

## Head 9 — LOANS, REIMBURSEMENTS, CONTRIBUTIONS AND OTHER RECEIPTS

### 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 Repayments of loans and advances.....	9,275	—	—	—
020 Pension contributions.....	6,419	5,879	5,308	4,637
030 Recovery of salaries and staff on-costs.....	2,830,851	3,160,604	3,086,498	3,227,063
040 Light and fuel in government buildings.....	27,341	25,395	24,271	23,498
050 Recovery of overpayments and losses.....	1,086,036	598,901	724,044	532,020
090 Other receipts.....	2,314,383	23,710,697	24,040,082	894,301
110 Payments made by Trading Funds—				
(001) Payments in lieu of profits tax.....	209,946	132,793	204,786	126,790
(002) Payments for “insurance” premium.....	6,690	3,365	3,365	3,401
(003) Reimbursements by trading funds arising from policy on “insurance”.....	450	243	516	267
Total.....	<u>6,491,391</u>	<u>27,637,877</u>	<u>28,088,870</u>	<u>4,811,977</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), and payments made by Trading Funds.

Revenue from loans, reimbursements, contributions and other receipts generated 6.5% of total revenue in 2016–17.

### Underlying Changes in Revenue Yield

The 2016–17 revised estimate of \$28,088,870,000 reflects a net increase of \$450,993,000 (1.6%) against the original estimate.

Under *Subhead 050 Recovery of overpayments and losses*, the increase of \$125,143,000 (20.9%) is mainly due to the higher-than-expected refunds of unspent subventions from Non-governmental Organisations (NGOs), aided schools and other subvented organisations.

Under *Subhead 110 Payments made by Trading Funds*, the increase of \$72,266,000 (53.0%) is mainly due to the higher-than-expected assessable profits made by Trading Funds in 2015–16 in overall terms. (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 2017–18 estimate of 4,811,977,000 reflects a net decrease of \$23,276,893,000 (82.9%) against the revised estimate for 2016–17.

Under *Subhead 020 Pension contributions*, a decrease of \$671,000 (12.6%) 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 \$192,024,000 (26.5%) is expected mainly because no recovery of any fund for the Government-to-Pay Rent exercise is expected, and the refunds of unspent subventions from NGOs and aided schools are expected to drop.

Under *Subhead 090 Other receipts*, a decrease of \$23,145,781,000 (96.3%) is expected mainly because no receipt of dividend from the West Rail Property Development Limited is expected, and the sale proceeds of government properties are expected to drop.

Under *Subhead 110 Payments made by Trading Funds*, a decrease of \$78,209,000 (37.5%) is expected mainly because the assessable profits made by Trading Funds are expected to drop in 2017–18 in overall terms. (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.)