

Head 7 — PROPERTIES AND INVESTMENTS

Details of Revenue

Sub-head (Code)	Actual revenue 2007–08	Original estimate 2008–09	Revised estimate 2008–09	Estimate 2009–10
	\$'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.....	1,584,264	1,523,404	1,609,251	1,619,728†
020 Rents from government quarters	718,565	690,990	743,720	744,171
030 Rents from government properties	1,073,450	1,061,875	1,136,372	1,085,662†
040 Investment income and interest	12,004,965	22,947,417	23,379,232	16,298,000
060 Returns on equity investments in statutory agencies/corporations.....	2,364,586	2,593,718	2,805,961	2,866,300
080 Recovery from Housing Authority under current financial arrangement.....	4,521,676	482,918	470,997	969,978
090 Government rents charged at 3% of rateable values in accordance with the Government Rent (Assessment and Collection) Ordinance (Cap. 515)	5,810,879	5,939,000	5,905,000	5,844,000
Total	<u>28,078,385</u>	<u>35,239,322</u>	<u>36,050,533</u>	<u>29,427,839</u>

† After Budget revenue measures.

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 Hong Kong 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 13.5% of total revenue in 2008–09.

Underlying Changes in Revenue Yield

The **2008–09** revised estimate of \$36,050,533,000 is a net increase of \$811,211,000 (2.3%) over the original estimate.

The **2009–10** estimate of \$29,427,839,000 is a net decrease of \$6,622,694,000 (18.4%) against the revised estimate for 2008–09.

Under *Subhead 040 Investment income and interest*, the decrease of \$7,081,232,000 (30.3%) is mainly due to the lower fund balance placed with the Exchange Fund for investment purpose and the decrease in rate of return.

Under *Subhead 080 Recovery from Housing Authority under current financial arrangement*, the increase of \$498,981,000 (105.9%) is mainly due to the expected increase in payment by the Housing Authority of the land costs for flats sold under Home Ownership Scheme.