

Head 6 — ROYALTIES AND CONCESSIONS

Details of Revenue

Sub-head (Code)	Actual revenue 2004–05	Original estimate 2005–06	Revised estimate 2005–06	Estimate 2006–07
	\$'000	\$'000	\$'000	\$'000
020 Quarries and mining.....	21,481	28,100	27,000	23,300
030 Bridges and tunnels.....	184,826	15,425	15,085	15,799
070 Petrol filling.....	7,635	6,097	6,016	5,817
080 Taxi concessions.....	—	10,000	—	10,000
090 Television broadcasting.....	—	—	1,237	—
100 Parking.....	321,718	330,578	319,475	318,688
170 Vehicle examination.....	58,454	60,229	63,130	63,130
201 Slaughterhouse concessions.....	16,500	16,500	16,500	16,500
202 Other royalties and concessions.....	164,093	187,486	176,242	174,529
Total.....	<u>774,707</u>	<u>654,415</u>	<u>624,685</u>	<u>627,763</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, taxi concessions 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 concessions payable by contractors assuming management responsibilities for the Aberdeen Tunnel, Airport Tunnel, Lion Rock Tunnel, Shing Mun Tunnels, Tseung Kwan O Tunnel, the Lantau Link, the Cross-Harbour Tunnel and the Discovery Bay Tunnel, less any revenue required to service securitisation bonds.

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 0.3% of general revenue in 2005–06.

Underlying Changes in Revenue Yield

The 2005–06 revised estimate of \$624,685,000 is a net decrease of \$29,730,000 (4.5%) against the original estimate.

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 090 Television broadcasting*, the revised estimate of \$1,237,000 is the final adjustment of the royalty payments as the royalty scheme for television broadcasting licences was abolished with effect from 7 July 2000.

The 2006–07 estimate of \$627,763,000 is a net increase of \$3,078,000 (0.5%) over the revised estimate for 2005–06.

Under *Subhead 020 Quarries and mining*, the decrease of \$3,700,000 (13.7%) is due to the decrease in royalty as a result of the decrease in imported rocks to Lam Tei Quarry following the completion of the Route 8 Project at the end of 2005.

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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.

Under *Subhead 090 Television broadcasting*, a nil receipt is included taking into account the abolition of royalty payments from television broadcasting licensees with effect from 7 July 2000.