
FACT SHEET

The Government's Quarterly General Revenue Account, Capital Works Reserve Fund Account and Capital Investment Fund Account (for the period of 1 April 2010 to 31 March 2011)

1. Introduction

1.1 This fact sheet provides updated information on the Government's Quarterly General Revenue Account, Capital Works Reserve Fund Account and Capital Investment Fund Account for the period of 1 April 2010 to 31 March 2011.

2. General Revenue Account

2.1 The total General Revenue of Hong Kong in the 2010-2011 Financial Year was HK\$290.3 billion, up HK\$31.6 billion when compared to the 2009-2010 Financial Year. The change was mainly attributable to the increase in revenue in the subheads of "profits tax" and "stamp duties" under the head of "internal revenue", the head of "properties and investments" as well as the head of "motor vehicle taxes". The change in the head of "loans, reimbursements, contributions and other receipts" was mainly attributable to the decrease in revenue in the subhead of "other receipts".

2.2 Details of the General Revenue Account for the period of 1 April 2010 to 31 March 2011 are shown in **Table 1**.

Table 1 – General Revenue Account: revenue for the period of 1 April 2010 to 31 March 2011

	Estimates 2011-2012 (in HK\$'000)	1 April 2009 – 31 March 2010 = (a) (in HK\$'000)	1 April 2010 – 31 March 2011 = (b) (in HK\$'000)	Change in revenue (b) – (a) (in HK\$'000)
Duties	7,797,868	6,464,877	7,551,086	1,086,209
General rates	11,011,000	9,957,161	8,955,850	-1,001,311 ⁽¹⁾
Internal revenue ⁽²⁾	207,069,118	180,135,801	210,797,234	30,661,433
Motor vehicle taxes	7,493,607	4,816,338	6,657,392	1,841,054
Fines, forfeitures and penalties	985,679	1,182,815	1,159,047	-23,768
Royalties and concessions	2,410,173	1,596,610	2,451,443	854,833
Properties and investments	34,962,266	31,357,535	33,772,161	2,414,626
Loans, reimbursements, contributions and other receipts ⁽³⁾	5,834,681	9,223,576	4,098,880	-5,124,696
Utilities ⁽⁴⁾	3,655,386	3,437,835	3,483,357	45,522
Fees and charges	12,510,219	10,486,724	11,362,982	876,258
Total	293,729,997	258,659,272	290,289,432	31,630,160

Notes: (1) The Government waived the general rates in 2010-2011, subject to a ceiling of HK\$1,500 per quarter for each rateable tenement.

(2) This revenue head is credited direct taxes on earnings and profits which include profits tax, property tax and salaries tax. A range of indirect taxes is also included.

(3) This revenue head is credited repayments of loans and advances, pension contributions, reimbursements, transfers from Government Funds and payments made by Trading Funds.

(4) This revenue head is credited all income generated by government-operated public utilities except government toll-tunnels and bridges.

Sources: The Treasury (2011) and The Government of the Hong Kong Special Administrative Region (2011b).

3. Capital Works Reserve Fund Account

3.1 In the 2010-2011 Financial Year, revenue of the Capital Works Reserve Fund Account¹ from land premium was HK\$65.5 billion, up HK\$25.9 billion when compared to the 2009-2010 Financial Year. In particular, revenue from "sales by public auction and tender" and "private treaty grants" increased by HK\$29.7 billion and HK\$9.4 billion respectively while revenue from "modification of existing leases, exchanges and extensions" fell by HK\$13.1 billion.

3.2 Details of revenue of the Capital Works Reserve Fund Account for the period of 1 April 2010 to 31 March 2011 are shown in **Table 2**.

¹ The Capital Works Reserve Fund mainly finances the public works programme. Most of its income is derived from land premia and appropriation from the General Revenue Account.

Table 2 – Capital Works Reserve Fund Account: revenue for the period of 1 April 2010 to 31 March 2011

	Estimates 2011-2012 (in HK\$'000)	1 April 2009 – 31 March 2010 = (a) (in HK\$'000)	1 April 2010 – 31 March 2011 = (b) (in HK\$'000)	Change in revenue (b) – (a) (in HK\$'000)
Land premium				
Sales by public auction and tender	–	14,465,941	44,116,460	29,650,519
Private treaty grants	–	1,323,072	10,673,947	9,350,875
Modification of existing leases, exchanges and extensions	–	23,445,497	10,312,726	-13,132,771
Fees received in respect of short term waivers	–	397,570	441,427	43,857
<i>Sub-total</i>	<i>62,000,000⁽¹⁾</i>	<i>39,632,080</i>	<i>65,544,560</i>	<i>25,912,480⁽²⁾</i>
Investment income	2,689,000	2,216,750	2,711,135	494,385 ⁽²⁾

Notes: (1) According to the Government, no breakdown in the land premium estimate for 2011-2012 is provided because of the market-driven nature of the land sales under the Application List, Private Treaty Grants and Modifications. The total land premium for 2011-2012 is estimated having regard to the overall performance of the property market under the past and current market conditions. The Government has assumed that land revenue will be at around the same level as that for 2010-2011.

(2) According to the Government, the amount of land premium and investment income received may fluctuate depending on economic conditions.

Sources: The Treasury (2011) and The Government of the Hong Kong Special Administrative Region (2011c).

3.3 Under the Capital Works Reserve Fund Account, expenditure on the Public Works Programme was HK\$43.6 billion in the 2010-2011 Financial Year, up HK\$15.7 billion when compared to the 2009-2010 Financial Year. The change was mainly attributable to the increase in expenditure in the heads of "highways" and "buildings".

3.4 Details of expenditure of the Public Works Programme under the Capital Works Reserve Fund Account for the period of 1 April 2010 to 31 March 2011 are shown in **Table 3**.

Table 3 – Capital Works Reserve Fund Account: expenditure of the Public Works Programme for the period of 1 April 2010 to 31 March 2011

	Estimates 2011-2012 (in HK\$'000)	1 April 2009 – 31 March 2010 = (a) (in HK\$'000)	1 April 2010 – 31 March 2011 = (b) (in HK\$'000)	Change in expenditure (b) – (a) (in HK\$'000)
Port and airport development	4,214	68,534	1,056	-67,478
Buildings	11,767,867	9,297,893	12,001,574	2,703,681
Drainage	6,108,637	4,764,307	6,089,283	1,324,976
Civil engineering	3,448,202	2,018,659	2,456,300	437,641
Highways	20,992,157	4,995,220	15,201,075	10,205,855
New towns and urban area development	2,588,078	2,699,422	3,590,102	890,680
Waterworks	3,662,876	3,213,621	3,653,378	439,757
Housing	572,553	822,135	562,106	-260,029
Total	49,144,584	27,879,791	43,554,874	15,675,083

Sources: The Treasury (2011) and The Government of the Hong Kong Special Administrative Region (2011c).

4. Capital Investment Fund Account

4.1 Revenue of the Capital Investment Fund Account² was HK\$1.4 billion in the 2010-2011 Financial Year, up HK\$125 million when compared to the 2009-2010 Financial Year.

4.2 Details of revenue of the Capital Investment Fund Account for the period of 1 April 2010 to 31 March 2011 are shown in **Table 4**.

² The Capital Investment Fund finances the Government's capital investments, such as equity injections in the Airport Authority, the Kowloon-Canton Railway Corporation and the MTR Corporation Limited, and capital investments in the Hong Kong Housing Authority and the Urban Renewal Authority. Its income is derived mainly from appropriation from the General Revenue Account and dividends.

Table 4 – Capital Investment Fund Account: revenue for the period of 1 April 2010 to 31 March 2011

	Estimates 2011-2012 (in HK\$'000)	1 April 2009 – 31 March 2010 = (a) (in HK\$'000)	1 April 2010 – 31 March 2011 = (b) (in HK\$'000)	Change in revenue (b) – (a) (in HK\$'000)
Dividends, interest and other receipts from investments/loans	1,103,308	1,160,794	1,235,533	74,739
Loan repayments	83,981	16,815	17,396	581
Investment income ⁽¹⁾	109,000	54,536	104,174	49,638
Total	1,296,289	1,232,145	1,357,103	124,958⁽²⁾

Notes: (1) Investment income includes payment from the Exchange Fund for investment of the fiscal reserves, interest on deposits and bank balances.

(2) According to the Government, revenue of the Capital Investment Fund Account may fluctuate depending on economic conditions.

Sources: The Treasury (2011) and The Government of the Hong Kong Special Administrative Region (2011c).

References

1. *Speech by the Financial Secretary: The 2011-12 Budget*. (2011) Hong Kong, Government Logistics Department.
2. The Government of the Hong Kong Special Administrative Region. (2011a) *Estimates for the Year Ending 31 March 2012: Volume IA – General Revenue Account*. Hong Kong, Government Logistics Department.
3. The Government of the Hong Kong Special Administrative Region. (2011b) *Estimates for the Year Ending 31 March 2012: Volume IB – General Revenue Account*. Hong Kong, Government Logistics Department.
4. The Government of the Hong Kong Special Administrative Region. (2011c) *Estimates for the Year Ending 31 March 2012: Volume II – Fund Accounts*. Hong Kong, Government Logistics Department.
5. The Treasury. (2011) *Accounts Published in the Gazette: Accounts for the Six Months Ended 31 March 2011*. Available from: http://www.try.gov.hk/internet/ehpubl_acc_quaraccounts.html [Accessed June 2011].

Research Division
22 June 2011
Tel: 2509 3190

Fact sheets are compiled for Members and Committees of the Legislative Council. They are not legal or other professional advice and shall not be relied on as such. Fact sheets are subject to copyright owned by the Legislative Council Commission (the Commission). The Commission permits accurate reproduction of fact sheets for non-commercial use in a manner not adversely affecting the Legislative Council, provided that acknowledgement is made stating the Research Division of the Legislative Council Secretariat as the source and one copy of the reproduction is sent to the Legislative Council Library.
