

## Head 9 — LOANS, REIMBURSEMENTS, CONTRIBUTIONS AND OTHER RECEIPTS

### 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 Repayments of loans and advances.....	336	—	67	—
020 Pension contributions.....	10,276	9,684	9,298	8,498
030 Recovery of salaries and staff on-costs.....	2,523,633	2,608,233	2,781,162	2,894,767
040 Light and fuel in government buildings.....	26,408	26,499	26,133	26,653
050 Recovery of overpayments and losses.....	658,625	595,655	821,266	589,264
080 Transfers from Funds.....	500,000	1,000,000	1,000,000	2,000,000
090 Other receipts.....	15,852,587	5,227,920	2,892,587	978,157
110 Payments made by Trading Funds—				
(001) Payments in lieu of profits tax.....	181,053	123,149	180,985	116,597
(002) Payments for “insurance” premium.....	3,244	3,280	3,280	3,280
(003) Reimbursements by trading funds arising from policy on “insurance”.....	338	256	268	249
Total.....	<u>19,756,500</u>	<u>9,594,676</u>	<u>7,715,046</u>	<u>6,617,465</u>

### Description of Revenue Sources

This revenue head covers repayments of loans and advances, such as loans under the Sandwich Class Housing Purchase Loan Scheme, pension contributions (e.g. to the Widows and Orphans Pension Scheme and the Surviving Spouses' and Children's Pension Scheme), recovery of salaries and staff on-costs from organisations including the Hong Kong Housing Authority and the Hospital Authority, charges for light and fuel in government buildings, recovery of overpayments and losses (including surcharges on public officers), transfers from Government Funds, and payments made by Trading Funds.

Revenue from loans, reimbursements, contributions and other receipts (excluding transfer from funds) generated 2.0% of total revenue in 2013–14.

### Underlying Changes in Revenue Yield

The 2013–14 revised estimate of \$7,715,046,000 reflects a net decrease of \$1,879,630,000 (19.6%) against the original estimate.

Under *Subhead 010 Repayments of loans and advances*, the increase of \$67,000 is due to the unexpected repayment of loans and advances under the Sandwich Class Housing Purchase Loan Scheme.

Under *Subhead 050 Recovery of overpayments and losses*, the increase of \$225,611,000 (37.9%) is mainly due to the refunds of unrepresented cheques under the Trawl Ban ex-gratia allowance exercise, the higher-than-expected refunds of unspent balance of grants from aided schools and subvented sports organisations, and the higher-than-expected number of uncollected cheques issued under the Scheme \$6,000.

Under *Subhead 090 Other receipts*, the decrease of \$2,335,333,000 (44.7%) is mainly because no dividend will be receivable from West Rail Property Development Limited, partly offset by the one-off sale proceeds of the property at Citibank Tower.

Under *Subhead 110 Payments made by Trading Funds*, the increase of \$57,848,000 (45.7%) is mainly due to the settlement of under-recovery of payments in lieu of profits tax and the increase in the provisional profits tax from Companies Registry, Land Registry and Post Office Trading Fund. (As Trading Funds remain part of Government, they are not liable to profits tax but will instead make a payment of an equivalent amount to the general revenue.)

The 2014–15 estimate of \$6,617,465,000 reflects a net decrease of \$1,097,581,000 (14.2%) against the revised estimate for 2013–14.

Under *Subhead 010 Repayments of loans and advances*, a decrease of \$67,000 (100.0%) is expected because there will be no repayment of loans and advances under the Sandwich Class Housing Purchase Loan Scheme.

Under *Subhead 050 Recovery of overpayments and losses*, a decrease of \$232,002,000 (28.2%) is expected mainly because there will be no refunds of unrepresented cheques under the Trawl Ban ex-gratia allowance exercise or uncollected cheques issued under the Scheme \$6,000, and the unspent balance of grants for aided schools is expected to drop.

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Under *Subhead 080 Transfers from Funds*, an increase of \$1,000,000,000 (100.0%) is attributed to the proposed transfer from Capital Investment Fund to the general revenue in 2014–15.

Under *Subhead 090 Other receipts*, a decrease of \$1,914,430,000 (66.2%) is expected mainly because the one-off sale proceeds of government properties are expected to drop.

Under *Subhead 110 Payments made by Trading Funds*, a decrease of \$64,407,000 (34.9%) is expected because the revenue boost for 2013–14 would not be repeated, and the profits-tax-equivalent contributions from the Companies Registry, Land Registry, Electrical and Mechanical Services Trading Fund and Office of the Communications Authority are expected to drop in 2014–15.