

Head 7 — PROPERTIES AND INVESTMENTS

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
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.....	1,486,907	1,709,216	1,585,009	1,962,698*
020 Rents from government quarters.....	973,444	957,636	1,017,279	1,039,330
030 Rents from government properties.....	426,193	879,481	622,906	847,817*
040 Investment income and interest.....	25,200,051	16,099,000	15,400,839	5,786,000
060 Returns on equity investments in statutory agencies/corporations	5,700,034	7,700,034	8,673,210	7,885,401
080 Recovery from Housing Authority under current financial arrangement.....	1,781,963	1,385,893	1,414,197	842,818
090 Government rents charged at 3% of rateable values in accordance with the Government Rent (Assessment and Collection) Ordinance (Cap. 515)	12,507,708	12,488,000	12,336,000	12,752,000
Total.....	<u>48,076,300</u>	<u>41,219,260</u>	<u>41,049,440</u>	<u>31,116,064</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 9.2% of total revenue in 2022–23.

Underlying Changes in Revenue Yield

The **2022–23** revised estimate of \$41,049,440,000 reflects a net decrease of \$169,820,000 (0.4%) against the original estimate.

Under *Subhead 030 Rents from government properties*, the decrease of \$256,575,000 (29.2%) is mainly due to the extension of the rental concession/wavier for eligible tenants of government premises in 2022–23.

Under *Subhead 060 Returns on equity investments in statutory agencies/corporations*, the increase of \$973,176,000 (12.6%) is mainly due to higher-than-expected dividend receipts from statutory corporations.

The **2023–24** estimate of \$31,116,064,000 reflects a net decrease of \$9,933,376,000 (24.2%) against the revised estimate for 2022–23.

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 \$377,689,000 (23.8%) is mainly due to the expiry of the rent concession for short term tenancies on 31 December 2023.

Under *Subhead 030 Rents from government properties*, the increase of \$224,911,000 (36.1%) is mainly due to the expiry of the rental concession for eligible tenants of government premises on 31 December 2023.

Under *Subhead 040 Investment income and interest*, the decrease of \$9,614,839,000 (62.4%) is mainly due to the anticipated decrease in rate of return on the fund balance placed with the Exchange Fund for investment purpose.

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Under *Subhead 080 Recovery from the Housing Authority under current financial arrangement*, the decrease of \$571,379,000 (40.4%) is mainly due to the anticipated decrease in the number of Home Ownership Scheme and Green Form Subsidised Home Ownership Scheme flats sold.