

Head 7 — PROPERTIES AND INVESTMENTS

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
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.....	2,387,902	2,104,814	2,199,896	2,225,270
020 Rents from government quarters.....	899,318	876,650	889,865	852,991
030 Rents from government properties.....	1,714,124	1,612,701	1,664,127	1,683,046
040 Investment income and interest.....	16,762,584	15,124,000	15,622,597	27,669,000
060 Returns on equity investments in statutory agencies/corporations.....	14,456,640	9,756,015	10,885,314	4,833,400
080 Recovery from Housing Authority under current financial arrangement.....	89,413	578,922	242,898	1,191,886
090 Government rents charged at 3% of rateable values in accordance with the Government Rent (Assessment and Collection) Ordinance (Cap. 515).....	10,654,187	10,994,000	11,351,000	11,692,000
Total.....	<u>46,964,168</u>	<u>41,047,102</u>	<u>42,855,697</u>	<u>50,147,593</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 subsidised sale flats are also included in this head.

Revenue from properties and investments generated 9.8% of total revenue in 2017–18.

Underlying Changes in Revenue Yield

The 2017–18 revised estimate of \$42,855,697,000 reflects a net increase of \$1,808,595,000 (4.4%) over the original estimate.

Under Subhead 060 Returns on equity investments in statutory agencies/corporations, the increase of \$1,129,299,000 (11.6%) is mainly due to the higher-than-expected cash dividends from statutory corporations.

Under Subhead 080 Recovery from the Housing Authority under current financial arrangement, the decrease of \$336,024,000 (58.0%) is mainly due to the lower-than-expected number of subsidised sale flats sold.

The 2018–19 estimate of \$50,147,593,000 reflects a net increase of \$7,291,896,000 (17.0%) over the revised estimate for 2017–18.

Under *Subhead 040 Investment income and interest*, the increase of \$12,046,403,000 (77.1%) is mainly due to the anticipated increase in rate of return on the fund balance placed with the Exchange Fund for investment purpose.

Under *Subhead 060 Returns on equity investments in statutory agencies/corporations*, a decrease of \$6,051,914,000 (55.6%) is expected mainly because no receipt of special dividend from MTR Corporation Limited is expected.

Under *Subhead 080 Recovery from the Housing Authority under current financial arrangement*, the increase of \$948,988,000 (390.7%) is mainly due to the anticipated increase in the number of subsidised sale flats sold.