

Head 6 — ROYALTIES AND CONCESSIONS

Details of Revenue

Sub-head (Code)	Actual revenue 2009–10	Original estimate 2010–11	Revised estimate 2010–11	Estimate 2011–12
	\$'000	\$'000	\$'000	\$'000
020 Quarries and mining	45,731	46,000	48,800	55,200
030 Bridges and tunnels.....	698,948	1,263,806	1,314,124	1,316,877
070 Petrol filling.....	1,620	1,631	1,745	1,789
100 Parking.....	359,599	344,498	353,002	352,920
170 Vehicle examination	42,264	38,805	39,394	39,394
201 Slaughterhouse concessions.....	26,478	28,000	30,372	30,372
202 Other royalties and concessions.....	421,970	443,560	593,967	613,621
Total	<u>1,596,610</u>	<u>2,166,300</u>	<u>2,381,404</u>	<u>2,410,173</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 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 Discovery Bay Tunnel; revenue from the Route 8K linking Cheung Sha Wan and Sha Tin; and concessions payable by contractors assuming management responsibilities for the Aberdeen Tunnel, Kai Tak Tunnel, Lion Rock Tunnel, Shing Mun Tunnels, Tseung Kwan O Tunnel, the Tsing Ma Control Area and the Cross-Harbour Tunnel.

To *Subhead 070 Petrol filling* are credited royalties from petrol filling stations of oil companies in Hong Kong.

To *Subhead 100 Parking* are credited concessions payable by contractors who manage and operate government car parks, 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 0.8% of total revenue in 2010–11.

Underlying Changes in Revenue Yield

The **2010–11** revised estimate of \$2,381,404,000 is a net increase of \$215,104,000 (9.9%) over the original estimate.

Under *Subhead 202 Other royalties and concessions*, the increase of \$150,407,000 (33.9%) is mainly due to the receipt of a one-off spectrum utilisation fee in 2010–11 for the use of the 678–686 MHz frequency band for the provision of broadcast-type mobile television services.

The **2011–12** estimate of \$2,410,173,000 is a net increase of \$28,769,000 (1.2%) over the revised estimate for 2010–11.

Under *Subhead 020 Quarries and mining*, the increase of \$6,400,000 (13.1%) is mainly due to the expected increase in royalty payment for Anderson Road and Lam Tei Quarries.