

Head 9 — LOANS, REIMBURSEMENTS, CONTRIBUTIONS AND OTHER RECEIPTS

Details of Revenue

Sub-head (Code)	Actual revenue 2014–15	Original estimate 2015–16	Revised estimate 2015–16	Estimate 2016–17
	\$'000	\$'000	\$'000	\$'000
010 Repayments of loans and advances.....	93	—	136	—
020 Pension contributions.....	7,652	6,496	6,635	5,879
030 Recovery of salaries and staff on-costs.....	2,834,276	3,150,282	3,039,726	3,160,604
040 Light and fuel in government buildings.....	28,276	29,597	26,529	25,395
050 Recovery of overpayments and losses.....	1,043,857	572,768	1,042,566	598,901
080 Transfers from Funds.....	2,000,000	1,000,000	—	—
090 Other receipts.....	1,435,248	2,699,454	2,366,747	23,710,697
110 Payments made by Trading Funds—				
(001) Payments in lieu of profits tax.....	140,423	108,340	209,946	132,793
(002) Payments for “insurance” premium.....	3,280	3,326	3,326	3,365
(003) Reimbursements by trading funds arising from policy on “insurance”.....	130	249	197	243
Total.....	<u>7,493,235</u>	<u>7,570,512</u>	<u>6,695,808</u>	<u>27,637,877</u>

Description of Revenue Sources

This revenue head covers 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 staff 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 1.7% of total revenue in 2015–16.

Underlying Changes in Revenue Yield

The 2015–16 revised estimate of \$6,695,808,000 reflects a net decrease of \$874,704,000 (11.6%) against the original estimate.

Under *Subhead 010 Repayments of loans and advances*, the increase of \$136,000 is due to the unexpected repayment of loans and advances under the Sandwich Class Housing Purchase Loan Scheme.

Under *Subhead 040 Light and fuel in government buildings*, the decrease of \$3,068,000 (10.4%) is due to the lower-than-expected electricity charges collected from the tenants of government premises.

Under *Subhead 050 Recovery of overpayments and losses*, the increase of \$469,798,000 (82.0%) is mainly due to the higher-than-expected refunds of unspent balance of subventions from Non-governmental Organisations (NGOs), the unexpected refunds from the Applied Research Fund, the higher-than-expected refunds of unspent balance of grants from aided schools and the higher-than-expected recovery of residual funds in the Government-to-Pay Rent exercise.

Under *Subhead 090 Other receipts*, the decrease of \$332,707,000 (12.3%) is mainly due to the lower-than-expected sale proceeds of surplus quarters and properties.

Under *Subhead 110 Payments made by Trading Funds*, the increase of \$101,554,000 (90.7%) is mainly due to the settlement of under-recovery of payments in lieu of profits tax and the increase in the provisional profits tax from Electrical and Mechanical Services Trading Fund, Land Registry Trading Fund and Post Office Trading Fund. (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 2016–17 estimate of \$27,637,877,000 reflects a net increase of \$20,942,069,000 (312.8%) over the revised estimate for 2015–16.

Head 9 — LOANS, REIMBURSEMENTS, CONTRIBUTIONS AND OTHER RECEIPTS

Under *Subhead 010 Repayments of loans and advances*, a decrease of \$136,000 (100.0%) is expected because no repayment of loans and advances under the Sandwich Class Housing Purchase Loan Scheme is expected.

Under *Subhead 020 Pension contributions*, a decrease of \$756,000 (11.4%) is expected because the pension contributions under the Surviving Spouses' and Children's Pension Schemes are expected to drop.

Under *Subhead 050 Recovery of overpayments and losses*, a decrease of \$443,665,000 (42.6%) is expected mainly because the unspent balance of subventions from NGOs is expected to drop, and no refunds from the Applied Research Fund are expected.

Under *Subhead 090 Other receipts*, an increase of \$21,343,950,000 (901.8%) is expected mainly because of the anticipated receipt of dividends from the West Rail Property Development Limited, and an anticipated increase in the sale proceeds of government properties.

Under *Subhead 110 Payments made by Trading Funds*, a decrease of \$77,068,000 (36.1%) is expected mainly because of the exclusion of the one-off settlement of under-recovery of payment in lieu of profits tax from Electrical and Mechanical Services Trading Fund, Companies Registry Trading Fund, Land Registry Trading Fund and Post Office Trading Fund made in 2015–16. (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.)