

Head 7 — PROPERTIES AND INVESTMENTS

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
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.....	2,315,776	2,181,833	1,519,460	1,793,088 *
020 Rents from government quarters.....	904,161	897,121	933,147	942,077
030 Rents from government properties.....	1,251,007	1,262,971	533,287	943,626 *
040 Investment income and interest.....	40,152,385	45,862,000	41,861,012	30,120,000
060 Returns on equity investments in statutory agencies/corporations	5,561,009	5,561,009	5,700,034	7,700,034
080 Recovery from Housing Authority under current financial arrangement.....	1,517,689	2,659,144	3,120,496	1,869,087
090 Government rents charged at 3% of rateable values in accordance with the Government Rent (Assessment and Collection) Ordinance (Cap. 515)	13,303,211	13,300,000	12,969,000	12,642,000
Total.....	<u>65,005,238</u>	<u>71,724,078</u>	<u>66,636,436</u>	<u>56,009,912</u>

* After Budget revenue measures.

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 15.0% of total revenue in 2020–21.

Underlying Changes in Revenue Yield

The **2020–21** revised estimate of \$66,636,436,000 reflects a net decrease of \$5,087,642,000 (7.1%) against the original estimate.

Under *Subhead 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*, the decrease of \$662,373,000 (30.4%) is mainly due to the 75% rent concession for eligible tenants of government land in 2020–21.

Under *Subhead 030 Rents from government properties*, the decrease of \$729,684,000 (57.8%) is mainly due to the 75% or 100% rental concession/waiver for eligible tenants of government premises in 2020–21.

Under *Subhead 080 Recovery from the Housing Authority under current financial arrangement*, the increase of \$461,352,000 (17.3%) is mainly due to the higher-than-expected number of Home Ownership Scheme flats sold.

The **2021–22** estimate of \$56,009,912,000 reflects a net decrease of \$10,626,524,000 (15.9%) against the revised estimate for 2020–21.

Under *Subhead 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*, the increase of \$273,628,000 (18.0%) is due to the expiry of the rent concession for short term tenancies on 30 September 2021.

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Under *Subhead 030 Rents from government properties*, the increase of \$410,339,000 (76.9%) is due to the expiry of the rental concession for eligible tenants of government premises on 30 September 2021.

Under *Subhead 040 Investment income and interest*, the decrease of \$11,741,012,000 (28%) is mainly due to the decrease in investment income from the Housing Reserve.

Under *Subhead 060 Returns on equity investments in statutory agencies/corporations*, the increase of \$2 billion (35.1%) is due to the anticipated higher dividend receipts from statutory corporations.

Under *Subhead 080 Recovery from the Housing Authority under current financial arrangement*, the decrease of \$1,251,409,000 (40.1%) is mainly due to the anticipated decrease in the number of Home Ownership Scheme flats sold.