

Head 7 — PROPERTIES AND INVESTMENTS

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
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.....	1,397,485	1,793,088	1,490,142	1,709,216*
020 Rents from government quarters.....	930,674	942,077	939,396	957,636
030 Rents from government properties.....	477,497	943,626	550,117	879,481*
040 Investment income and interest.....	41,848,599	30,120,000	25,204,792	16,099,000
060 Returns on equity investments in statutory agencies/corporations	5,700,034	7,700,034	5,700,034	7,700,034
080 Recovery from Housing Authority under current financial arrangement.....	3,120,496	1,869,087	1,781,964	1,385,893
090 Government rents charged at 3% of rateable values in accordance with the Government Rent (Assessment and Collection) Ordinance (Cap. 515)	12,836,883	12,642,000	12,336,000	12,488,000
Total.....	<u>66,311,668</u>	<u>56,009,912</u>	<u>48,002,445</u>	<u>41,219,260</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 9.9% of total revenue in 2021–22.

Underlying Changes in Revenue Yield

The 2021–22 revised estimate of \$48,002,445,000 reflects a decrease of \$8,007,467,000 (14.3%) 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 \$302,946,000 (16.9%) is mainly due to the extension of the rent concession for eligible tenants of government land in 2021–22.

Under *Subhead 030 Rents from government properties*, the decrease of \$393,509,000 (41.7%) is mainly due to the extension of the rental concession/wavier for eligible tenants of government premises in 2021–22.

Under *Subhead 040 Investment income and interest*, the decrease of \$4,915,208,000 (16.3%) is mainly due to the lower-than-expected investment income from the Exchange Fund.

Under *Subhead 060 Returns on equity investments in statutory agencies/corporations*, the decrease of \$2 billion (26.0%) is mainly due to lower-than-expected dividend receipts from statutory corporations.

The 2022–23 estimate of \$41,219,260,000 reflects a net decrease of \$6,783,185,000 (14.1%) against the revised estimate for 2021–22.

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*

Head 7 — PROPERTIES AND INVESTMENTS

tenancies, the increase of \$219,074,000 (14.7%) is mainly due to the expiry of the rent concession for short term tenancies on 30 September 2022.

Under *Subhead 030 Rents from government properties*, the increase of \$329,364,000 (59.9%) is mainly due to the expiry of the rental concession for eligible tenants of government premises on 30 September 2022.

Under *Subhead 040 Investment income and interest*, the decrease of \$9,105,792,000 (36.1%) is mainly due to no investment income from the Housing Reserve in 2022–23.

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

Under *Subhead 080 Recovery from the Housing Authority under current financial arrangement*, the decrease of \$396,071,000 (22.2%) is mainly due to the anticipated decrease in the number of Home Ownership Scheme/Green Form Subsidised Home Ownership Scheme flats sold.