

Head 9 — LOANS, REIMBURSEMENTS, CONTRIBUTIONS AND OTHER RECEIPTS

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 Repayments of loans and advances.....	66	—	—	—
020 Pension contributions.....	5,298	4,637	4,166	3,556
030 Recovery of salaries and staff on-costs.....	2,866,749	3,227,063	3,080,957	3,191,644
040 Light and fuel in government buildings.....	24,884	23,498	21,114	19,357
050 Recovery of overpayments and losses.....	891,475	532,020	842,791	634,656
080 Transfers from Funds.....	—	—	—	80,000,000
090 Other receipts.....	24,049,259	894,301	1,131,259	8,977,136
110 Payments made by Trading Funds—				
(001) Payments of notional profits tax.....	204,786	126,790	32,791	—
(002) Payments for “insurance” premium.....	1,231	3,401	3,401	3,595
(003) Reimbursements by trading funds arising from policy on “insurance”.....	406	267	308	286
Total.....	<u>28,044,154</u>	<u>4,811,977</u>	<u>5,116,787</u>	<u>92,830,230</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), transfer from Government Funds, and payments made by Trading Funds.

Revenue from loans, reimbursements, contributions and other receipts generated 1.2% of total revenue in 2017–18.

Underlying Changes in Revenue Yield

The 2017–18 revised estimate of \$5,116,787,000 reflects a net increase of \$304,810,000 (6.3%) over the original estimate.

Under *Subhead 020 Pension contributions*, the decrease of \$471,000 (10.2%) is due to the lower-than-expected pension contributions under the Surviving Spouses’ and Children’s Pension Schemes.

Under *Subhead 040 Light and fuel in government buildings*, the decrease of \$2,384,000 (10.1%) 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 \$310,771,000 (58.4%) is mainly due to the higher-than-expected refunds of unspent subventions from Non-governmental Organisations (NGOs) and aided schools, and the unexpected refunds of unspent balance from the Scheme for Subsidy on Exchange for Post-secondary Students (SSE).

Under *Subhead 090 Other receipts*, the increase of \$236,958,000 (26.5%) is mainly due to the higher-than-expected sale proceeds of surplus quarters and properties.

Under *Subhead 110 Payments made by Trading Funds*, the decrease of \$93,958,000 (72.0%) is mainly because no payment of notional profits tax is expected from Trading Funds starting from December 2017 as a result of the judgment of the Court of Final Appeal delivered in December 2017.

The 2018–19 estimate of \$92,830,230,000 reflects a net increase of \$87,713,443,000 (1 714.2%) over the revised estimate for 2017–18.

Under *Subhead 020 Pension contributions*, a decrease of \$610,000 (14.6%) 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 \$208,135,000 (24.7%) is expected mainly because the refunds of unspent subventions from NGOs and aided schools are expected to drop, and no refunds from the SSE are expected.

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Under *Subhead 080 Transfers from Funds*, the increase of \$80 billion is due to the expected transfer from Capital Works Reserve Fund to the general revenue in 2018–19.

Under *Subhead 090 Other receipts*, an increase of \$7,845,877,000 (693.6%) is expected mainly because receipt of dividend from the West Rail Property Development Limited is expected.

Under *Subhead 110 Payments made by Trading Funds*, a decrease of \$32,619,000 (89.4%) is expected mainly because no payment of notional profits tax is expected from Trading Funds as a result of the judgment of the Court of Final Appeal delivered in December 2017.