

Head 6 — ROYALTIES AND CONCESSIONS

Details of Revenue

Sub-head (Code)	Actual revenue 2022–23	Original estimate 2023–24	Revised estimate 2023–24	Estimate 2024–25
	\$'000	\$'000	\$'000	\$'000
020 Quarries and mining.....	99,772	26,594	33,274	48,040
030 Bridges and tunnels.....	1,989,202	3,191,586	3,081,737	3,566,348
070 Petrol filling.....	2,318	2,382	1,927	1,832
100 Parking.....	475,619	483,504	510,167	540,065
170 Vehicle examination.....	1,802	13,695	14,271	51,878
201 Slaughterhouse concessions.....	—	33,000	51,054	52,136
202 Other royalties and concessions.....	915,159	852,550	852,202	879,272
Total.....	<u>3,483,872</u>	<u>4,603,311</u>	<u>4,544,632</u>	<u>5,139,571</u>

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 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 1.0% of total revenue in 2023–24.

Underlying Changes in Revenue Yield

The 2023–24 revised estimate of \$4,544,632,000 reflects a net decrease of \$58,679,000 (1.3%) against the original estimate.

Under *Subhead 020 Quarries and mining*, the increase of \$6,680,000 (25.1%) is mainly due to the increase in the expected quantity of imported rocks to the Lam Tei Quarry in Tuen Mun.

Under *Subhead 070 Petrol filling*, the decrease of \$455,000 (19.1%) is mainly due to one petrol filling station ceased operation in February 2023 for redevelopment on the lot.

Under *Subhead 201 Slaughterhouse concessions*, the increase of \$18,054,000 (54.7%) is mainly due to the increase in the anticipated claw back amount from the Slaughterhouse operator.

The 2024–25 estimate of \$5,139,571,000 reflects a net increase of \$594,939,000 (13.1%) over the revised estimate for 2023–24.

Under *Subhead 020 Quarries and mining*, the increase of \$14,766,000 (44.4%) is mainly due to the increase in rental income from the Lam Tei Quarry under the prevailing supplementary agreement.

Under *Subhead 030 Bridges and tunnels*, the increase of \$484,611,000 (15.7%) is mainly due to the increase in toll revenue arising from the anticipated increase in traffic flow, full-year impact of toll collection from Western Harbour Crossings in 2024–25 after its takeover on 2 August 2023 and full-year impact of implementation of time-varying toll rates in 2024–25.

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Under *Subhead 170 Vehicle examination*, the increase of \$37,607,000 (263.5%) is mainly due to the cessation of waiver of vehicle examination fee for trailers and goods vehicles at the outsourced portion of Transport Department Vehicle Examination Complex on 30 December 2023.