

Head 7 — PROPERTIES AND INVESTMENTS

Details of Revenue

Sub-head (Code)	Actual revenue 2015–16	Original estimate 2016–17	Revised estimate 2016–17	Estimate 2017–18
	\$'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.....	2,285,204	2,043,571	2,069,630	2,104,814
020 Rents from government quarters.....	875,831	870,794	896,679	876,650
030 Rents from government properties.....	1,630,946	1,607,807	1,704,354	1,612,701
040 Investment income and interest.....	178,340	16,537,458	16,766,449	15,124,000
060 Returns on equity investments in statutory agencies/corporations	4,686,612	14,412,295	14,456,640	9,756,015
080 Recovery from Housing Authority under current financial arrangement.....	135,485	100,802	89,412	578,922
090 Government rents charged at 3% of rateable values in accordance with the Government Rent (Assessment and Collection) Ordinance (Cap. 515)	10,222,291	10,342,000	10,765,000	10,994,000
Total.....	<u>20,014,709</u>	<u>45,914,727</u>	<u>46,748,164</u>	<u>41,047,102</u>

Description of Revenue Sources

This revenue head covers 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 10.8% of total revenue in 2016–17.

Underlying Changes in Revenue Yield

The 2016–17 revised estimate of \$46,748,164,000 reflects a net increase of \$833,437,000 (1.8%) over the original estimate.

Under *Subhead 080 Recovery from the Housing Authority under current financial arrangement*, the decrease of \$11,390,000 (11.3%) is mainly due to the lower-than-expected number of flats sold under Tenants Purchase Scheme.

The 2017–18 estimate of \$41,047,102,000 reflects a net decrease of \$5,701,062,000 (12.2%) against the revised estimate for 2016–17.

Under *Subhead 060 Returns on equity investments in statutory agencies/corporations*, the decrease of \$4,700,625,000 (32.5%) is mainly due to the anticipated lower cash dividends from statutory corporations.

Under *Subhead 080 Recovery from the Housing Authority under current financial arrangement*, the increase of \$489,510,000 (547.5%) is mainly due to the anticipated increase in the number of flats sold under Home Ownership Scheme.