

Head 6 — ROYALTIES AND CONCESSIONS

Details of Revenue

Sub-head (Code)	Actual revenue 2013–14	Original estimate 2014–15	Revised estimate 2014–15	Estimate 2015–16
	\$'000	\$'000	\$'000	\$'000
020 Quarries and mining.....	59,313	36,475	40,386	26,925
030 Bridges and tunnels.....	1,466,618	1,458,854	1,461,425	1,458,118
070 Petrol filling.....	2,090	2,048	2,104	2,123
100 Parking.....	429,609	430,485	427,630	441,735
170 Vehicle examination.....	33,604	32,893	32,568	11,185 †
201 Slaughterhouse concessions.....	30,555	28,380	28,359	28,359
202 Other royalties and concessions.....	2,404,520	877,264	877,677	917,655
Total.....	<u>4,426,309</u>	<u>2,866,399</u>	<u>2,870,149</u>	<u>2,886,100</u>

† After Budget revenue measures but subject to the passage of the relevant legislation by the Legislative Council.

Description of Revenue Sources

This revenue head covers royalties payable by franchised companies, revenue arising from government car parks, bridges and tunnels, petrol filling stations and various other royalties and concessions.

Subhead 020 Quarries and mining covers royalties from quarry contracts and mining leases.

Subhead 030 Bridges and tunnels covers 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.

Subhead 070 Petrol filling covers royalties from petrol filling stations of oil companies in Hong Kong.

Subhead 100 Parking covers concessions payable by contractors who manage and operate government car parks, the Austin Road Cross Boundary Coach Terminus and on-street parking meters.

Subhead 170 Vehicle examination covers concessions payable by the contractor who manages and operates the New Kowloon Bay Vehicle Examination Centre.

Subhead 201 Slaughterhouse concessions covers concessions payable by the contractor who manages and operates the Sheung Shui Slaughterhouse.

Subhead 202 Other royalties and concessions covers miscellaneous royalties and concessions.

Revenue from royalties and concessions generated 0.7% of total revenue in 2014–15.

Underlying Changes in Revenue Yield

The 2014–15 revised estimate of \$2,870,149,000 reflects a net increase of \$3,750,000 (0.1%) over the original estimate.

Under *Subhead 020 Quarries and mining*, the increase of \$3,911,000 (10.7%) is mainly due to the additional revenue received from the supplementary agreement signed for the Lam Tei Quarry contract in order to extend the rights of the contractor to process rock.

The 2015–16 estimate of \$2,886,100,000 reflects a net increase of \$15,951,000 (0.6%) over the revised estimate for 2014–15.

Under *Subhead 020 Quarries and mining*, the decrease of \$13,461,000 (33.3%) is mainly due to the expected cessation of instalment payments from the current contractor of the Lam Tei Quarry in August 2015 and the expected lesser amount of royalties to be received from imported rock in 2015–16.

Under *Subhead 170 Vehicle examination*, the decrease of \$21,383,000 (65.7%) is mainly due to the effect of the proposed waiver of vehicle examination fees in the 2015–16 Budget.