

Head 7 — PROPERTIES AND INVESTMENTS

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
010 Government land licences, government rents (other than those charged at 3% of rateable values in accordance with the Government Rent (Assessment and Collection) Ordinance (Cap. 515)) and rents from short term tenancies.....	2,041,862	1,776,103	1,876,430	1,832,165
020 Rents from government quarters.....	804,756	783,469	810,414	802,229
030 Rents from government properties.....	1,294,138	1,348,360	1,599,490	1,494,279
040 Investment income and interest.....	20,023,974	19,365,000	19,644,266	14,110,000
060 Returns on equity investments in statutory agencies/corporations.....	7,270,260	7,270,260	7,903,300	7,603,300
080 Recovery from Housing Authority under current financial arrangement.....	229,972	67,106	93,228	199,929
090 Government rents charged at 3% of rateable values in accordance with the Government Rent (Assessment and Collection) Ordinance (Cap. 515).....	7,856,697	7,915,000	8,659,000	8,730,000
Total.....	<u>39,521,659</u>	<u>38,525,298</u>	<u>40,586,128</u>	<u>34,771,902</u>

Description of Revenue Sources

This revenue head covers the yields from government land licences; government rents including those charged at 3% of rateable values in accordance with the Government Rent (Assessment and Collection) Ordinance (Cap. 515); and rents from short term tenancies, government quarters and properties. Investment income earned on the balances of the General Revenue Account and other interest receipts arising from the General Revenue Account, returns from equity investments in statutory agencies and corporations other than those credited to the Capital Investment Fund, and recovery from the Housing Authority of the land costs of Home Ownership Scheme and Tenants Purchase Scheme flats are also included in this head.

Revenue from properties and investments generated 11.9% of total revenue in 2013–14.

Underlying Changes in Revenue Yield

The 2013–14 revised estimate of \$40,586,128,000 is a net increase of \$2,060,830,000 (5.3%) over the original estimate.

Under *Subhead 030 Rents from government properties*, the increase of \$251,130,000 (18.6%) is mainly due to the receipt of 2012–13 notional rents and rates from two trading funds in 2013–14 and the rise in rental levels for new tenancies for government properties.

Under *Subhead 080 Recovery from Housing Authority under current financial arrangement*, the increase of \$26,122,000 (38.9%) is mainly due to the expected increase in payment by the Housing Authority of the land costs for flats sold under Tenants Purchase Scheme.

The 2014–15 estimate of \$34,771,902,000 is a net decrease of \$5,814,226,000 (14.3%) against the revised estimate for 2013–14.

Under *Subhead 040 Investment income and interest*, the decrease of \$5,534,266,000 (28.2%) is mainly due to the decrease in rate of return on the fund balance placed with the Exchange Fund.

Under *Subhead 080 Recovery from Housing Authority under current financial arrangement*, the increase of \$106,701,000 (114.5%) is mainly due to the expected increase in payment by the Housing Authority of the land costs for flats sold under Home Ownership Scheme.