

## Head 9 — LOANS, REIMBURSEMENTS, CONTRIBUTIONS AND OTHER RECEIPTS

### Details of Revenue

| Sub-head<br>(Code)  | Actual<br>revenue<br>2006–07 | Original<br>estimate<br>2007–08 | Revised<br>estimate<br>2007–08 | Estimate<br>2008–09 |
|---|------------------------------|---------------------------------|--------------------------------|---------------------|
|   | \$'000                       | \$'000                          | \$'000                         | \$'000              |
| 010 Repayments of loans and advances .....  | 117,176                      | 2,579                           | 3,434                          | 1,022               |
| 020 Pension contributions .....   | 16,786                       | 15,077                          | 16,149                         | 14,732              |
| 030 Recovery of salaries and staff on-costs .....                                 | 2,015,852                    | 2,054,834                       | 2,138,502                      | 2,179,873           |
| 040 Light and fuel in government buildings .....                                  | 24,738                       | 25,222                          | 24,567                         | 23,118              |
| 050 Recovery of overpayments and losses .....                                     | 561,426                      | 378,936                         | 476,481                        | 346,455             |
| 080 Transfers from Funds .....  | 2,100,000                    | 31,800,000                      | 31,600,000                     | 21,700,000          |
| 090 Other receipts .....  | 3,465,596                    | 1,997,365                       | 3,564,796                      | 4,394,106           |
| 110 Payments made by Trading Funds—   |                              |                                 |                                |                     |
| (001) Payments in lieu of profits tax .....                                       | 117,446                      | 77,034                          | 230,062                        | 132,282             |
| (002) Payments for “insurance” premium .....                                      | 2,856                        | 2,927                           | 2,930                          | 3,029               |
| (003) Reimbursements by trading funds<br>arising from policy on “insurance” ..... | 302                          | 90                              | 195                            | 195                 |
| Total .....   | <u>8,422,178</u>             | <u>36,354,064</u>               | <u>38,057,116</u>              | <u>28,794,812</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 Pension 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 (excluding transfers from funds) generated 2.4% of total revenue in 2007–08.

### Underlying Changes in Revenue Yield

The **2007–08** revised estimate of \$38,057,116,000 is a net increase of \$1,703,052,000 (4.7%) over the original estimate.

Under *Subhead 010 Repayments of loans and advances*, the increase of \$855,000 (33.2%) is mainly due to the higher than expected repayments of loans and advances under the Sandwich Class Housing Purchase Loan Scheme.

Under *Subhead 050 Recovery of overpayments and losses*, the increase of \$97,545,000 (25.7%) is mainly due to the higher than expected refunds of unspent balance of grants from University Grants Committee-funded institutions.

Under *Subhead 090 Other receipts*, the increase of \$1,567,431,000 (78.5%) is mainly due to the higher than expected receipts from the distribution of dividends from Hong Kong Cyberport Development Holdings Limited generated from the sale of private units in the Cyberport Project, and the actual proceeds from the sale of government properties.

Under *Subhead 110 Payments made by Trading Funds*, the increase of \$153,136,000 (191.3%) is mainly due to the higher than expected payments in lieu of profits tax made by Trading Funds arising from higher assessable profits for 2006–07. (As Trading Funds remain part of Government, they are not liable to profits tax but instead make a payment of an equivalent amount in lieu of this to the general revenue.)

The **2008–09** estimate of \$28,794,812,000 is a net decrease of \$9,262,304,000 (24.3%) against the revised estimate of 2007–08.

Under *Subhead 010 Repayments of loans and advances*, the decrease of \$2,412,000 (70.2%) is mainly due to the expected decrease in repayments of loans and advances under the Sandwich Class Housing Loan Scheme.

Under *Subhead 050 Recovery of overpayments and losses*, the decrease of \$130,026,000 (27.3%) is mainly due to the anticipated reduction in refunds of grants from the University Grants Committee-funded institutions.

Under *Subhead 080 Transfers from Funds*, the decrease of \$9,900,000,000 (31.3%) is mainly due to the expected decrease in transfer from Capital Works Reserve Fund to the general revenue in 2008–09.

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Under *Subhead 090 Other receipts*, the increase of \$829,310,000 (23.3%) is mainly due to the higher receipts expected from the distribution of dividends from Hong Kong Cyberport Development Holdings Limited generated from the sale of private units in the Cyberport Project, partly offset by the anticipated decrease in receipts by various bureaux/departments.

Under *Subhead 110 Payments made by Trading Funds*, the decrease of \$97,681,000 (41.9%) is mainly due to the expected decrease in payments in lieu of profits tax made by Trading Funds arising from an expected lower level of their assessable profits for 2007–08. (As Trading Funds remain part of Government, they are not liable to profits tax but instead make a payment of an equivalent amount in lieu of this to the general revenue.)