Recovery of overpayments and losses* the decrease of \$80,432,000 (20.0%) is mainly due to the expected reduction in receipts from the recovery of the unspent balance of subventions to non-government organisations and grants to aided schools.

Under *Subhead 080 Transfer from Funds* the increase of \$131,400,000,000 (5,713.0%) is mainly because of the proposed transfer of funds from the Land Fund into the General Revenue to meet cashflow requirements.

Under *Subhead 090 Other receipts* the increase of \$5,599,870,000 (625.0%) is mainly due to the anticipated receipts from the disposal of government assets.

Under *Subhead 110 Payments made by Trading Funds* the decrease of \$58,668,000 (40.5%) is mainly due to the expected decrease in payments in lieu of profits tax made by Trading Funds over 2002–03. (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.)