

Head 6 — ROYALTIES AND CONCESSIONS

Details of Revenue

Sub-head (Code)	Actual revenue 2000–01	Original estimate 2001–02	Revised estimate 2001–02	Estimate 2002–03
	\$'000	\$'000	\$'000	\$'000
020 Quarries and mining	26,289	17,000	20,500	23,400
030 Bridges and tunnels.....	1,065,686	1,104,762	1,063,569	1,066,967
040 Radio broadcasting	11,702	1,300	326	—
070 Petrol filling.....	11,986	11,571	10,280	10,231
080 Taxi concessions.....	—	10,000	—	10,000
090 Television broadcasting	131,781	24,100	22,554	—
100 Parking.....	435,768	566,659	448,006	507,678
170 Vehicle examination	60,361	61,165	59,725	59,725
201 Slaughterhouse concessions.....	16,500	16,500	16,500	16,500
202 Other royalties and concessions.....	6,637	5,894	261,297	164,319
Total	<u>1,766,710</u>	<u>1,818,951</u>	<u>1,902,757</u>	<u>1,858,820</u>

Description of Revenue Sources

To this revenue head are credited the royalties payable by franchised companies, revenue arising from government car parks, bridges and tunnels, petrol filling stations, taxi concessions and various other royalties and concessions.

To *Subhead 020 Quarries and mining* are credited royalties from quarry contracts and mining leases.

To *Subhead 030 Bridges and tunnels* are credited royalties from the Tate's Cairn Tunnel, and concessions payable by contractors assuming management responsibilities for the Aberdeen Tunnel, Airport Tunnel, Lion Rock Tunnel, Shing Mun Tunnels, Tseung Kwan O Tunnel, Lantau Link and Cross-Harbour Tunnel.

To *Subhead 040 Radio broadcasting* are credited royalties payable by Hong Kong Commercial Broadcasting Company Limited and Metro Broadcast Corporation Limited.

To *Subhead 070 Petrol filling* are credited royalties from petrol filling stations of oil companies in Hong Kong.

To *Subhead 080 Taxi concessions* are credited premia generated from the issue of urban, New Territories and Lantau taxi licences.

To *Subhead 090 Television broadcasting* are credited royalties payable by Television Broadcasts Limited, Asia Television Limited and Hong Kong Cable Television Limited.

To *Subhead 100 Parking* are credited concessions payable by contractors who manage and operate government car parks, abandoned vehicle surrender centres, the Austin Road Cross Border Coach Terminus and on-street parking meters.

To *Subhead 170 Vehicle examination* are credited concessions payable by the contractor who manages and operates the New Kowloon Bay Vehicle Examination Centre.

To *Subhead 201 Slaughterhouse concessions* are credited concessions payable by the contractor who manages and operates the Sheung Shui Slaughterhouse.

To *Subhead 202 Other royalties and concessions* are credited miscellaneous royalties and concessions.

Royalties and concessions generated 1.2% of general revenue in 2001–02.

Underlying Changes in Revenue Yield

The 2001–02 revised estimate of \$1,902,757,000 is a net increase of \$83,806,000 (4.6%) over the original estimate.

Under *Subhead 020 Quarries and mining* the increase of \$3,500,000 (20.6%) is mainly due to the extension to end-2003 of the Lam Tei Quarry contract which was originally scheduled to expire in December 2001.

Under *Subhead 040 Radio broadcasting* the decrease of \$974,000 (74.9%) is due to the abolition of royalty payments from sound broadcasting licences with effect from 9 January 2001. The licensees have since been required to pay cost-based licence fees, which are credited to Head 11—Fees and Charges.

Under *Subhead 070 Petrol filling* the decrease of \$1,291,000 (11.2%) is due to the lower than expected royalties from petrol filling stations of oil companies.

Head 6 — ROYALTIES AND CONCESSIONS

Under *Subhead 080 Taxi concessions*, taxi licences are issued as and when necessary without a pre-set quota. A nil receipt is included taking into account the fact that no revenue has been collected so far.

Under *Subhead 100 Parking* the decrease of \$118,653,000 (20.9%) is mainly due to the fact there was no increase in the maximum on-street parking meter charges in 2001–02. The original estimate for 2001–02 took into account the effect of such an increase as announced in the 2001–02 Budget.

Under *Subhead 202 Other royalties and concessions* the increase of \$255,403,000 (4 333.3%) is mainly due to an advance royalty payment made by one of the 3G licensees and the higher than expected sales of TV programmes, publications, Hong Kong External Trade CD-ROM, etc.

The **2002–03** estimate of \$1,858,820,000 is a net decrease of \$43,937,000 (2.3%) against the revised estimate for 2001–02.

Under *Subhead 020 Quarries and mining* the increase of \$2,900,000 (14.1%) is mainly due to an increase in royalty payable by the Anderson Road Quarry contractor in 2002–03.

Under *Subhead 040 Radio broadcasting* a nil receipt is included taking into account the abolition of royalty payments from sound broadcasting licences with effect from 9 January 2001.

Under *Subhead 080 Taxi concessions*, since taxi licences are issued as and when necessary without a pre-set quota, a token sum of \$ 10,000,000 has been adopted for revenue estimate purposes.

Under *Subhead 090 Television broadcasting* a nil receipt is included taking into account the abolition of the royalty scheme for television broadcasting licences with effect from 7 July 2000.

Under *Subhead 100 Parking* the increase of \$59,672,000 (13.3%) is mainly due to a reduction in the monthly management fee payable by the Government to the contractor for the management of government parking meters, under a new contract which commenced in September 2001.

Under *Subhead 202 Other royalties and concessions* the decrease of \$96,978,000 (37.1%) is mainly due to the royalty payment for five years which was made in advance by one of the 3G licensees in 2001–02. The estimate for 2002–03 reflects the income expected from royalty payments by the other three 3G licensees which will become due in October 2002.