

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

### 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 Repayments of loans and advances.....	75	—	82	—
020 Pension contributions.....	9,164	8,498	7,251	6,496
030 Recovery of salaries and staff on-costs.....	2,712,614	2,894,767	3,048,368	3,150,282
040 Light and fuel in government buildings.....	28,006	26,653	29,380	29,597
050 Recovery of overpayments and losses.....	855,534	589,264	1,014,097	572,768
080 Transfers from Funds.....	1,000,000	2,000,000	2,000,000	1,000,000
090 Other receipts.....	2,923,409	978,157	1,555,235	2,699,454
110 Payments made by Trading Funds—				
(001) Payments in lieu of profits tax.....	180,984	116,597	153,925	108,340
(002) Payments for “insurance” premium.....	3,211	3,280	3,280	3,326
(003) Reimbursements by trading funds arising from policy on “insurance”.....	163	249	471	249
Total.....	<u>7,713,160</u>	<u>6,617,465</u>	<u>7,812,089</u>	<u>7,570,512</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 1.5% of total revenue in 2014–15.

### Underlying Changes in Revenue Yield

The 2014–15 revised estimate of \$7,812,089,000 reflects a net increase of \$1,194,624,000 (18.1%) over the original estimate.

Under *Subhead 010 Repayments of loans and advances*, the increase of \$82,000 is due to the unexpected repayment of loans and advances under the Sandwich Class Housing Purchase Loan Scheme.

Under *Subhead 020 Pension contributions*, the decrease of \$1,247,000 (14.7%) is due to the lower-than-expected pension contributions under the Surviving Spouses’ and Children’s Pension Schemes.

Under *Subhead 040 Light and fuel in government buildings*, the increase of \$2,727,000 (10.2%) is due to the higher-than-expected electricity charges collected from the tenants of government premises.

Under *Subhead 050 Recovery of overpayments and losses*, the increase of \$424,833,000 (72.1%) is mainly due to the refunds of unspent balance of the injection to the Community Care Fund for launching a programme to provide a one-off allowance of \$6,000 to new arrivals from low-income families; the unexpected refunds from the Electrical and Mechanical Services Trading Fund (EMSTF); the higher-than-expected refunds of unspent balance of grants from aided schools; the refunds of unrepresented cheques under the Trawl Ban ex-gratia allowance exercise; and the higher-than-expected number of uncollected cheques issued under the Scheme \$6,000.

Under *Subhead 090 Other receipts*, the increase of \$577,078,000 (59.0%) is mainly due to the higher-than-expected sale proceeds of the surplus quarters and properties.

Under *Subhead 110 Payments made by Trading Funds*, the increase of \$37,550,000 (31.3%) 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 and Post Office Trading Funds. (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 2015–16 estimate of \$7,570,512,000 reflects a net decrease of \$241,577,000 (3.1%) against the revised estimate for 2014–15.

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Under *Subhead 010 Repayments of loans and advances*, a decrease of \$82,000 (100.0%) is expected because no repayment of loans and advances under the Sandwich Class Housing Purchase Loan Scheme is expected.

Under *Subhead 020 Pension contributions*, a decrease of \$755,000 (10.4%) is expected because the pension contributions under the Surviving Spouses' and Children's Pension Schemes are expected to drop.

Under *Subhead 050 Recovery of overpayments and losses*, a decrease of \$441,329,000 (43.5%) is expected mainly because no refunds from EMSTF and no refunds of un-presented cheques under the Trawl Ban ex-gratia allowance exercise or uncollected cheques issued under the Scheme \$6,000 are expected, and the unspent balance of grants for aided schools and non-government organisations is expected to drop.

Under *Subhead 080 Transfers from Funds*, the decrease of \$1,000,000,000 (50.0%) is due to the expected decrease in transfer from Capital Investment Fund to the general revenue in 2015–16.

Under *Subhead 090 Other receipts*, an increase of \$1,144,219,000 (73.6%) is expected mainly because the sale proceeds of government properties are expected to increase.

Under *Subhead 110 Payments made by Trading Funds*, a decrease of \$45,761,000 (29.0%) is expected because of the exclusion of the settlements made in 2014–15 and the expected decrease in payments in lieu of profits tax to be made by Trading Funds in 2015–16. (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.)