

Head 6 — ROYALTIES AND CONCESSIONS

Details of Revenue

Sub-head (Code)	Actual revenue 2012–13	Original estimate 2013–14	Revised estimate 2013–14	Estimate 2014–15
	\$'000	\$'000	\$'000	\$'000
020 Quarries and mining.....	62,151	53,012	59,972	36,475
030 Bridges and tunnels.....	1,377,370	1,416,433	1,444,836	1,458,854
070 Petrol filling.....	1,920	1,887	2,027	2,048
100 Parking.....	443,333	411,108	425,012	430,485
170 Vehicle examination.....	39,725	32,359	32,893	32,893
201 Slaughterhouse concessions.....	32,861	31,417	30,157	28,380
202 Other royalties and concessions.....	778,905	1,586,256	2,380,826	877,264
Total.....	<u>2,736,265</u>	<u>3,532,472</u>	<u>4,375,723</u>	<u>2,866,399</u>

Description of Revenue Sources

This revenue head covers royalties payable by franchised companies, revenue arising 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 the Tate's Cairn Tunnel and Discovery Bay Tunnel; revenue from the Route 8K linking Cheung Sha Wan and Sha Tin; and concessions payable by contractors assuming management responsibilities for the Aberdeen Tunnel, Kai Tak Tunnel, Lion Rock Tunnel, Shing Mun Tunnels, Tseung Kwan O Tunnel, the Tsing Ma Control Area and the Cross-Harbour Tunnel.

Subhead 070 Petrol filling covers royalties from petrol filling stations of oil companies 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 New Kowloon Bay Vehicle Examination Centre.

Subhead 201 Slaughterhouse concessions covers concessions payable by the contractor who manages and operates the Sheung Shui Slaughterhouse.

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

Revenue from royalties and concessions generated 1.3% of total revenue in 2013–14.

Underlying Changes in Revenue Yield

The **2013–14** revised estimate of \$4,375,723,000 reflects a net increase of \$843,251,000 (23.9%) over the original estimate.

Under *Subhead 020 Quarries and mining*, the increase of \$6,960,000 (13.1%) is mainly due to the higher-than-expected receipts of royalties from imported rock in 2013–14.

Under *Subhead 202 Other royalties and concessions*, the increase of \$794,570,000 (50.1%) is mainly due to the higher-than-anticipated receipts of a one-off spectrum utilisation fee from auction of the 2.5/2.6 GHz band in 2013–14.

The **2014–15** estimate of \$2,866,399,000 reflects a net decrease of \$1,509,324,000 (34.5%) against the revised estimate for 2013–14.

Under *Subhead 020 Quarries and mining*, the decrease of \$23,497,000 (39.2%) is mainly due to the cessation of instalment payments from the contractor of the Anderson Road Quarry and the expected lesser amount of royalties to be received from imported rock in 2014–15.

Under *Subhead 202 Other royalties and concessions*, the decrease of \$1,503,562,000 (63.2%) is mainly due to the anticipated drop in spectrum utilisation fees to be received in 2014–15.