
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 2011 to 30 June 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 2011 to 30 June 2011.

2. General Revenue Account

2.1 The total General Revenue of Hong Kong in the first quarter of the 2011-2012 Financial Year was HK\$53.6 billion, up HK\$14.7 billion when compared with the same period in the 2010-2011 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 "royalties and concessions" as well as the head of "properties and investments".

2.2 Details of the General Revenue Account for the period of 1 April 2011 to 30 June 2011 are shown in **Table 1**.

Table 1 – General Revenue Account: revenue for the period of 1 April 2011 to 30 June 2011

	Estimates 2011-2012 (in HK\$'000)	1 April 2010 – 30 June 2010 = (a) (in HK\$'000)	1 April 2011 – 30 June 2011 = (b) (in HK\$'000)	Change in revenue (b) – (a) (in HK\$'000)
Duties	7,797,868	1,507,440	1,291,067	-216,373
General rates	11,011,000	2,104,443	2,891,660	787,217 ⁽¹⁾
Internal revenue ⁽²⁾	207,069,118	25,236,985	33,304,514	8,067,529
Motor vehicle taxes	7,493,607	1,642,021	1,800,224	158,203
Fines, forfeitures and penalties	985,679	351,667	1,781,782	1,430,115
Royalties and concessions	2,410,173	464,485	2,435,453	1,970,968
Properties and investments	34,962,266	3,271,021	4,979,877	1,708,856
Loans, reimbursements, contributions and other receipts ⁽³⁾	5,834,681	900,789	1,315,409	414,620
Utilities ⁽⁴⁾	3,655,386	834,635	873,936	39,301
Fees and charges	12,510,219	2,602,395	2,929,943	327,548
Total	293,729,997	38,915,881	53,603,865	14,687,984

Notes: (1) The Government waived the general rates in 2010-2011 and 2011-2012, 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 first quarter of the 2011-2012 Financial Year, revenue of the Capital Works Reserve Fund Account¹ from land premium was HK\$10 billion, down HK\$11 billion when compared with the first quarter of the last financial year. In particular, revenue from "private treaty grants" decreased by HK\$10.5 billion.

3.2 Details of revenue of the Capital Works Reserve Fund Account for the period of 1 April 2011 to 30 June 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 2011 to 30 June 2011

	Estimates 2011-2012 (in HK\$'000)	1 April 2010 – 30 June 2010 = (a) (in HK\$'000)	1 April 2011 – 30 June 2011 = (b) (in HK\$'000)	Change in revenue (b) – (a) (in HK\$'000)
Land premium				
Sales by public auction and tender	–	4,785,000	7,386,000	2,601,000
Private treaty grants	–	10,562,794	71,870	-10,490,924
Modification of existing leases, exchanges and extensions	–	5,532,009	2,467,096	-3,064,913
Fees received in respect of short term waivers	–	165,728	123,694	-42,034
<i>Sub-total</i>	<i>62,000,000⁽¹⁾</i>	<i>21,045,531</i>	<i>10,048,660</i>	<i>-10,996,871⁽²⁾</i>
Investment income	2,689,000	798	764	-34 ⁽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\$9.1 billion in the first quarter of the 2011-2012 Financial Year, up HK\$500 million when compared with the same period of the last financial year. The change was mainly attributable to the increase in expenditure in the head of "buildings".

3.4 Details of expenditure of the Public Works Programme under the Capital Works Reserve Fund Account for the period of 1 April 2011 to 30 June 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 2011 to 30 June 2011

	Estimates 2011-2012 (in HK\$'000)	1 April 2010 – 30 June 2010 = (a) (in HK\$'000)	1 April 2011 – 30 June 2011 = (b) (in HK\$'000)	Change in expenditure (b) – (a) (in HK\$'000)
Port and airport development	4,214	31	66	35
Buildings	11,767,867	2,110,365	2,847,642	737,277
Drainage	6,108,637	1,286,130	995,090	-291,040
Civil engineering	3,448,202	411,138	686,432	275,294
Highways	20,992,157	3,070,093	3,276,272	206,179
New towns and urban area development	2,588,078	718,382	616,991	-101,391
Waterworks	3,662,876	847,897	549,802	-298,095
Housing	572,553	128,516	101,922	-26,594
Total	49,144,584	8,572,552	9,074,217	501,665

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\$77 million in the first quarter of the 2011-2012 Financial Year, up HK\$9 million when compared with the first quarter of the 2010-2011 Financial Year.

4.2 Details of revenue of the Capital Investment Fund Account for the period of 1 April 2011 to 30 June 2011 are shown in **Table 4**.

² The Capital Investment Fund finances the Government's capital investments, such as equity injections to 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 2011 to 30 June 2011

	Estimates 2011-2012 (in HK\$'000)	1 April 2010 – 30 June 2010 = (a) (in HK\$'000)	1 April 2011 – 30 June 2011 = (b) (in HK\$'000)	Change in revenue (b) – (a) (in HK\$'000)
Dividends, interest and other receipts from investments/loans	1,103,308	67,942	76,650	8,708
Loan repayments	83,981	–	–	–
Investment income ⁽¹⁾	109,000	1	–	-1
Total	1,296,289	67,943	76,650	8,707⁽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.
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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 Three Months Ended 30 June 2011*. Available from: http://www.gld.gov.hk/cgi-bin/gld/egazette/gazettefiles.cgi?lang=e&year=2011&month=8&day=5&vol=15&no=31&gn=5186&header=1&part=0&df=1&nt=gn&newfile=1&acurrentpage=12&agree=1&gaz_type=mg [Accessed November 2011].

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8 November 2011
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