

## Head 6 — ROYALTIES AND CONCESSIONS

### Details of Revenue

Sub-head (Code)	Actual revenue 2021–22	Original estimate 2022–23	Revised estimate 2022–23	Estimate 2023–24
	\$'000	\$'000	\$'000	\$'000
020 Quarries and mining.....	99,514	95,033	99,782	26,594
030 Bridges and tunnels.....	2,043,861	2,159,015	1,929,864	3,191,586*
070 Petrol filling .....	2,487	2,601	2,401	2,382
100 Parking .....	409,026	463,778	458,451	483,504*
170 Vehicle examination .....	1,336	1,542	1,293	13,695
201 Slaughterhouse concessions .....	807	33,000	22,521	33,000
202 Other royalties and concessions .....	3,237,607	789,191	838,860	852,550
Total.....	5,794,638	3,544,160	3,353,172	4,603,311

\* 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, Tseung Kwan O-Lam Tin Tunnel (with effect from 11 December 2022) 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, Tate's Cairn Tunnel and Western Harbour Crossing (with effect from 2 August 2023).

*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 0.7% of total revenue in 2022–23.

### Underlying Changes in Revenue Yield

The **2022–23** revised estimate of \$3,353,172,000 reflects a net decrease of \$190,988,000 (5.4%) against the original estimate.

Under *Subhead 030 Bridges and tunnels*, the decrease of \$229,151,000 (10.6%) is mainly due to the decrease in toll revenue arising from the lower-than-expected traffic flow in various tunnels as a result of the outbreak of the 5<sup>th</sup> wave of COVID-19.

Under *Subhead 170 Vehicle examination*, the decrease of \$249,000 (16.1%) is mainly due to the lower-than-expected number of vehicle inspections in 2022–23.

Under *Subhead 201 Slaughterhouse concessions*, the decrease of \$10,479,000 (31.8%) is mainly due to the extension of waiver of basic fees payable by the operator of Sheung Shui Slaughterhouse in 2022–23.

The **2023–24** estimate of \$4,603,311,000 reflects a net increase of \$1,250,139,000 (37.3%) over the revised estimate for 2022–23.

Under *Subhead 020 Quarries and mining*, the decrease of \$73,188,000 (73.3%) is mainly due to the expected decrease in rental income from the Lam Tei Quarry under the supplementary agreement starting from October 2022.

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Under *Subhead 030 Bridges and tunnels*, the increase of \$1,261,722,000 (65.4%) is mainly due to the toll revenue receivable from Western Harbour Crossing after the expiry of the Build-Operate-Transfer arrangement in August 2023 and an anticipated increase in traffic flow in various tunnels.

Under *Subhead 170 Vehicle examination*, the increase of \$12,402,000 (959.2%) is mainly due to the anticipated cessation of waiver of vehicle examination fee for trailers and goods vehicles with effect from 30 December 2023.

Under *Subhead 201 Slaughterhouse concessions*, the increase of \$10,479,000 (46.5%) is due to the expiry of the waiver of basic fees payable by the operator of Sheung Shui Slaughterhouse on 31 July 2023.