

## Head 7 — PROPERTIES AND INVESTMENTS

### Details of Revenue

Sub-head (Code)	Actual revenue 2006–07	Original estimate 2007–08	Revised estimate 2007–08	Estimate 2008–09
	\$'000	\$'000	\$'000	\$'000
010 Government land licences, government rents (other than those charged at 3% of rateable values in accordance with the Government Rent (Assessment and Collection) Ordinance (Cap. 515) ) and rents from short term tenancies .....	1,636,714	1,471,418	1,495,916	<b>1,523,404</b>
020 Rents from government quarters .....	673,091	661,250	711,528	<b>690,990</b>
030 Rents from government properties .....	1,066,980	1,012,215	1,041,160	<b>1,061,875</b>
040 Investment income and interest .....	10,560,124	10,041,270	11,965,930	<b>22,947,417</b>
060 Returns on equity investments in statutory agencies/corporations .....	2,159,174	2,224,160	2,364,586	<b>2,593,718</b>
080 Recovery from Housing Authority under current financial arrangement .....	75,891	136,153	4,521,677	<b>482,918</b>
090 Government rents charged at 3% of rateable values in accordance with the Government Rent (Assessment and Collection) Ordinance (Cap. 515) .....	5,744,319	5,213,000	5,365,400	<b>5,939,000</b>
Total .....	<u>21,916,293</u>	<u>20,759,466</u>	<u>27,466,197</u>	<u><b>35,239,322</b></u>

### Description of Revenue Sources

To this revenue head are credited the yields from government land licences; government rents including those charged at 3% of rateable values in accordance with the Government Rent (Assessment and Collection) Ordinance (Cap. 515); and rents from short term tenancies, government quarters and properties. Investment income earned on the balances of the General Revenue Account and other interest receipts arising from the General Revenue Account, returns from equity investments in statutory agencies and corporations other than those credited to the Capital Investment Fund, and recovery from the Housing Authority of the land costs of Home Ownership Scheme and Tenants Purchase Scheme flats are also included in this head.

Revenue from properties and investments generated 10.2% of total revenue in 2007–08.

### Underlying Changes in Revenue Yield

The **2007–08** revised estimate of \$27,466,197,000 is an increase of \$6,706,731,000 (32.3%) over the original estimate.

Under *Subhead 040 Investment income and interest*, the increase of \$1,924,660,000 (19.2%) is mainly due to the higher than expected fund balance placed with the Exchange Fund for investment purpose.

Under *Subhead 080 Recovery from Housing Authority under current financial arrangement*, the increase of \$4,385,524,000 (3221.0%) is mainly due to payment by the Housing Authority (HA) of the accumulated land costs for flats sold under the Tenants Purchase Scheme (TPS) in previous years.

The **2008–09** estimate of \$35,239,322,000 is a net increase of \$7,773,125,000 (28.3%) over the revised estimate for 2007–08.

Under *Subhead 040 Investment income and interest*, the increase of \$10,981,487,000 (91.8%) is mainly due to the higher fund balance placed with the Exchange Fund for investment purpose and the increase in rate of return.

Under *Subhead 080 Recovery from Housing Authority under current financial arrangement*, the decrease of \$4,038,759,000 (89.3%) is mainly due to lower level of payment by the HA of the land costs for flats sold under the TPS after the accumulated land cost payment is made in 2007–08.

Under *Subhead 090 Government rents charged at 3% of rateable values in accordance with the Government Rent (Assessment and Collection) Ordinance (Cap. 515)*, the increase of \$573,600,000 (10.7%) is mainly due to the effects of the General Revaluation of rateable values and the assessment of new properties to Government rent.