

Head 7 — PROPERTIES AND INVESTMENTS

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
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	1,747,793	1,724,195	1,690,643	1,774,516
020 Rents from government quarters	723,458	701,515	682,565	671,949
030 Rents from government properties	1,142,489	1,260,987	1,237,536	1,257,759
040 Investment income and interest	17,892,185	15,564,000	17,821,179	19,283,000
060 Returns on equity investments in statutory agencies/corporations	3,119,833	3,480,989	5,802,380	4,905,967
080 Recovery from Housing Authority under current financial arrangement	864,100	118,472	142,205	142,075
090 Government rents charged at 3% of rateable values in accordance with the Government Rent (Assessment and Collection) Ordinance (Cap. 515).....	5,867,677	6,004,000	6,224,000	6,927,000
Total	<u>31,357,535</u>	<u>28,854,158</u>	<u>33,600,508</u>	<u>34,962,266</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 11.5% of total revenue in 2010–11.

Underlying Changes in Revenue Yield

The 2010–11 revised estimate of \$33,600,508,000 is a net increase of \$4,746,350,000 (16.4%) over the original estimate.

Under *Subhead 040 Investment income and interest*, the increase of \$2,257,179,000 (14.5%) is mainly due to the higher than expected fund balance placed with the Exchange Fund for investment purpose.

Under *Subhead 060 Returns on equity investments in statutory agencies/corporations*, the increase of \$2,321,391,000 (66.7%) is mainly due to the higher than expected total cash dividends from statutory corporations.

Under *Subhead 080 Recovery from the Housing Authority under current financial arrangement*, the increase of \$23,733,000 (20.0%) is mainly due to the expected increase in payment by the Housing Authority of the land costs for flats sold under Home Ownership Scheme.

The 2011–12 estimate of \$34,962,266,000 is a net increase of \$1,361,758,000 (4.1%) over the revised estimate for 2010–11.

Under *Subhead 060 Returns on equity investments in statutory agencies/corporations*, the decrease of \$896,413,000 (15.4%) is mainly due to the anticipated lower cash dividends from statutory corporations.

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 \$703,000,000 (11.3%) is mainly due to the general revaluation effect and the assessment of new properties in 2011–12.