

Head 6 — ROYALTIES AND CONCESSIONS

Details of Revenue

Sub-head (Code)	Actual revenue 2024–25	Original estimate 2025–26	Revised estimate 2025–26	Estimate 2026–27
	\$'000	\$'000	\$'000	\$'000
020 Quarries and mining.....	52,519	47,000	69,000	29,000
030 Bridges and tunnels.....	3,127,268	3,455,000	3,557,000	3,743,000
070 Petrol filling.....	1,703	1,800	1,800	1,800
100 Parking.....	537,224	569,000	755,000	999,000
170 Vehicle examination.....	50,177	39,000	46,000	46,000
201 Slaughterhouse concessions.....	6,768	44,000	32,000	30,000
202 Other royalties and concessions.....	905,972	962,000	946,000	1,116,000
Total.....	<u>4,681,631</u>	<u>5,117,800</u>	<u>5,406,800</u>	<u>5,964,800</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 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 (before full commissioning of Central Kowloon Bypass), Tsing Ma Control Area and Central Kowloon Bypass (Yau Ma Tei Section) (with effect from 21 December 2025 and before full commissioning of Central Kowloon Bypass); and concessions payable by contractors assuming management or toll collection responsibilities for Aberdeen Tunnel, Kai Tak Tunnel, Lion Rock Tunnel, Shing Mun Tunnels, Tseung Kwan O Tunnel, Tsing Sha Control Area, Cross-Harbour Tunnel, Eastern Harbour Crossing, Tate's Cairn Tunnel, Western Harbour Crossing, Tai Lam Tunnel (with effect from 31 May 2025) and Route 6 (upon full commissioning of Central Kowloon Bypass).

Subhead 070 Petrol filling covers royalties from two petrol filling stations 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 operates the Sheung Shui Slaughterhouse.

Subhead 202 Other royalties and concessions covers miscellaneous royalties and concessions.

Revenue from royalties and concessions generated 0.9% of total revenue in 2025–26.

Underlying Changes in Revenue Yield

The 2025–26 revised estimate of \$5,406,800,000 reflects a net increase of \$289 million (5.6%) over the original estimate.

Under *Subhead 020 Quarries and mining*, the increase of \$22 million (46.8%) is mainly due to the increase in rental and royalty income from the Lam Tei Quarry subsequent to the supplementary agreement signed in September 2025.

Under *Subhead 100 Parking*, the increase of \$186 million (32.7%) is mainly due to the anticipated increase in the revenue from on-street parking meters arising from the fee adjustment in September 2025.

Under *Subhead 170 Vehicle examination*, the increase of \$7 million (17.9%) is mainly due to the lower-than-expected management fee payable to the contractor who manages and operates the Ground Floor of Transport Department Vehicle Examination Complex upon commencement of a new agreement from 1 April 2025.

Under *Subhead 201 Slaughterhouse concessions*, the decrease of \$12 million (27.3%) is mainly due to the extension of waiver of annual basic fee payable by the operator of Sheung Shui Slaughterhouse and the decrease in the basic fee after renewal of contract with the operator.

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The **2026–27** estimate of \$5,964,800,000 reflects a net increase of \$558 million (10.3%) over the revised estimate for 2025–26.

Under *Subhead 020 Quarries and mining*, the decrease of \$40 million (58.0%) is mainly due to the anticipated decrease in rental and royalty income from the Lam Tei Quarry upon cessation of the supplementary agreement.

Under *Subhead 100 Parking*, the increase of \$244 million (32.3%) is mainly due to the anticipated increase in the revenue from on-street parking meters as a result of fee adjustment.

Under *Subhead 202 Other royalties and concessions*, the increase of \$170 million (18.0%) is mainly due to the anticipated increase in the revenue from the Spectrum Utilization Fees upon reassignment of certain spectrum.