

**CONSOLIDATED SUMMARY OF
ESTIMATES**

CONSOLIDATED SUMMARY OF ESTIMATES

Background

The Government's financial activities are undertaken through a variety of accounts and funds. The General Revenue Account acts as the main funding device with resources being transferred to or from the other funds as appropriate. The tables below indicate the consolidated position of the General Revenue Account and the following eight Funds: Capital Works Reserve Fund, Capital Investment Fund, Civil Service Pension Reserve Fund, Disaster Relief Fund, Innovation and Technology Fund, Land Fund, Loan Fund and Lotteries Fund. They exclude the Bond Fund which does not form part of the fiscal reserves and is managed separately.

Summary of Estimated Financial Position

	2016–17 Revised Estimate					
	Opening Balance	Revenue	Expenditure	Net Transfer between Funds	Surplus/ (Deficit) after Transfer	Closing Balance
	\$m	\$m	\$m	\$m	\$m	\$m
General Revenue Account	508,486	432,545	358,158	(23,864)	50,523	559,009
Capital Works Reserve Fund	58,170	119,782	90,772	—	29,010	87,180
Capital Investment Fund	2,835	1,437	10,194	9,000	243	3,078
Civil Service Pension Reserve Fund	27,129	970	—	3,800	4,770	31,899
Disaster Relief Fund	14	4	54	64	14	28
Innovation and Technology Fund	42	195	1,258	9,000	7,937	7,979
Land Fund	219,730	—	—	—	—	219,730
Loan Fund	4,468	2,446	4,976	2,000	(530)	3,938
Lotteries Fund	22,014	2,142	1,274	—	868	22,882
Total	842,888	559,521	466,686	—	92,835	935,723

	2017–18 Estimate					
	Opening Balance	Revenue	Expenditure	Net Transfer between Funds	Surplus/ (Deficit) after Transfer	Closing Balance
	\$m	\$m	\$m	\$m	\$m	\$m
General Revenue Account	559,009	396,745	389,207	(8,850)	(1,312)	557,697
Capital Works Reserve Fund	87,180	103,788	91,654	4,500	16,634	103,814
Capital Investment Fund	3,078	1,260	726	—	534	3,612
Civil Service Pension Reserve Fund	31,899	931	—	2,300	3,231	35,130
Disaster Relief Fund	28	2	—	50	52	80
Innovation and Technology Fund	7,979	217	1,783	—	(1,566)	6,413
Land Fund	219,730	—	—	—	—	219,730
Loan Fund	3,938	2,650	5,214	2,000	(564)	3,374
Lotteries Fund	22,882	2,106	2,827	—	(721)	22,161
Total	935,723	507,699	491,411	—	16,288	952,011

CONSOLIDATED SUMMARY OF ESTIMATES

Totals for General Revenue Account and the eight Funds

	Actual				Revised Estimate	Estimate
	2012-13	2013-14	2014-15	2015-16	2016-17	2017-18
	\$m	\$m	\$m	\$m	\$m	\$m
Opening Balance	669,088	733,914	755,717	828,514	842,888	935,723
Revenue#	442,150	455,346	478,668	450,007	559,521	507,699
Expenditure#	377,324	433,543	396,183	435,633	466,686	491,411
Consolidated Surplus before Repayment of Bonds and Notes	64,826	21,803	82,485	14,374	92,835	16,288
Repayment of Bonds and Notes issued in July 2004	—	—	9,688	—	—	—
Consolidated Surplus after Repayment of Bonds and Notes	64,826	21,803	72,797	14,374	92,835	16,288
Closing Balance	733,914	755,717	828,514	842,888	935,723	952,011

Excluding transfers between the General Revenue Account and the eight Funds.

Summary of Estimated Outstanding Commitments at the beginning of 2017-18

	\$m
General Revenue Account	266,505@
Capital Works Reserve Fund	322,908
Capital Investment Fund	3,032
Civil Service Pension Reserve Fund^	—
Disaster Relief Fund^	—
Innovation and Technology Fund	2,740
Land Fund^	—
Loan Fund	21,215
Lotteries Fund	6,498
Total	622,898

@ Relates to commitments for non-recurrent or capital account items only.

^ There is no estimated outstanding commitment at the beginning of 2017-18.

SUMMARY

Background

The General Revenue Account is the main operating account through which the Government's finances are controlled. The following tables summarise the estimates for 2017–18 and set these estimates in a historical context.

Movement of the Account

	Actual				Revised Estimate	Estimate
	2012–13	2013–14	2014–15	2015–16	2016–17	2017–18
	\$m	\$m	\$m	\$m	\$m	\$m
Opening Balance	360,659	404,720	402,786	478,856	508,486	559,009
Revenue	349,700	348,234	395,761	384,021	432,545	396,745
Expenditure	306,087	340,275	319,162	351,211	358,158	389,207
Surplus/(Deficit) before Fund Transfers	43,613	7,959	76,599	32,810	74,387	7,538
Net Transfers (to)/from Funds	448	(9,893)	(529)	(3,180)	(23,864)	(8,850)
Surplus/(Deficit) after Fund Transfers	44,061	(1,934)	76,070	29,630	50,523	(1,312)
Closing Balance	404,720	402,786	478,856	508,486	559,009	557,697

SUMMARY

Revenue Analysis

	Actual								Revised Estimate		Estimate	
	2012-13		2013-14		2014-15		2015-16		2016-17		2017-18	
	\$m	%	\$m	%	\$m	%	\$m	%	\$m	%	\$m	%
Operating Revenue												
Internal Revenue												
Earnings and profits tax	182,442	52	183,506	52	204,950	52	205,883	54	208,240	48	208,855	53
Stamp duties	42,880	12	41,515	12	74,845	19	62,680	16	58,000	13	53,000	13
Bets and sweeps tax	16,565	5	18,066	5	19,479	5	20,127	5	20,827	5	21,552	5
Air passenger departure tax	2,029	1	2,244	1	2,347	—	2,516	1	2,571	1	2,720	1
	243,916	70	245,331	70	301,621	76	291,206	76	289,638	67	286,127	72
Utilities, Fees and Charges	15,277	4	15,849	5	18,551	5	19,159	5	16,618	4	20,049	5
General Rates	11,204	3	14,911	4	22,272	6	22,733	6	20,917	5	21,427	6
Duties	8,977	3	9,720	3	10,010	3	10,712	3	10,697	2	10,933	3
Motor Vehicle Taxes	7,466	2	8,338	2	9,549	2	9,311	2	7,749	2	7,706	2
Other Revenue	46,640	13	50,679	15	31,931	8	28,411	7	62,624	14	49,014	12
Total Operating Revenue	333,480	95	344,828	99	393,934	100	381,532	99	408,243	94	395,256	100
Capital Revenue	16,220	5	3,406	1	1,827	—	2,489	1	24,302	6	1,489	—
Total Revenue	349,700	100	348,234	100	395,761	100	384,021	100	432,545	100	396,745	100
Transfers from Funds	500		1,000		2,000		—		—		—	
Total including Transfers from Funds	350,200		349,234		397,761		384,021		432,545		396,745	

SUMMARY

Expenditure Analysis

	Actual								Revised Estimate		Estimate	
	2012-13		2013-14		2014-15		2015-16		2016-17		2017-18	
	\$m	%	\$m	%	\$m	%	\$m	%	\$m	%	\$m	%
Operating Expenditure												
Recurrent Expenditure												
Personal Emoluments	58,218	19	60,710	18	64,581	20	68,152	19	71,858	20	74,588	19
Personnel Related Expenses	26,135	8	28,702	8	31,781	10	35,412	10	39,038	11	43,431	11
Departmental Expenses	23,926	8	25,268	7	27,355	9	28,567	8	30,199	8	31,753	8
Other Charges	47,934	16	56,720	17	59,482	19	63,565	18	69,349	19	78,831	20
Subventions	106,108	35	112,989	33	121,891	38	128,836	37	134,890	38	142,262	37
Additional Commitments	—	—	—	—	—	—	—	—	—	—	100	—
Total Recurrent Expenditure	262,321	86	284,389	83	305,090	96	324,532	92	345,334	96	370,965	95
Non-Recurrent Expenditure	40,621	13	53,325	16	11,227	3	22,833	7	8,762	3	10,183	3
Additional Commitments	—	—	—	—	—	—	—	—	—	—	3,052	1
Total Non-Recurrent Expenditure	40,621	13	53,325	16	11,227	3	22,833	7	8,762	3	13,235	4
Total Operating Expenditure	302,942	99	337,714	99	316,317	99	347,365	99	354,096	99	384,200	99
Capital Expenditure												
Plant, Equipment and Works	1,583	1	1,205	—	1,316	—	2,240	1	2,265	1	3,002	1
Subventions	1,562	—	1,356	1	1,529	1	1,606	—	1,797	—	1,905	—
Additional Commitments	—	—	—	—	—	—	—	—	—	—	100	—
Total Capital Expenditure	3,145	1	2,561	1	2,845	1	3,846	1	4,062	1	5,007	1
Total Expenditure	306,087	100	340,275	100	319,162	100	351,211	100	358,158	100	389,207	100
Transfers to Funds	52		10,893		2,529		3,180		23,864		8,850	
Total including Transfers to Funds	306,139		351,168		321,691		354,391		382,022		398,057	

REVENUE ANALYSIS BY HEAD

SUMMARY OF REVENUE ESTIMATES

HEAD OF REVENUE	Actual revenue 2015–16	Original estimate 2016–17	Revised estimate 2016–17	Estimate† 2017–18
	\$'000	\$'000	\$'000	\$'000
1 Duties.....	10,711,592	10,938,819	10,696,876	10,933,456
2 General Rates.....	22,733,427	19,824,000	20,917,000	21,427,000
3 Internal Revenue.....	291,236,247	279,192,752	289,669,916	286,142,263
4 Motor Vehicle Taxes	9,311,023	9,864,577	7,749,299	7,705,656
5 Fines, Forfeitures and Penalties	1,408,967	1,229,125	1,420,440	1,433,024
6 Royalties and Concessions	2,954,947	10,670,684	10,637,434	3,195,186
7 Properties and Investments	20,014,709	45,914,727	46,748,164	41,047,102
9 Loans, Reimbursements, Contributions and Other Receipts	6,491,391	27,637,877	28,088,870	4,811,977
10 Utilities	4,009,293	4,121,446	4,198,130	4,232,551
11 Fees and Charges	15,149,360	12,618,917	12,419,259	15,816,572
Total	<u>384,020,956</u>	<u>422,012,924</u>	<u>432,545,388</u>	<u>396,744,787</u>

† After Budget revenue measures.

Head 1 — DUTIES

Details of Revenue

Sub-head (Code)	Actual revenue 2015–16	Original estimate 2016–17	Revised estimate 2016–17	Estimate 2017–18
	\$'000	\$'000	\$'000	\$'000
010 Hydrocarbon oils.....	3,744,192	3,887,074	3,850,364	3,999,224
020 Alcoholic beverages.....	430,579	413,084	430,579	430,579
030 Other alcohol products.....	4,038	3,867	4,038	4,038
050 Tobacco.....	6,532,783	6,634,794	6,411,895	6,499,615
Total.....	<u>10,711,592</u>	<u>10,938,819</u>	<u>10,696,876</u>	<u>10,933,456</u>

Description of Revenue Sources

This revenue head covers duties paid on hydrocarbon oils, alcoholic beverages, other alcohol products and tobacco under the Dutiable Commodities Ordinance (Cap. 109).

Revenue from duties generated 2.5% of total revenue in 2016–17.

Underlying Changes in Revenue Yield

The **2016–17** revised estimate of \$10,696,876,000 reflects a net decrease of \$241,943,000 (2.2%) against the original estimate.

The **2017–18** estimate of \$10,933,456,000 reflects a net increase of \$236,580,000 (2.2%) over the revised estimate for 2016–17.

Head 2 — GENERAL RATES

Details of Revenue

Sub-head (Code)	Actual revenue 2015–16	Original estimate 2016–17	Revised estimate 2016–17	Estimate 2017–18
	\$'000	\$'000	\$'000	\$'000
030 General Rates.....	22,733,427	19,824,000	20,917,000	21,427,000 †
Total.....	<u>22,733,427</u>	<u>19,824,000</u>	<u>20,917,000</u>	<u>21,427,000</u>

† After Budget revenue measures but subject to the passage of the relevant legislation by the Legislative Council.

Description of Revenue Source

This revenue head covers the yield from General Rates levied on occupiers of all rateable premises under the Rating Ordinance (Cap. 116).

Revenue from General Rates generated 4.8% of total revenue in 2016–17.

Underlying Changes in Revenue Yield

The 2016–17 revised estimate of \$20,917 million reflects an increase of \$1,093 million (5.5%) over the original estimate.

The 2017–18 estimate of \$21,427 million reflects an increase of \$510 million (2.4%) over the revised estimate for 2016–17.

Head 3 — INTERNAL REVENUE

Details of Revenue

Sub-head (Code)	Actual revenue 2015–16	Original estimate 2016–17	Revised estimate 2016–17	Estimate 2017–18
	\$'000	\$'000	\$'000	\$'000
010 Bets and sweeps tax	20,127,199	20,205,303	20,827,217	21,552,423
030 Earnings and profits tax—				
(020) Profits tax	140,226,643	138,080,000	139,300,000	139,000,000 †
(030) Personal assessment	4,789,953	4,770,000	5,200,000	4,800,000 †
(040) Property tax	2,998,035	3,000,000	3,200,000	3,200,000
(050) Salaries tax	57,867,772	60,540,000	60,540,000	61,855,000 †
Sub-total	205,882,403	206,390,000	208,240,000	208,855,000
050 Estate duty	29,990	23,000	32,000	15,000
070 Stamp duties.....	62,680,307	50,000,000	58,000,000	53,000,000
080 Air passenger departure tax	2,516,348	2,574,449	2,570,699	2,719,840
Total.....	291,236,247	279,192,752	289,669,916	286,142,263

† After Budget revenue measures but subject to the passage of the relevant legislation by the Legislative Council.

Description of Revenue Sources

This revenue head covers direct taxes on earnings and profits, which include profits tax, property tax and salaries tax. A number of indirect taxes are also included.

Bets and sweeps tax is charged on horse racing bets, lotteries and football betting.

Profits tax is levied on individuals, corporations, bodies of persons and partnerships in respect of assessable profits arising in or derived from Hong Kong. The rate is 16.5% for corporations. The rate for non-corporate persons is 15%.

Property tax is charged on the owner of land and/or buildings at the standard rate of 15% on the net assessable value of the property for each year of assessment.

Salaries tax is charged on all income arising in or derived from Hong Kong from any office or employment or any pension. The total salaries tax payable by an individual is restricted to an amount not exceeding the standard rate of 15% on his total income.

An individual may elect for *personal assessment* of his total income which provides for the deduction of all probable personal allowances, and would, in appropriate circumstances, reduce the total tax liability of the individual.

Estate duty is charged on assets situated in Hong Kong valued at more than \$7.5 million according to a schedule scaled from 5% on estates of value up to \$9 million to 15% on estates of value over \$10.5 million. The duty was abolished on 11 February 2006 with retrospective effect to estates of persons who passed away on or after 15 July 2005.

Stamp duties are charged at a fixed rate on certain documents, and *ad valorem* on others. Fixed duties vary from \$3 to \$100, whereas *ad valorem* duties range from 0.1% to 8.5%. The *ad valorem* duties on stock transactions are 0.1% for each side per transaction. The Government has introduced a special stamp duty on residential properties at the point of resale if the properties are acquired on or after 20 November 2010 and resold within 24 months (for the properties acquired between 20 November 2010 and 26 October 2012) or 36 months (for the properties acquired on or after 27 October 2012) after acquisition. The Government has also introduced a buyer's stamp duty on residential properties acquired on or after 27 October 2012 by any person, except a Hong Kong permanent resident ("HKPR") acting on his or her own behalf. Besides, immovable properties acquired on or after 23 February 2013 are subject to *ad valorem* stamp duty at the higher (Scale 1) rates, unless the property is a residential property and the buyer is a HKPR acting on his or her own behalf and not a beneficial owner of any another residential property in Hong Kong on the date of acquisition. Government announced a further round of demand-side management measure on 4 November 2016 to increase the *ad valorem* stamp duty chargeable on residential property transactions with effect from 5 November 2016 to a new flat rate of 15%, in lieu of the existing rates at Scale 1. The Stamp Duty (Amendment) Bill 2017, which seeks to implement the new flat rate, is still subject to the scrutiny of the Legislative Council. Further, the stamping of *ad valorem* stamp duty for non-residential property transactions carried out on or after 23 February 2013 is advanced from the conveyance on sale to the agreement for sale.

Air passenger departure tax is charged at a fixed rate of \$120 for a passenger 12 years of age or above departing from the Hong Kong International Airport, or by helicopter from Hong Kong at the Hong Kong Macau Ferry Terminal Heliport.

Revenue from internal revenue generated 67.0% of total revenue in 2016–17.

Head 3 — INTERNAL REVENUE

Underlying Changes in Revenue Yield

The **2016–17** revised estimate of \$289,669,916,000 reflects a net increase of \$10,477,164,000 (3.8%) over the original estimate.

Under *Subhead 050 Estate duty*, the increase of \$9 million (39.1%) is mainly due to the higher-than-expected amount of duty receipt in 2016–17.

Under *Subhead 070 Stamp duties*, the increase of \$8 billion (16.0%) is mainly due to the higher-than-expected turnover in the property market.

The **2017–18** estimate of \$286,142,263,000 reflects a net decrease of \$3,527,653,000 (1.2%) against the revised estimate for 2016–17.

Under *Subhead 050 Estate duty*, the decrease of \$17 million (53.1%) is mainly due to the anticipated lower amount of duty receipt in 2017–18.

The 2017–18 estimate of \$53 billion under *Subhead 070 Stamp duties* has not factored in the stamp duty collection upon enactment of the Stamp Duty (Amendment) Bill 2017 which, as described above, is still subject to the scrutiny of the Legislative Council.

Head 4 — MOTOR VEHICLE TAXES

Details of Revenue

Sub-head (Code)	Actual revenue 2015–16	Original estimate 2016–17	Revised estimate 2016–17	Estimate 2017–18
	\$'000	\$'000	\$'000	\$'000
010 First registration.....	9,311,023	9,864,577	7,749,299	7,705,656
Total.....	<u>9,311,023</u>	<u>9,864,577</u>	<u>7,749,299</u>	<u>7,705,656</u>

Description of Revenue Source

This revenue head covers the taxes for the registration of motor vehicles under the Motor Vehicles (First Registration Tax) Ordinance (Cap. 330). Motor vehicle taxes are imposed on the first registration of certain classes of motor vehicles set out in the Schedule to the Motor Vehicles (First Registration Tax) Ordinance, including private cars, motor cycles, motor tricycles, goods vehicles, taxis, buses, light buses and special purpose vehicles. The tax rate is expressed as a percentage of the value of the vehicle and varies according to the class of motor vehicle specified in the Schedule.

Revenue from motor vehicle taxes generated 1.8% of total revenue in 2016–17.

Underlying Changes in Revenue Yield

The **2016–17** revised estimate of \$7,749,299,000 reflects a decrease of \$2,115,278,000 (21.4%) against the original estimate. This is mainly due to the lower-than-expected number of vehicles subject to first registration.

The **2017–18** estimate of \$7,705,656,000 reflects a decrease of \$43,643,000 (0.6%) against the revised estimate for 2016–17.

Head 5 — FINES, FORFEITURES AND PENALTIES

Details of Revenue

Sub-head (Code)	Actual revenue 2015–16	Original estimate 2016–17	Revised estimate 2016–17	Estimate 2017–18
	\$'000	\$'000	\$'000	\$'000
010 Court fines and statutory penalties.....	572,029	494,663	571,303	571,888
020 Forfeitures.....	186,459	90,916	116,065	106,404
030 Fixed penalty system (Traffic Contraventions)..	447,676	439,401	528,803	544,672
040 Fixed penalty system (Criminal Proceedings) ...	198,611	200,785	200,537	206,553
050 Payments by civil servants.....	4,175	3,340	3,715	3,490
060 Fixed penalty system (Motor Vehicle Idling)	17	20	17	17
Total.....	<u>1,408,967</u>	<u>1,229,125</u>	<u>1,420,440</u>	<u>1,433,024</u>

Description of Revenue Sources

This revenue head covers fines imposed by the Courts and penalties imposed by statute, forfeitures resulting from Court orders or from breaches of contracts and agreements with the Government, penalties arising from the fixed penalty system for offences under the Fixed Penalty (Traffic Contraventions) Ordinance (Cap. 237), the Fixed Penalty (Criminal Proceedings) Ordinance (Cap. 240) and the Motor Vehicle Idling (Fixed Penalty) Ordinance (Cap. 611), the fixed penalty ticket system for parking offences in public housing estates and payments by civil servants in respect of disciplinary proceedings and breaches of contracts.

Revenue from fines, forfeitures and penalties generated 0.3% of total revenue in 2016–17.

Underlying Changes in Revenue Yield

The 2016–17 revised estimate of \$1,420,440,000 reflects a net increase of \$191,315,000 (15.6%) over the original estimate.

Under *Subhead 010 Court fines and statutory penalties*, the increase of \$76,640,000 (15.5%) is mainly due to the higher-than-expected revenue from court fines and fines ordered by the Securities and Futures Commission.

Under *Subhead 020 Forfeitures*, the increase of \$25,149,000 (27.7%) is mainly due to the higher-than-expected revenue from forfeiture cases.

Under *Subhead 030 Fixed penalty system (Traffic Contravention)*, the increase of \$89,402,000 (20.3%) is due to the higher-than-expected number of fixed penalty tickets issued for traffic offences.

Under *Subhead 050 Payments by civil servants*, the increase of \$375,000 (11.2%) is mainly due to the higher-than-expected payment by civil servants resigning from the civil service who choose to pay salary in lieu of observing the prescribed notice period.

Under *Subhead 060 Fixed penalty system (Motor Vehicle Idling)*, the decrease of \$3,000 (15.0%) is due to the lower-than-expected number of fixed penalty tickets issued for motor vehicle idling offences.

The 2017–18 estimate of \$1,433,024,000 reflects a net increase of \$12,584,000 (0.9%) over the revised estimate for 2016–17.

Head 6 — ROYALTIES AND CONCESSIONS

Details of Revenue

Sub-head (Code)	Actual revenue 2015–16	Original estimate 2016–17	Revised estimate 2016–17	Estimate 2017–18
	\$'000	\$'000	\$'000	\$'000
020 Quarries and mining.....	33,330	99,510	113,156	101,762
030 Bridges and tunnels.....	1,545,999	2,131,639	1,943,987	2,299,888
070 Petrol filling.....	2,052	2,226	1,840	2,094
080 Taxi concessions.....	—	—	141,076	—
100 Parking.....	419,168	437,676	430,488	418,046
170 Vehicle examination.....	9,111	25,835	32,276	49,871
201 Slaughterhouse concessions.....	28,696	28,124	28,009	28,009
202 Other royalties and concessions.....	916,591	7,945,674	7,946,602	295,516
Total.....	<u>2,954,947</u>	<u>10,670,684</u>	<u>10,637,434</u>	<u>3,195,186</u>

Description of Revenue Sources

This revenue head covers royalties payable by franchised companies, revenue 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 8 between 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, the Cross-Harbour Tunnel and the Eastern Harbour Crossing.

Subhead 070 Petrol filling covers royalties from three petrol filling stations of oil companies in Hong Kong.

Subhead 080 Taxi concessions covers the premia generated from the issue of Urban, New Territories and Lantau taxi licences.

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 2.4% of total revenue in 2016–17.

Underlying Changes in Revenue Yield

The 2016–17 revised estimate of \$10,637,434,000 reflects a net decrease of \$33,250,000 (0.3%) against the original estimate.

Under *Subhead 020 Quarries and mining*, the increase of \$13,646,000 (13.7%) is mainly due to the revenue received from two new supplementary agreements for the extension of the existing Anderson Road Quarry contract.

Under *Subhead 070 Petrol filling*, the decrease of \$386,000 (17.3%) is mainly due to the temporary closure of a petrol filling station for upgrading works.

Under *Subhead 080 Taxi concessions*, the increase of \$141,076,000 is due to the premia received from the issue of new Lantau taxi licences in 2016–17.

Under *Subhead 170 Vehicle examination*, the increase of \$6,441,000 (24.9%) is mainly due to the higher-than-expected number of vehicles examined in the non-waiver period and the decrease in the amount for offsetting the management fee for the New Kowloon Bay Vehicle Examination Centre with effect from 1 December 2016.

Head 6 — ROYALTIES AND CONCESSIONS

The 2017–18 estimate of \$3,195,186,000 reflects a net decrease of \$7,442,248,000 (70.0%) against the revised estimate for 2016–17.

Under *Subhead 020 Quarries and mining*, the decrease of \$11,394,000 (10.1%) is mainly due to the completion of Anderson Road Quarry contract in 2017–18.

Under *Subhead 030 Bridges and tunnels*, the increase of \$355,901,000 (18.3%) is mainly due to the anticipated increase in traffic flow leading to the increase in toll revenue from the Eastern Harbour Crossing, Lantau Link, Route 8 between Cheung Sha Wan and Sha Tin and the Cross-Harbour Tunnel.

Under *Subhead 070 Petrol filling*, the increase of \$254,000 (13.8%) is mainly due to the anticipated increase in the royalties received from the petrol filling stations concerned as no closure of stations is planned.

Under *Subhead 080 Taxi concessions*, a decrease of \$141,076,000 (100.0%) is anticipated as no new taxi licence is expected to be issued in 2017–18.

Under *Subhead 170 Vehicle examination*, the increase of \$17,595,000 (54.5%) is mainly due to the full year effect of the cessation of the waiver of vehicle examination fees for commercial vehicles on 12 July 2016 and the full year effect of the decrease in the amount for offsetting the management fee for the New Kowloon Bay Vehicle Examination Centre with effect from 1 December 2016.

Under *Subhead 202 Other royalties and concessions*, the decrease of \$7,651,086,000 (96.3%) is mainly due to the anticipated drop in spectrum utilisation fees to be received in 2017–18 as no auction of radio spectrum will be held.

Head 7 — PROPERTIES AND INVESTMENTS

Details of Revenue

Sub-head (Code)	Actual revenue 2015–16	Original estimate 2016–17	Revised estimate 2016–17	Estimate 2017–18
	\$'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.....	2,285,204	2,043,571	2,069,630	2,104,814
020 Rents from government quarters.....	875,831	870,794	896,679	876,650
030 Rents from government properties.....	1,630,946	1,607,807	1,704,354	1,612,701
040 Investment income and interest.....	178,340	16,537,458	16,766,449	15,124,000
060 Returns on equity investments in statutory agencies/corporations	4,686,612	14,412,295	14,456,640	9,756,015
080 Recovery from Housing Authority under current financial arrangement.....	135,485	100,802	89,412	578,922
090 Government rents charged at 3% of rateable values in accordance with the Government Rent (Assessment and Collection) Ordinance (Cap. 515)	10,222,291	10,342,000	10,765,000	10,994,000
Total.....	<u>20,014,709</u>	<u>45,914,727</u>	<u>46,748,164</u>	<u>41,047,102</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 10.8% of total revenue in 2016–17.

Underlying Changes in Revenue Yield

The 2016–17 revised estimate of \$46,748,164,000 reflects a net increase of \$833,437,000 (1.8%) over the original estimate.

Under *Subhead 080 Recovery from the Housing Authority under current financial arrangement*, the decrease of \$11,390,000 (11.3%) is mainly due to the lower-than-expected number of flats sold under Tenants Purchase Scheme.

The 2017–18 estimate of \$41,047,102,000 reflects a net decrease of \$5,701,062,000 (12.2%) against the revised estimate for 2016–17.

Under *Subhead 060 Returns on equity investments in statutory agencies/corporations*, the decrease of \$4,700,625,000 (32.5%) is mainly due to the anticipated lower cash dividends from statutory corporations.

Under *Subhead 080 Recovery from the Housing Authority under current financial arrangement*, the increase of \$489,510,000 (547.5%) is mainly due to the anticipated increase in the number of flats sold under Home Ownership Scheme.

Head 9 — LOANS, REIMBURSEMENTS, CONTRIBUTIONS AND OTHER RECEIPTS

Details of Revenue

Sub-head (Code)	Actual revenue 2015–16	Original estimate 2016–17	Revised estimate 2016–17	Estimate 2017–18
	\$'000	\$'000	\$'000	\$'000
010 Repayments of loans and advances.....	9,275	—	—	—
020 Pension contributions.....	6,419	5,879	5,308	4,637
030 Recovery of salaries and staff on-costs.....	2,830,851	3,160,604	3,086,498	3,227,063
040 Light and fuel in government buildings.....	27,341	25,395	24,271	23,498
050 Recovery of overpayments and losses.....	1,086,036	598,901	724,044	532,020
090 Other receipts.....	2,314,383	23,710,697	24,040,082	894,301
110 Payments made by Trading Funds—				
(001) Payments in lieu of profits tax.....	209,946	132,793	204,786	126,790
(002) Payments for “insurance” premium.....	6,690	3,365	3,365	3,401
(003) Reimbursements by trading funds arising from policy on “insurance”.....	450	243	516	267
Total.....	<u>6,491,391</u>	<u>27,637,877</u>	<u>28,088,870</u>	<u>4,811,977</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), and payments made by Trading Funds.

Revenue from loans, reimbursements, contributions and other receipts generated 6.5% of total revenue in 2016–17.

Underlying Changes in Revenue Yield

The 2016–17 revised estimate of \$28,088,870,000 reflects a net increase of \$450,993,000 (1.6%) against the original estimate.

Under *Subhead 050 Recovery of overpayments and losses*, the increase of \$125,143,000 (20.9%) is mainly due to the higher-than-expected refunds of unspent subventions from Non-governmental Organisations (NGOs), aided schools and other subvented organisations.

Under *Subhead 110 Payments made by Trading Funds*, the increase of \$72,266,000 (53.0%) is mainly due to the higher-than-expected assessable profits made by Trading Funds in 2015–16 in overall terms. (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 2017–18 estimate of 4,811,977,000 reflects a net decrease of \$23,276,893,000 (82.9%) against the revised estimate for 2016–17.

Under *Subhead 020 Pension contributions*, a decrease of \$671,000 (12.6%) 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 \$192,024,000 (26.5%) is expected mainly because no recovery of any fund for the Government-to-Pay Rent exercise is expected, and the refunds of unspent subventions from NGOs and aided schools are expected to drop.

Under *Subhead 090 Other receipts*, a decrease of \$23,145,781,000 (96.3%) is expected mainly because no receipt of dividend from the West Rail Property Development Limited is expected, and the sale proceeds of government properties are expected to drop.

Under *Subhead 110 Payments made by Trading Funds*, a decrease of \$78,209,000 (37.5%) is expected mainly because the assessable profits made by Trading Funds are expected to drop in 2017–18 in overall terms. (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.)

Head 10 — UTILITIES

Details of Revenue

Sub-head (Code)	Actual revenue 2015–16	Original estimate 2016–17	Revised estimate 2016–17	Estimate 2017–18
	\$'000	\$'000	\$'000	\$'000
040 Marine ferry terminals—				
(010) Berthing fee	43,428	46,165	44,042	42,228
(020) Embarkation fee.....	153,402	169,780	150,215	143,890
(030) Others	6,938	6,811	6,811	6,191
Sub-total	203,768	222,756	201,068	192,309
070 Waterworks—				
(010) Chargeable water	2,593,320	2,578,900	2,647,800	2,600,800
(020) Fees and licences	18,980	19,600	29,200	23,600
(040) Others	9,635	12,760	14,760	13,940
Sub-total	2,621,935	2,611,260	2,691,760	2,638,340
080 Sewage services—				
(010) Sewage charge	964,877	1,066,400	1,072,500	1,167,200
(020) Trade effluent surcharge	214,555	217,200	227,800	229,700
(030) Others	4,158	3,830	5,002	5,002
Sub-total	1,183,590	1,287,430	1,305,302	1,401,902
Total.....	4,009,293	4,121,446	4,198,130	4,232,551

Description of Revenue Sources

This revenue head covers all income generated by government-operated public utilities except government toll-tunnels and bridges.

Revenue from utilities generated 1.0% of total revenue in 2016–17.

Underlying Changes in Revenue Yield

The 2016–17 revised estimate of \$4,198,130,000 reflects a net increase of 76,684,000 (1.9%) over the original estimate.

The 2017–18 estimate of \$4,232,551,000 reflects a net increase of \$34,421,000 (0.8%) over the revised estimate for 2016–17.

Head 11 — FEES AND CHARGES

Details of Revenue

Sub-head (Code)	Actual revenue 2015–16	Original estimate 2016–17	Revised estimate 2016–17	Estimate 2017–18
	\$'000	\$'000	\$'000	\$'000
022 Agriculture, Fisheries and Conservation Department—				
(010) Markets	87,258	89,272	89,333	89,375
(020) Agricultural services and products	612	699	315	316
(030) Others	37,134	36,356	37,206	37,413
Sub-total	125,004	126,327	126,854	127,104
024 Audit Commission	12,575	11,349	12,274	12,274
025 Architectural Services Department—				
(025) Services to trading funds and subvented projects	720	825	395	395
(030) Others	466	411	455	455
Sub-total	1,186	1,236	850	850
026 Census and Statistics Department	10,011	10,632	8,909	7,164
027 Civil Aid Service	176	82	37	37
028 Civil Aviation Department—				
(010) Services to the Airport Authority.....	763,300	896,470	790,340	840,210
(020) Aircraft en route navigation charges.....	300,602	282,896	302,470	346,087
(030) Licences	74,273	90,696	85,642	75,956
(040) Others	1,487	1,106	1,006	919
Sub-total	1,139,662	1,271,168	1,179,458	1,263,172
030 Correctional Services Department—				
(010) Recovery other than cost of raw materials for correctional services industries.....	159	168	447	447
(015) Laundry charges	3,306	3,335	3,244	3,244
(020) Others	195	214	195	195
Sub-total	3,660	3,717	3,886	3,886
031 Customs and Excise Department—				
(010) Import and export declarations	866,297	883,747	851,387	851,400
(020) Bonded warehouse supervision charges.....	479	541	487	487
(030) Clothing industry training levy service charges.....	53	53	56	56
(040) Denaturing fees.....	299	288	291	291
(071) Import and export licences.....	2,699	3,026	2,136	2,136
(072) Warehouse licences	852	828	828	828
(080) Miscellaneous licences	1,791	1,805	1,743	1,745
(090) Storage fees	—	1	1	1
(100) Others	17,390	16,212	31,196	16,541
Sub-total	889,860	906,501	888,125	873,485

Head 11 — FEES AND CHARGES

Sub-head (Code)	Actual revenue 2015–16	Original estimate 2016–17	Revised estimate 2016–17	Estimate 2017–18
	\$'000	\$'000	\$'000	\$'000
032 Companies Registry—				
(010) Licence and other fees	15,861	19,453	19,014	22,817
033 Civil Engineering and Development Department—				
(010) Works executed on private account	15,853	11,984	9,257	484
(011) Dangerous goods, mining and prospecting licences	1,896	2,103	1,842	1,945
(012) Explosives permit and storage fees	17,351	21,962	10,570	24,110
(013) Mud disposal	9,696	8,353	13,309	6,465
(014) Disposal of construction waste at public fill reception facilities	440,854	446,000	419,000	1,108,000
(030) Others	386	373	337	286
Sub-total	486,036	490,775	454,315	1,141,290
037 Department of Health—				
(010) Dangerous drugs, pharmacy, poisons and other licences	24,663	24,740	24,779	24,818
(030) Out-patient charges	34,666	35,400	37,477	37,534
(040) Dental charges	8,220	8,413	8,400	8,598
(050) Medical and health charges other than hospital, out-patient and dental charges	27,458	28,200	28,255	28,257
(060) Registrations and certificates of medical and supplementary medical professionals	31,768	34,476	35,563	35,906
(070) Others	850	739	583	549
Sub-total	127,625	131,968	135,057	135,662
039 Drainage Services Department—				
(010) Works executed on private account	10	8	36	8
(030) Others	1,192	978	1,193	1,175
Sub-total	1,202	986	1,229	1,183
042 Electrical and Mechanical Services Department—				
(025) Services to Electrical and Mechanical Services Trading Fund	40,806	42,221	42,628	44,120
(027) Registration, certification and permit fees	44,683	56,225	56,728	52,908
(030) Others	12,431	13,557	14	14
Sub-total	97,920	112,003	99,370	97,042

Head 11 — FEES AND CHARGES

Sub-head (Code)	Actual revenue 2015–16	Original estimate 2016–17	Revised estimate 2016–17	Estimate 2017–18
	\$'000	\$'000	\$'000	\$'000
044 Environmental Protection Department—				
(010) Chemical waste charging scheme	26,361	24,000	28,000	28,000
(015) MARPOL waste charging scheme	3,829	3,650	5,200	5,200
(017) Waste disposal charges	134,685	143,450	164,900	236,300
(020) Licence and permit fees	12,283	12,348	17,406	18,918
(025) Producer Responsibility Scheme	8,871	—	—	—
(030) Others	707	664	766	686
Sub-total	186,736	184,112	216,272	289,104
045 Fire Services Department—				
(010) Dangerous goods licences	12,245	11,746	12,544	12,544
(012) Official certificates and fire reports	8,707	8,502	8,982	8,982
(020) Others	1,147	1,127	1,573	1,573
Sub-total	22,099	21,375	23,099	23,099
047 Government Secretariat: Office of the Government Chief Information Officer	8,451	8,369	7,893	7,866
048 Government Laboratory—				
(015) Services to the Hospital Authority	2,358	3,283	1,538	1,976
(020) Others	4,689	4,691	5,887	4,891
Sub-total	7,047	7,974	7,425	6,867
049 Food and Environmental Hygiene Department—				
(010) Licences and permits	189,884	130,908	139,901	131,889 *
(020) Meat inspection	21,835	22,351	20,090	19,945
(030) Cemeteries and crematoria	104,923	67,130	65,530	65,518
(040) Others	3,562	3,044	3,896	3,966
Sub-total	320,204	223,433	229,417	221,318
051 Government Property Agency—				
(010) Management and air conditioning charges	66,535	65,399	67,711	65,534
(020) Others	6,840	6,541	8,672	8,793
Sub-total	73,375	71,940	76,383	74,327
055 Government Secretariat: Commerce and Economic Development Bureau (Communications and Creative Industries Branch)	905	1,144	1,060	1,040
059 Government Logistics Department—				
(010) Printing services	283,626	310,862	303,964	256,675
(020) Advertisements	20,740	20,197	21,492	21,492
(030) Government transport	22,063	21,728	22,824	22,824
(040) Others	14,420	16,493	15,339	12,929
Sub-total	340,849	369,280	363,619	313,920

Head 11 — FEES AND CHARGES

Sub-head (Code)	Actual revenue 2015–16	Original estimate 2016–17	Revised estimate 2016–17	Estimate 2017–18
	\$'000	\$'000	\$'000	\$'000
060 Highways Department—				
(010) Works executed on private account	778	877	916	1,021
(020) Excavation permits	180,041	152,563	167,671	167,671
(030) Others	2,257	1,980	2,128	2,128
Sub-total	183,076	155,420	170,715	170,820
063 Home Affairs Department—				
(015) Guesthouse licences	6,713	1,995	2,957	1,462 *
(016) Clubhouse certificates	13,275	13,498	13,209	13,120
(020) Karaoke establishments licences and permits	18	22	21	19
(021) Entertainment licences	17,888	14,752	14,129	13,637
(030) Others	2,888	2,693	2,759	2,759
Sub-total	40,782	32,960	33,075	30,997
070 Immigration Department—				
(012) Chinese nationality applications	4,791	5,318	5,573	5,858
(020) Travel documents	273,897	260,834	261,704	302,786
(030) Visas, entry permits and extension of stay	125,009	148,448	134,695	140,595
(040) Certification fees	10,705	10,580	12,328	11,519
(060) Replacement of identity cards	48,810	47,781	49,384	49,099
(070) Births and deaths registration fees	37,912	38,318	38,800	40,008
(080) Marriage registration fees	63,536	59,764	65,018	71,283
(090) Others	14,293	13,695	12,837	13,003
Sub-total	578,953	584,738	580,339	634,151
074 Information Services Department—				
(010) Sale of publications	4,467	4,313	4,050	4,050
(020) Others	1,107	1,135	943	943
Sub-total	5,574	5,448	4,993	4,993
076 Inland Revenue Department—				
(010) Business registration fees	2,607,074	170,000	170,000	2,600,000
(020) Others	24,973	25,000	22,000	22,000
Sub-total	2,632,047	195,000	192,000	2,622,000
078 Intellectual Property Department—				
(010) Patents fees	23,213	21,559	25,249	22,712
(020) Trade marks fees	186,602	231,526	192,835	178,554
(030) Registered designs fees	8,045	7,168	7,771	7,783
(040) Others	23	114	20	88
Sub-total	217,883	260,367	225,875	209,137

Head 11 — FEES AND CHARGES

Sub-head (Code)	Actual revenue 2015–16	Original estimate 2016–17	Revised estimate 2016–17	Estimate 2017–18
	\$'000	\$'000	\$'000	\$'000
080	Judiciary—			
(010)	Commission.....	7,134	7,232	9,795
(020)	Court fees.....	169,286	147,636	152,659
(030)	Possession.....	124	145	214
(040)	Others	16,648	15,975	16,901
	Sub-total	193,192	170,988	179,569
082	Buildings Department—			
(010)	Buildings Ordinance fees.....	229,768	233,627	251,068
(020)	Works executed on private account	126	116	78
(030)	Others	1,728	2,155	2,102
	Sub-total	231,622	235,898	253,248
090	Labour Department	26,867	28,611	28,759
091	Lands Department—			
(010)	Administrative and legal land services	69,499	65,400	68,700
(012)	Lands Department consent fees and Government lease fees.....	6,328	4,752	4,905
(013)	Administrative fees for conveyancing services for FSI.....	197	143	210
(020)	Excavation permits	10,801	11,011	10,870
(040)	Works executed on private account	1,544	70	186
(042)	Services to KCRC.....	12,957	29,312	28,407
(046)	Services to MTRCL.....	34,451	43,119	34,388
(050)	Others	26,708	26,892	27,301
	Sub-total	162,485	180,699	174,967
092	Department of Justice	1,067	3,453	2,612
094	Legal Aid Department.....	307,984	274,495	328,287
095	Leisure and Cultural Services Department—			
(010)	Admission and hire charges.....	705,127	698,018	730,832
(020)	Programme entry fees for recreational and sports activities	39,788	41,485	40,672
(030)	Licences	334	329	325
(040)	Others	26,200	27,602	27,394
	Sub-total	771,449	767,434	799,223

Head 11 — FEES AND CHARGES

Sub-head (Code)	Actual revenue 2015–16	Original estimate 2016–17	Revised estimate 2016–17	Estimate 2017–18
	\$'000	\$'000	\$'000	\$'000
100 Marine Department—				
(010) Anchorage.....	19,689	20,601	20,087	20,087
(020) Buoy	24,640	25,499	22,600	22,600
(030) Permit fees	109,417	113,164	117,394	117,394
(040) Cargo working area charges	121,371	123,694	124,819	124,819
(050) Examination and registration fees.....	129,584	138,362	123,295	127,608
(070) Vessel licences.....	40,408	43,500	42,992	42,992
(080) Port and light dues	140,886	119,661	120,210	120,210
(090) Port clearance fees.....	11,096	11,444	11,154	11,154
(100) Survey fees	22,780	22,211	23,496	23,289
(110) Others	4,398	5,394	5,470	5,544
Sub-total	624,269	623,530	611,517	615,697
116 Official Receiver's Office—				
(010) Bankruptcy	488,033	109,812	127,274	114,511
(020) Liquidation	73,841	26,767	37,060	27,725
Sub-total	561,874	136,579	164,334	142,236
122 Hong Kong Police Force—				
(010) Confirmation of criminal record.....	9,829	9,956	11,479	10,425
(020) Establishments and trades licences.....	1,772	1,642	1,844	1,844
(025) Security personnel permits	10,913	10,081	12,831	12,831
(030) Others	7,670	11,274	8,216	8,225
Sub-total	30,184	32,953	34,370	33,325
143 Government Secretariat: Civil Service Bureau—				
(010) Translation and interpretation services ...	7,817	9,765	6,221	7,688
(020) Training and development services	5,947	4,763	4,704	4,704
(030) Others	727	730	712	712
Sub-total	14,491	15,258	11,637	13,104
148 Government Secretariat: Financial Services and the Treasury Bureau (Financial Services Branch)—				
(010) Insurance companies.....	38,646	39,555	40,465	18,825
(030) Others	3	4	4	4
Sub-total	38,649	39,559	40,469	18,829
151 Government Secretariat: Security Bureau—				
(010) Security companies.....	17,440	17,890	18,650	18,455
(090) Others	63	50	48	50
Sub-total	17,503	17,940	18,698	18,505

Head 11 — FEES AND CHARGES

Sub-head (Code)	Actual revenue 2015–16	Original estimate 2016–17	Revised estimate 2016–17	Estimate 2017–18
	\$'000	\$'000	\$'000	\$'000
152 Government Secretariat: Commerce and Economic Development Bureau (Commerce, Industry and Tourism Branch)..	8,711	3,798	3,623	— †
155 Government Secretariat: Innovation and Technology Commission.....	11,526	11,348	12,477	12,534
156 Government Secretariat: Education Bureau— (020) Grant and subsidised schools provident funds—supervision fees.....	5,205	5,600	5,600	5,900
(030) Others	3,562	3,600	3,600	3,700
Sub-total	8,767	9,200	9,200	9,600
160 Radio Television Hong Kong	1,568	1,634	1,357	1,360
162 Rating and Valuation Department.....	3,965	4,272	3,899	3,899
168 Hong Kong Observatory— (010) Services to the Airport Authority.....	93,951	106,349	106,739	114,208
(020) Others	962	956	1,049	1,019
Sub-total	94,913	107,305	107,788	115,227
170 Social Welfare Department— (010) Traffic Accident Victims Assistance Scheme administration fee.....	21,821	21,090	21,816	22,066
(020) Others	774	832	651	802
Sub-total	22,595	21,922	22,467	22,868
173 Working Family and Student Financial Assistance Agency	30,464	33,997	33,816	34,020
180 Office for Film, Newspaper and Article Administration— (020) Film censorship fees	3,830	3,653	4,246	4,246
(030) Others	676	671	625	713
Sub-total	4,506	4,324	4,871	4,959
181 Trade and Industry Department— (010) Application fees for certificates of origin.....	322	472	170	170
(040) Others	4,417	4,159	4,514	4,474
Sub-total	4,739	4,631	4,684	4,644

Head 11 — FEES AND CHARGES

Sub-head (Code)	Actual revenue 2015–16	Original estimate 2016–17	Revised estimate 2016–17	Estimate 2017–18
	\$'000	\$'000	\$'000	\$'000
186 Transport Department—				
(010) Vehicle and driving licences.....	3,893,257	4,038,952	3,970,449	4,133,359
(030) Transfer of vehicle and registration mark, driving test and permits	350,148	429,819	341,242	341,885
(040) Traffic Accident Victims Assistance Scheme administration fee.....	1,892	2,011	1,957	2,003
(050) Vehicle examination fees.....	43,198	49,563	50,535	62,057
(055) Personalized vehicle registration mark ...	33,461	35,193	24,138	26,013
(060) Others	16,422	16,493	16,915	16,687
Sub-total	<u>4,338,378</u>	<u>4,572,031</u>	<u>4,405,236</u>	<u>4,582,004</u>
188 Treasury—				
(040) Others	68,839	67,127	58,323	64,518
200 Other bureaux/departments.....	39,994	42,174	42,285	44,352
Total.....	<u><u>15,149,360</u></u>	<u><u>12,618,917</u></u>	<u><u>12,419,259</u></u>	<u><u>15,816,572</u></u>

* After Budget revenue measures.

† After Budget revenue measures but subject to the passage of the relevant legislation by the Legislative Council.

Description of Revenue Sources

This revenue head covers all fees and charges received by the Government, except fees charged by government utilities which are credited to Head 10—Utilities and Head 6—Royalties and Concessions (in respect of government toll-tunnels and bridges). Fees and charges are payable for services provided by bureaux, departments and government agencies, or are levied for certain policy objectives. It is Government's general policy that the cost of services provided by the Government should be fully recovered from the fees imposed or the charges made. Certain essential services are subsidised by the Government or provided free.

Revenue from fees and charges generated 2.9% of total revenue in 2016–17.

Underlying Changes in Revenue Yield

The 2016–17 revised estimate of \$12,419,259,000 reflects a net decrease of \$199,658,000 (1.6%) against the original estimate.

Under *Subhead 042 Electrical and Mechanical Services Department*, the decrease of \$12,633,000 (11.3%) is mainly due to change in accounting arrangement for recording the receipts of district cooling service.

Under *Subhead 044 Environmental Protection Department*, the increase of \$32,160,000 (17.5%) is mainly due to higher-than-expected receipts from waste disposal charges.

Under *Subhead 078 Intellectual Property Department*, the decrease of \$34,492,000 (13.2%) is mainly due to lower-than-expected trademark registration applications received.

Under *Subhead 094 Legal Aid Department*, the increase of \$53,792,000 (19.6%) is mainly due to higher-than-expected legal cost recovered.

Under *Subhead 116 Official Receiver's Office*, the increase of \$27,755,000 (20.3%) is mainly due to higher-than-expected receipts from bankruptcy and liquidation cases.

The 2017–18 estimate of \$15,816,572,000 reflects a net increase of \$3,397,313,000 (27.4%) over the revised estimate for 2016–17.

Under *Subhead 033 Civil Engineering and Development Department*, the increase of \$686,975,000 (151.2%) is mainly due to projected increase in receipts from charges for disposal of construction waste at public fill reception facilities.

Under *Subhead 044 Environmental Protection Department*, the increase of \$72,832,000 (33.7%) is mainly due to projected increase in receipts from waste disposal charges.

Head 11 — FEES AND CHARGES

Under *Subhead 059 Government Logistics Department*, the decrease of \$49,699,000 (13.7%) is mainly due to projected decrease in receipts from printing services.

Under *Subhead 076 Inland Revenue Department*, the increase of \$2,430 million (1 265.6%) is mainly due to cessation of the waiver of business registration fees on 31 March 2017.

Under *Subhead 116 Official Receiver's Office*, the decrease of \$22,098,000 (13.4%) is mainly due to projected decrease in receipts from bankruptcy and liquidation cases.

Under *Subhead 148 Government Secretariat: Financial Services and the Treasury Bureau (Financial Services Branch)*, the decrease of \$21,640,000 (53.5%) is mainly due to disbandment of Office of Commissioner of Insurance in 2017–18 upon the establishment of the Independent Insurance Authority.