

Head 7 — PROPERTIES AND INVESTMENTS

Details of Revenue

Sub-head (Code)	Actual revenue 2010–11	Original estimate 2011–12	Revised estimate 2011–12	Estimate 2012–13
	\$'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	1,764,557	1,774,516	1,729,770	1,775,312
020 Rents from government quarters	691,548	671,949	737,324	737,151
030 Rents from government properties	1,243,078	1,257,759	1,521,887	1,328,537
040 Investment income and interest	17,823,701	19,283,000	20,037,200	19,171,000
060 Returns on equity investments in statutory agencies/corporations	5,802,380	4,905,967	6,204,187	6,404,187
080 Recovery from Housing Authority under current financial arrangement	142,204	142,075	162,375	204,533
090 Government rents charged at 3% of rateable values in accordance with the Government Rent (Assessment and Collection) Ordinance (Cap. 515)	6,304,693	6,927,000	6,470,000	7,289,000
Total	<u>33,772,161</u>	<u>34,962,266</u>	<u>36,862,743</u>	<u>36,909,720</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 11.2% of total revenue in 2011–12.

Underlying Changes in Revenue Yield

The **2011–12** revised estimate of \$36,862,743,000 is a net increase of \$1,900,477,000 (5.4%) over the original estimate.

Under *Subhead 030 Rents from government properties*, the increase of \$264,128,000 (21.0%) is mainly due to the receipt of a one-off upfront premium for the new tenancy for the Queensway Plaza in 2011–12 and the rise in rental levels for new tenancies for the government properties.

Under *Subhead 060 Returns on equity investments in statutory agencies/corporations*, the increase of \$1,298,220,000 (26.5%) is mainly due to the higher than expected total cash dividends from statutory corporations.

Under *Subhead 080 Recovery from Housing Authority under current financial arrangement*, the increase of \$20,300,000 (14.3%) is mainly due to the expected increase in payment by the Housing Authority of the land costs for flats sold under Tenants Purchase Scheme.

The **2012–13** estimate of \$36,909,720,000 is a net increase of \$46,977,000 (0.1%) over the revised estimate for 2011–12.

Under *Subhead 030 Rents from government properties*, the decrease of \$193,350,000 (12.7%) is mainly due to the exclusion of the one-off payment of upfront premium made in 2011–12 for the tenancy for the Queensway Plaza.

Under *Subhead 080 Recovery from Housing Authority under current financial arrangement*, the increase of \$42,158,000 (26.0%) is mainly due to the expected increase in payment by the Housing Authority of the land costs for flats sold under Home Ownership Scheme.

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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 \$819,000,000 (12.7%) is mainly due to the general revaluation effect and the assessment of new properties in 2012–13.