

Head 9 — LOANS, REIMBURSEMENTS, CONTRIBUTIONS AND OTHER RECEIPTS

Details of Revenue

Sub-head (Code)	Actual revenue 2008–09	Original estimate 2009–10	Revised estimate 2009–10	Estimate 2010–11
	\$'000	\$'000	\$'000	\$'000
010 Repayments of loans and advances	2,230	508	635	143
020 Pension contributions	15,701	14,234	13,926	12,933
030 Recovery of salaries and staff on-costs	2,231,184	2,310,999	2,194,212	2,216,066
040 Light and fuel in government buildings	25,894	23,620	26,440	26,830
050 Recovery of overpayments and losses.....	829,525	426,898	853,431	411,654
080 Transfers from Funds	1,800,000	600,000	0	0
090 Other receipts	3,485,530	1,819,890	6,035,644	1,697,128
110 Payments made by Trading Funds—				
(001) Payments in lieu of profits tax	198,993	79,630	161,875	68,857
(002) Payments for “insurance” premium	3,028	3,107	3,107	3,082
(003) Reimbursements by trading funds arising from policy on “insurance”	574	847	44	188
Total.....	<u>8,592,659</u>	<u>5,279,733</u>	<u>9,289,314</u>	<u>4,436,881</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 transfer from funds) generated 3.7% of total revenue in 2009–10.

Underlying Changes in Revenue Yield

The **2009–10** revised estimate of \$9,289,314,000 is a net increase of \$4,009,581,000 (75.9%) over the original estimate.

Under *Subhead 010 Repayments of loans and advances*, the increase of \$127,000 (25.0%) is mainly due to the higher than expected repayment of loans and advances under the Sandwich Class Housing Purchase Loan Scheme.

Under *Subhead 040 Light and fuel in government buildings*, the increase of \$2,820,000 (11.9%) is mainly due to the higher than expected electricity charges collected from the tenants of government premises.

Under *Subhead 050 Recovery of overpayments and losses*, the increase of \$426,533,000 (99.9%) is mainly due to the unexpected one-off recovery of conditional grant from the Applied Research Fund and the higher than expected refunds of unspent balance of grants from aided schools.

Under *Subhead 080 Transfers from Funds*, the decrease of \$600,000,000 (100.0%) is mainly due to no transfer from Capital Investment Fund to the general revenue to be made in 2009–10.

Under *Subhead 090 Other receipts*, the increase of \$4,215,754,000 (231.6%) 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 \$81,442,000 (97.4%) is mainly due to the settlement of under-recovery of payments in lieu of profits tax from Electrical and Mechanical Services Trading Fund and Post Office. (As Trading Funds remain part of Government, they are not liable to profits tax but will instead make a payment of an equivalent amount to the general revenue.)

The **2010–11** estimate of \$4,436,881,000 is a net decrease of \$4,852,433,000 (52.2%) against the revised estimate of 2009–10.

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Under *Subhead 010 Repayments of loans and advances*, the decrease of \$492,000 (77.5%) 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 \$441,777,000 (51.8%) is mainly due to the discounting of the one-off recovery of conditional grant from the Applied Research Fund and the anticipated reduction in refunds of grants from the University Grants Committee-funded institutions.

Under *Subhead 090 Other receipts*, the decrease of \$4,338,516,000 (71.9%) is mainly due to the lower 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, and the discounting of the proceeds from the sale of government properties.

Under *Subhead 110 Payments made by Trading Funds*, the decrease of \$92,899,000 (56.3%) is mainly due to the exclusion of the settlement of under-recovery of payment in lieu of profits tax from Electrical and Mechanical Services Trading Fund and Post Office and the expected decrease in payments in lieu of profits tax made by Trading Funds arising from expected lower assessable profits for 2009–10. (As Trading Funds remain part of Government, they are not liable to profits tax but will instead make a payment of an equivalent amount to the general revenue.)