

Head 7 — PROPERTIES AND INVESTMENTS

Details of Revenue

Sub-head (Code)	Actual revenue 2017–18	Original estimate 2018–19	Revised estimate 2018–19	Estimate 2019–20
	\$'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.....	2,471,898	2,225,270	2,360,941	2,384,169
020 Rents from government quarters.....	886,862	852,991	866,557	846,989
030 Rents from government properties.....	1,657,376	1,683,046	1,574,896	1,524,915
040 Investment income and interest.....	15,625,529	27,669,000	27,739,935	39,998,000
060 Returns on equity investments in statutory agencies/corporations.....	10,885,314	4,833,400	—	5,190,275
080 Recovery from Housing Authority under current financial arrangement.....	242,898	1,191,886	1,233,494	2,185,485
090 Government rents charged at 3% of rateable values in accordance with the Government Rent (Assessment and Collection) Ordinance (Cap. 515).....	11,501,398	11,692,000	11,994,000	12,517,000
Total.....	<u>43,271,275</u>	<u>50,147,593</u>	<u>45,769,823</u>	<u>64,646,833</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 9.9% of total revenue in 2018–19.

Underlying Changes in Revenue Yield

The **2018–19** revised estimate of \$45,769,823,000 reflects a net decrease of \$4,377,770,000 (8.7%) against the original estimate.

Under *Subhead 060 Returns on equity investments in statutory agencies/corporations*, the decrease of \$4,833,400,000 (100%) is due to the receipt of dividends from MTR Corporation Limited in scrip instead of in cash.

The **2019–20** estimate of \$64,646,833,000 reflects a net increase of \$18,877,010,000 (41.2%) over the revised estimate for 2018–19.

Under *Subhead 040 Investment income and interest*, the increase of \$12,258,065,000 (44.2%) is mainly due to the investment income from the Housing Reserve, partly offset by the anticipated decrease 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*, the increase of \$5,190,275,000 is due to the anticipated receipt of cash dividends from MTR Corporation Limited.

Under *Subhead 080 Recovery from the Housing Authority under current financial arrangement*, the increase of \$951,991,000 (77.2%) is mainly due to the anticipated increase in the number of subsidised sale flats sold.