

Head 6 — ROYALTIES AND CONCESSIONS

Details of Revenue

Sub-head (Code)	Actual revenue 2020–21	Original estimate 2021–22	Revised estimate 2021–22	Estimate 2022–23
	\$'000	\$'000	\$'000	\$'000
020 Quarries and mining.....	97,967	95,613	99,515	95,033
030 Bridges and tunnels.....	1,943,308	2,016,471	2,123,635	2,159,015*
070 Petrol filling.....	2,172	2,135	2,556	2,601
100 Parking.....	354,837	344,097	415,843	463,778*
170 Vehicle examination.....	2,331	6,484	1,542	1,542
201 Slaughterhouse concessions.....	—	33,000	807	33,000
202 Other royalties and concessions.....	1,128,787	1,069,899	3,166,950	789,191
Total.....	<u>3,529,402</u>	<u>3,567,699</u>	<u>5,810,848</u>	<u>3,544,160</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 and Tsing Ma Control Area; and concessions payable by contractors assuming management responsibilities for Aberdeen Tunnel, Kai Tak Tunnel, Lion Rock Tunnel, Shing Mun Tunnels, Tseung Kwan O Tunnel, Cross-Harbour Tunnel, Eastern Harbour Crossing and 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 Ground Floor of Transport Department Vehicle Examination Complex.

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 1.2% of total revenue in 2021–22.

Underlying Changes in Revenue Yield

The 2021–22 revised estimate of \$5,810,848,000 reflects a net increase of \$2,243,149,000 (62.9%) over the original estimate.

Under *Subhead 070 Petrol filling*, the increase of \$421,000 (19.7%) is mainly due to the higher-than-expected royalties from petrol filling stations of oil companies.

Under *Subhead 100 Parking*, the increase of \$71,746,000 (20.9%) is mainly due to the higher-than-expected receipts from carparks and parking meters in view of the recovery of economic and social situations.

Under *Subhead 170 Vehicle examination*, the decrease of \$4,942,000 (76.2%) 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 2021 to 31 March 2022 in 2021–22.

Under *Subhead 201 Slaughterhouse concessions*, the decrease of \$32,193,000 (97.6%) is mainly due to the extension of waiver of basic fees payable by the operator of Sheung Shui Slaughterhouse in 2021–22.

Under *Subhead 202 Other royalties and concessions*, the increase of \$2,097,051,000 (196.0%) is mainly due to the receipt of a full lump sum payment instead of annual instalment payments of spectrum utilisation fee arising from the re-assignment of spectrum in the 1800 MHz band in one case.

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The **2022–23** estimate of \$3,544,160,000 reflects a net decrease of \$2,266,688,000 (39.0%) against the revised estimate for 2021–22.

Under *Subhead 100 Parking*, the increase of \$47,935,000 (11.5%) is mainly due to the increase in the number of new parking meters in 2022–23.

Under *Subhead 201 Slaughterhouse concessions*, the increase of \$32,193,000 (3 989.2%) is due to the expiry of the waiver of basic fees payable by the operator of Sheung Shui Slaughterhouse on 31 July 2022.

Under *Subhead 202 Other royalties and concessions*, the decrease of \$2,377,759,000 (75.1%) is mainly because no full lump sum payment of spectrum utilisation fee is anticipated to be received in 2022–23.