

## Head 7 — PROPERTIES AND INVESTMENTS

### Details of Revenue

Sub-head (Code)	Actual revenue 2013–14	Original estimate 2014–15	Revised estimate 2014–15	Estimate 2015–16
	\$'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.....	2,031,692	1,832,165	2,007,553	<b>1,977,345</b>
020 Rents from government quarters.....	818,170	802,229	842,104	<b>841,591</b>
030 Rents from government properties.....	1,505,045	1,494,279	1,638,281	<b>1,557,507</b>
040 Investment income and interest.....	19,656,718	14,110,000	211,000	<b>25,416,000</b>
060 Returns on equity investments in statutory agencies/corporations.....	7,903,296	7,603,300	9,379,788	<b>4,744,971</b>
080 Recovery from Housing Authority under current financial arrangement.....	93,227	199,929	213,804	<b>134,109</b>
090 Government rents charged at 3% of rateable values in accordance with the Government Rent (Assessment and Collection) Ordinance (Cap. 515).....	8,591,432	8,730,000	9,419,000	<b>9,749,000</b>
Total.....	<u>40,599,580</u>	<u>34,771,902</u>	<u>23,711,530</u>	<u><b>44,420,523</b></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 6.0% of total revenue in 2014–15.

### Underlying Changes in Revenue Yield

The 2014–15 revised estimate of 23,711,530,000 reflects a net decrease of \$11,060,372,000 (31.8%) against the original estimate.

Under *Subhead 040 Investment income and interest*, the decrease of \$13,899,000,000 (98.5%) is mainly because the investment income on the fiscal reserves for 2014–15 has been set aside and retained within the Exchange Fund for the Housing Reserve. The investment income on the balance of the General Revenue Account placed with the Exchange Fund for 2014–15 is \$14,838,588,000.

Under *Subhead 060 Returns on equity investments in statutory agencies/corporations*, the increase of \$1,776,488,000 (23.4%) is mainly due to the higher-than-expected total cash dividends from statutory corporations.

The 2015–16 estimate of \$44,420,523,000 reflects a net increase of \$20,708,993,000 (87.3%) over the revised estimate for 2014–15.

Under *Subhead 040 Investment income and interest*, the increase of \$25,205,000,000 (11 945.5%) is mainly due to the receipt of 2015–16 investment income on the balance of the General Revenue Account placed with the Exchange Fund.

Under *Subhead 060 Returns on equity investments in statutory agencies/corporations*, the decrease of \$4,634,817,000 (49.4%) reflects the assumption that the Airport Authority Hong Kong would not declare cash dividends in order to retain earnings for financing a major infrastructure project from 2014–15 onwards until project completion.

Under *Subhead 080 Recovery from the Housing Authority under current financial arrangement*, the decrease of \$79,695,000 (37.3%) is mainly due to the expected decrease in payment by the Housing Authority of the land costs for flats sold under Home Ownership Scheme.