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## 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 September 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 September 2011.

#### 2. General Revenue Account

2.1 The total General Revenue of Hong Kong for the period of 1 April 2011 to 30 September 2011 was HK\$89.8 billion, up HK\$15.7 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 September 2011 are shown in **Table 1**.

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

	<b>Estimates 2011-2012 (in HK\$'000)</b>	<b>1 April 2010 – 30 September 2010 = (a) (in HK\$'000)</b>	<b>1 April 2011 – 30 September 2011 = (b) (in HK\$'000)</b>	<b>Change in revenue (b) – (a) (in HK\$'000)</b>
Duties	7,797,868	3,350,223	3,373,102	22,879
General rates	11,011,000	4,588,705	5,362,632	773,927 <sup>(1)</sup>
Internal revenue <sup>(2)</sup>	207,069,118	41,855,512	48,944,841	7,089,329
Motor vehicle taxes	7,493,607	3,304,108	3,789,614	485,506
Fines, forfeitures and penalties	985,679	606,985	2,050,445	1,443,460
Royalties and concessions	2,410,173	1,144,330	2,945,701	1,801,371
Properties and investments	34,962,266	10,176,915	11,975,124	1,798,209
Loans, reimbursements, contributions and other receipts <sup>(3)</sup>	5,834,681	1,870,438	3,346,649	1,476,211
Utilities <sup>(4)</sup>	3,655,386	1,737,925	1,807,570	69,645
Fees and charges	12,510,219	5,475,380	6,231,010	755,630
<b>Total</b>	<b>293,729,997</b>	<b>74,110,521</b>	<b>89,826,688</b>	<b>15,716,167</b>

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 For the period of 1 April 2011 to 30 September 2011, revenue of the Capital Works Reserve Fund Account<sup>1</sup> from land premium was HK\$59.1 billion, up HK\$6 billion when compared with the same period of the last financial year. In particular, revenue from "sales by public auction and tender" and "modification of existing leases, exchanges and extensions" increased by HK\$12.4 billion and HK\$4.1 billion respectively, while "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 September 2011 are shown in **Table 2**.

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<sup>1</sup> 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.

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**Table 2 – Capital Works Reserve Fund Account: revenue for the period of 1 April 2011 to 30 September 2011**

	<b>Estimates 2011-2012 (in HK\$'000)</b>	<b>1 April 2010 – 30 September 2010 = (a) (in HK\$'000)</b>	<b>1 April 2011 – 30 September 2011 = (b) (in HK\$'000)</b>	<b>Change in revenue (b) – (a) (in HK\$'000)</b>
Land premium				
Sales by public auction and tender	–	35,285,600	47,696,276	12,410,676
Private treaty grants	–	10,596,073	99,073	-10,497,000
Modification of existing leases, exchanges and extensions	–	6,978,511	11,034,275	4,055,764
Fees received in respect of short term waivers	–	257,171	296,707	39,536
<i>Sub-total</i>	<i>62,000,000<sup>(1)</sup></i>	<i>53,117,355</i>	<i>59,126,331</i>	<i>6,008,976<sup>(2)</sup></i>
Investment income	2,689,000	1,057	1,040	-17 <sup>(2)</sup>

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\$19.6 billion for the period of 1 April 2011 to 30 September 2011, up HK\$1.7 billion when compared with the same period of the last 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 2011 to 30 September 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 September 2011**

	<b>Estimates 2011-2012 (in HK\$'000)</b>	<b>1 April 2010 – 30 September 2010 = (a) (in HK\$'000)</b>	<b>1 April 2011 – 30 September 2011 = (b) (in HK\$'000)</b>	<b>Change in expenditure (b) – (a) (in HK\$'000)</b>
Port and airport development	4,214	208	607	399
Buildings	11,767,867	4,882,271	5,500,281	618,010
Drainage	6,108,637	2,434,481	2,230,952	-203,529
Civil engineering	3,448,202	947,578	1,416,224	468,646
Highways	20,992,157	6,117,627	7,674,665	1,557,038
New towns and urban area development	2,588,078	1,535,742	1,224,900	-310,842
Waterworks	3,662,876	1,712,348	1,343,171	-369,177
Housing	572,553	257,259	217,569	-39,690
<b>Total</b>	<b>49,144,584</b>	<b>17,887,514</b>	<b>19,608,369</b>	<b>1,720,855</b>

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 Account<sup>2</sup> was HK\$148 million for the period of 1 April 2011 to 30 September 2011, up HK\$15 million when compared with the same period in 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 September 2011 are shown in **Table 4**.

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<sup>2</sup> 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 September 2011**

	<b>Estimates 2011-2012 (in HK\$'000)</b>	<b>1 April 2010 – 30 September 2010 = (a) (in HK\$'000)</b>	<b>1 April 2011 – 30 September 2011 = (b) (in HK\$'000)</b>	<b>Change in revenue (b) – (a) (in HK\$'000)</b>
Dividends, interest and other receipts from investments/loans	1,103,308	132,953	148,240	15,287
Loan repayments	83,981	–	–	–
Investment income <sup>(1)</sup>	109,000	1	–	-1
<b>Total</b>	<b>1,296,289</b>	<b>132,954</b>	<b>148,240</b>	<b>15,286<sup>(2)</sup></b>

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).



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## References

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