

## Head 6 — ROYALTIES AND CONCESSIONS

### Details of Revenue

Sub-head (Code)	Actual revenue 2016–17	Original estimate 2017–18	Revised estimate 2017–18	Estimate 2018–19
	\$'000	\$'000	\$'000	\$'000
020 Quarries and mining.....	112,461	101,762	106,266	95,813
030 Bridges and tunnels.....	1,989,105	2,299,888	2,295,621	2,775,043
070 Petrol filling.....	1,758	2,094	2,069	2,104
080 Taxi concessions.....	141,076	—	—	—
100 Parking.....	433,717	418,046	424,936	425,890
170 Vehicle examination.....	33,670	49,871	53,391	53,391
201 Slaughterhouse concessions.....	28,087	28,009	28,300	28,300
202 Other royalties and concessions.....	7,946,526	295,516	295,406	296,492
Total.....	<u>10,686,400</u>	<u>3,195,186</u>	<u>3,205,989</u>	<u>3,677,033</u>

### Description of Revenue Sources

This revenue head covers royalties payable by franchised companies, revenue 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 Route 8 between 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, the Cross-Harbour Tunnel, the Eastern Harbour Crossing, and with effect from July 2018, the Tate's Cairn Tunnel.

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

*Subhead 080 Taxi concessions* covers the premia generated from the issue of Urban, New Territories and Lantau taxi licences.

*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 2017–18.

### Underlying Changes in Revenue Yield

The 2017–18 revised estimate of \$3,205,989,000 reflects a net increase of \$10,803,000 (0.3%) over the original estimate.

The 2018–19 estimate of \$3,677,033,000 reflects a net increase of \$471,044,000 (14.7%) over the revised estimate for 2017–18.

Under *Subhead 030 Bridges and tunnels*, the increase of \$479,422,000 (20.9%) is mainly due to the toll revenue receivable from Tate's Cairn Tunnel after the expiry of the Build-Operate-Transfer arrangement in July 2018, and the anticipated increase in traffic flow leading to an increase in toll revenue from the Tsing Ma Control Area and the Eastern Harbour Crossing.