

Head 6 — ROYALTIES AND CONCESSIONS

Details of Revenue

Sub-head (Code)	Actual revenue 2019–20	Original estimate 2020–21	Revised estimate 2020–21	Estimate 2021–22
	\$'000	\$'000	\$'000	\$'000
020 Quarries and mining.....	96,718	96,717	97,974	95,613
030 Bridges and tunnels.....	2,208,667	2,379,274	1,874,327	2,016,471 *
070 Petrol filling.....	2,267	2,228	2,087	2,135
100 Parking.....	376,745	447,450	328,521	344,097 *
170 Vehicle examination.....	36,665	12,736	1,344	6,484
201 Slaughterhouse concessions.....	6,011	33,000	—	33,000
202 Other royalties and concessions.....	475,601	595,971	1,059,542	1,069,899
Total.....	<u>3,202,674</u>	<u>3,567,376</u>	<u>3,363,795</u>	<u>3,567,699</u>

* After Budget revenue measures.

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 Discovery Bay Tunnel; revenue from Route 8 between Cheung Sha Wan and Sha Tin, Scenic Hill Tunnel, Airport Tunnel, Lung Shan Tunnel, Cheung Shan Tunnel, Central-Wan Chai Bypass Tunnel, Tuen Mun-Chek Lap Kok Tunnel (with effect from 27 December 2020) and the Tsing Ma Control Area (with effect from 27 December 2020); 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 (on or before 26 December 2020), the Cross-Harbour Tunnel, the Eastern Harbour Crossing and the Tate's Cairn Tunnel.

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

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 0.8% of total revenue in 2020–21.

Underlying Changes in Revenue Yield

The 2020–21 revised estimate of \$3,363,795,000 reflects a net decrease of \$203,581,000 (5.7%) against the original estimate.

Under *Subhead 030 Bridges and tunnels*, the decrease of \$504,947,000 (21.2%) is mainly due to the decrease in toll revenue arising from the lower-than-expected traffic flow in various tunnels in view of the social distancing measures.

Under *Subhead 100 Parking*, the decrease of \$118,929,000 (26.6%) is mainly due to the lower-than-expected receipts from carparks and parking meters in view of the social distancing measures.

Under *Subhead 170 Vehicle examination*, the decrease of \$11,392,000 (89.4%) is mainly due to the extension of waiver of vehicle examination fees for registered commercial vehicles for a further 12 months, which covers the period from 30 December 2020 to 31 March 2021 in 2020–21.

Under *Subhead 201 Slaughterhouse concessions*, the decrease of \$33 million (100%) is mainly due to the waiver of basic fees payable by the operator of Sheung Shui Slaughterhouse in 2020–21.

Under *Subhead 202 Other royalties and concessions*, the increase of \$463,571,000 (77.8%) is mainly due to the receipt of full lump sum payment instead of annual instalment payments of spectrum utilisation fee arising from the re-assignment of spectrum in the 900 MHz band in one case.

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The **2021–22** estimate of \$3,567,699,000 reflects a net increase of \$203,904,000 (6.1%) over the revised estimate for 2020–21.

Under *Subhead 170 Vehicle examination*, the increase of \$5,140,000 (382.4%) is mainly due to the expiry of the waiver of vehicle examination fees for registered commercial vehicles on 29 December 2021.

Under *Subhead 201 Slaughterhouse concessions*, the increase of \$33 million is due to the expiry of the waiver of basic fees payable by the operator of Sheung Shui Slaughterhouse on 31 July 2021.