

# **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

	2019–20 Revised Estimate							
	Opening Balance	Revenue	Expenditure	Net Proceeds from Issuance of Bonds	Repayment of Bonds and Notes	Net Transfer between Funds	Surplus/ (Deficit) after Transfer	Closing Balance
	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m
General Revenue Account	712,454	412,750	533,839	—	—	47,926	(73,163)	639,291
Capital Works Reserve Fund	146,692	147,334	69,136	7,829	1,500	(55,000)	29,527	176,219
Capital Investment Fund	332	884	929	—	—	6,000	5,955	6,287
Civil Service Pension Reserve Fund	38,315	1,111	—	—	—	—	1,111	39,426
Disaster Relief Fund	24	4	64	—	—	74	14	38
Innovation and Technology Fund	25,939	789	2,543	—	—	—	(1,754)	24,185
Land Fund	219,730	—	—	—	—	—	—	219,730
Loan Fund	3,535	2,366	2,651	—	—	1,000	715	4,250
Lotteries Fund	23,862	2,061	2,284	—	—	—	(223)	23,639
<b>Total</b>	<b>1,170,883</b>	<b>567,299</b>	<b>611,446</b>	<b>7,829</b>	<b>1,500</b>	<b>—</b>	<b>(37,818)</b>	<b>1,133,065</b>

	2020–21 Estimate						
	Opening Balance	Revenue	Expenditure	Net Proceeds from Issuance Bonds	Net Transfer between Funds	Surplus/ (Deficit) after Transfer	Closing Balance
	\$m	\$m	\$m	\$m	\$m	\$m	\$m
General Revenue Account	639,291	438,496	625,335	—	82,101	(104,738)	534,553
Capital Works Reserve Fund	176,219	125,716	87,562	19,500	(84,000)	(26,346)	149,873
Capital Investment Fund	6,287	1,265	4,115	—	—	(2,850)	3,437
Civil Service Pension Reserve Fund	39,426	1,498	—	—	1,840	3,338	42,764
Disaster Relief Fund	38	3	—	—	59	62	100
Innovation and Technology Fund	24,185	822	6,568	—	—	(5,746)	18,439
Land Fund	219,730	—	—	—	—	—	219,730
Loan Fund	4,250	2,490	2,880	—	—	(390)	3,860
Lotteries Fund	23,639	2,248	4,635	—	—	(2,387)	21,252
Total	1,133,065	572,538	731,095	19,500	—	(139,057)	994,008

## CONSOLIDATED SUMMARY OF ESTIMATES

### Totals for General Revenue Account and the eight Funds

	Actual				Revised Estimate	Estimate
	2015–16	2016–17	2017–18	2018–19	2019–20	2020–21
	\$m	\$m	\$m	\$m	\$m	\$m
Opening Balance	828,514	842,888	953,960	1,102,934	1,170,883	<b>1,133,065</b>
Revenue#	450,007	573,124	619,837	599,774	567,299	<b>572,538</b>
Expenditure#	435,633	462,052	470,863	531,825	611,446	<b>731,095</b>
Consolidated Surplus/(Deficit) before Issuance and Repayment of Bonds and Notes	14,374	111,072	148,974	67,949	(44,147)	<b>(158,557)</b>
Net Proceeds from Issuance of Green Bond under the Government Green Bond Programme	—	—	—	—	7,829	<b>19,500</b>
Repayment of Bonds and Notes issued in July 2004	—	—	—	—	1,500	—
Consolidated Surplus/(Deficit) after Issuance and Repayment of Bonds and Notes	14,374	111,072	148,974	67,949	(37,818)	<b>(139,057)</b>
Closing Balance	842,888	953,960	1,102,934	1,170,883	1,133,065	<b>994,008</b>

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

### Summary of Estimated Outstanding Commitments at the beginning of 2020–21

	\$m
General Revenue Account	422,827@
Capital Works Reserve Fund	408,687
Capital Investment Fund	18,642
Civil Service Pension Reserve Fund^	—
Disaster Relief Fund^	—
Innovation and Technology Fund	11,636
Land Fund^	—
Loan Fund	16,632
Lotteries Fund	10,952
<b>Total</b>	<b>889,376</b>

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

^ There is no estimated outstanding commitment at the beginning of 2020–21.

## 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 2020–21 and set these estimates in a historical context.

### Movement of the Account

	Actual				Revised Estimate	Estimate
	2015–16	2016–17	2017–18	2018–19	2019–20	2020–21
	\$m	\$m	\$m	\$m	\$m	\$m
Opening Balance	478,856	508,486	563,395	628,253	712,454	<b>639,291</b>
Revenue	384,021	436,026	444,331	464,949	412,750	<b>438,496</b>
Expenditure	351,211	357,253	375,123	438,148	533,839	<b>625,335</b>
Surplus/(Deficit) before Fund Transfers	32,810	78,773	69,208	26,801	(121,089)	<b>(186,839)</b>
Net Transfers (to)/from Funds	(3,180)	(23,864)	(4,350)	57,400	47,926	<b>82,101</b>
Surplus/(Deficit) after Fund Transfers	29,630	54,909	64,858	84,201	(73,163)	<b>(104,738)</b>
Closing Balance	508,486	563,395	628,253	712,454	639,291	<b>534,553</b>

## SUMMARY

### Revenue Analysis

	Actual								Revised Estimate		Estimate	
	2015–16		2016–17		2017–18		2018–19		2019–20		2020–21	
	\$m	%	\$m	%	\$m	%	\$m	%	\$m	%	\$m	%
<b>Operating Revenue</b>												
Internal Revenue												
Earnings and profits tax	205,883	54	206,907	47	208,729	47	236,353	51	193,940	47	202,040	46
Stamp duties	62,680	16	61,899	14	95,173	21	79,979	17	63,000	15	75,000	17
Bets and sweeps tax	20,127	5	21,119	5	21,959	5	22,194	5	21,800	5	22,200	5
Air passenger departure tax	2,516	1	2,598	1	2,737	1	2,881	1	2,426	1	2,539	1
	291,206	76	292,523	67	328,598	74	341,407	74	281,166	68	301,779	69
Utilities, Fees and Charges	19,159	5	16,975	4	20,266	5	20,668	4	17,099	4	16,812	4
General Rates	22,733	6	21,250	5	22,203	5	17,167	4	20,810	5	19,483	4
Duties	10,712	3	10,254	2	10,701	2	10,636	2	10,808	3	10,927	2
Motor Vehicle Taxes	9,311	2	7,814	2	8,594	2	9,432	2	7,382	2	7,382	2
Other Revenue	28,411	7	62,911	14	52,397	12	55,106	12	72,981	17	78,349	18
Total Operating Revenue	381,532	99	411,727	94	442,759	100	454,416	98	410,246	99	434,732	99
<b>Capital Revenue</b>	2,489	1	24,299	6	1,572	—	10,533	2	2,504	1	3,764	1
<b>Total Revenue</b>	384,021	100	436,026	100	444,331	100	464,949	100	412,750	100	438,496	100
<b>Transfers from Funds</b>	—		—		—		80,000		55,000		84,000	
<b>Total including Transfers from Funds</b>	384,021		436,026		444,331		544,949		467,750		522,496	

## SUMMARY

### Expenditure Analysis

	Actual								Revised Estimate		Estimate	
	2015-16		2016-17		2017-18		2018-19		2019-20		2020-21	
	\$m	%	\$m	%	\$m	%	\$m	%	\$m	%	\$m	%
<b>Operating Expenditure</b>												
Recurrent Expenditure												
Personal Emoluments	68,152	19	71,775	20	74,567	20	79,264	18	87,964	17	92,066	15
Personnel Related Expenses	35,412	10	38,673	11	41,855	11	45,119	10	48,998	9	53,811	9
Departmental Expenses	28,567	8	30,163	9	31,366	8	34,725	8	41,569	8	48,953	8
Other Charges	63,565	18	69,052	19	69,307	19	83,295	19	86,185	16	103,037	16
Subventions	128,836	37	134,975	38	144,717	39	160,587	37	177,736	33	188,178	30
Additional Commitments	—	—	—	—	—	—	—	—	—	—	550	—
Total Recurrent Expenditure	324,532	92	344,638	97	361,812	97	402,990	92	442,452	83	486,595	78
Non-Recurrent Expenditure	22,833	7	8,618	2	9,085	2	29,455	7	85,819	16	103,864	17
Additional Commitments	—	—	—	—	—	—	—	—	—	—	27,241	4
Total Non-Recurrent Expenditure	22,833	7	8,618	2	9,085	2	29,455	7	85,819	16	131,105	21
Total Operating Expenditure	347,365	99	353,256	99	370,897	99	432,445	99	528,271	99	617,700	99
<b>Capital Expenditure</b>												
Plant, Equipment and Works	2,240	1	2,215	1	2,319	1	3,345	1	2,975	1	4,405	1
Subventions	1,606	—	1,782	—	1,907	—	2,358	—	2,593	—	3,130	—
Additional Commitments	—	—	—	—	—	—	—	—	—	—	100	—
Total Capital Expenditure	3,846	1	3,997	1	4,226	1	5,703	1	5,568	1	7,635	1
<b>Total Expenditure</b>	351,211	100	357,253	100	375,123	100	438,148	100	533,839	100	625,335	100
<b>Transfers to Funds</b>	3,180		23,864		4,350		22,600		7,074		1,899	
<b>Total including Transfers to Funds</b>	354,391		381,117		379,473		460,748		540,913		627,234	

## **REVENUE ANALYSIS BY HEAD**

## SUMMARY OF REVENUE ESTIMATES

HEAD OF REVENUE	Actual revenue 2018–19	Original estimate 2019–20	Revised estimate 2019–20	Estimate† 2020–21
	\$'000	\$'000	\$'000	\$'000
1 Duties.....	10,635,632	10,765,768	10,807,938	<b>10,927,249</b>
2 General Rates.....	17,166,545	19,875,000	20,810,000	<b>19,483,000</b>
3 Internal Revenue.....	341,496,290	337,135,000	281,220,000	<b>301,794,000</b>
4 Motor Vehicle Taxes .....	9,432,181	9,198,140	7,382,000	<b>7,382,000</b>
5 Fines, Forfeitures and Penalties .....	2,836,758	1,539,831	2,050,036	<b>1,578,567</b>
6 Royalties and Concessions .....	3,500,655	3,503,244	3,407,336	<b>3,567,376</b>
7 Properties and Investments .....	46,162,491	64,646,833	64,546,463	<b>71,724,078</b>
9 Loans, Reimbursements, Contributions and Other Receipts# .....	13,050,345	4,878,316	5,427,776	<b>5,227,230</b>
10 Utilities .....	4,440,110	4,421,316	3,899,385	<b>3,834,511</b>
11 Fees and Charges .....	16,228,283	14,259,108	13,199,412	<b>12,977,668</b>
	464,949,290	470,222,556	412,750,346	<b>438,495,679</b>
Transfers from Funds.....	80,000,000	55,000,000	55,000,000	<b>84,000,000</b>
Total .....	<u>544,949,290</u>	<u>525,222,556</u>	<u>467,750,346</u>	<u><b>522,495,679</b></u>

† After Budget revenue measures.

# Excluding Transfers from Funds.



## Head 1 — DUTIES

### Details of Revenue

Sub-head (Code)	Actual revenue 2018–19	Original estimate 2019–20	Revised estimate 2019–20	Estimate 2020–21
	\$'000	\$'000	\$'000	\$'000
010 Hydrocarbon oils.....	3,753,013	3,815,787	3,740,044	3,755,840
020 Alcoholic beverages.....	567,416	523,286	567,416	567,416
030 Other alcohol products.....	4,681	4,769	4,681	4,681
050 Tobacco.....	6,310,522	6,421,926	6,495,797	6,599,312
Total.....	<u>10,635,632</u>	<u>10,765,768</u>	<u>10,807,938</u>	<u>10,927,249</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 2.6% of total revenue in 2019–20.

### Underlying Changes in Revenue Yield

The **2019–20** revised estimate of \$10,807,938,000 reflects a net increase of \$42,170,000 (0.4%) over the original estimate.

The **2020–21** estimate of \$10,927,249,000 reflects a net increase of \$119,311,000 (1.1%) over the revised estimate for 2019–20.

## Head 2 — GENERAL RATES

### Details of Revenue

Sub-head (Code)	Actual revenue 2018–19	Original estimate 2019–20	Revised estimate 2019–20	Estimate 2020–21
	\$'000	\$'000	\$'000	\$'000
030 General Rates.....	17,166,545	19,875,000	20,810,000	19,483,000 †
Total.....	17,166,545	19,875,000	20,810,000	19,483,000

† After the proposed rates concessions in the 2020–21 Budget 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 5.0% of total revenue in 2019–20.

### Underlying Changes in Revenue Yield

The **2019–20** revised estimate of \$20,810 million reflects an increase of \$935 million (4.7%) over the original estimate. This is mainly due to the longer-than-expected time taken to settle the refund of overcharged rates arising from rating appeals, partly offset by the enhanced rates concession for non-domestic properties in the fourth quarter of 2019–20.

The **2020–21** estimate of \$19,483 million reflects a decrease of \$1,327 million (6.4%) against the revised estimate for 2019–20. This is mainly due to the proposed rates concessions in the 2020–21 Budget.

## Head 3 — INTERNAL REVENUE

### Details of Revenue

Sub-head (Code)	Actual revenue 2018–19	Original estimate 2019–20	Revised estimate 2019–20	Estimate 2020–21
	\$'000	\$'000	\$'000	\$'000
010 Bets and sweeps tax .....	22,194,425	22,230,000	21,800,000	22,200,000
030 Earnings and profits tax—				
(020) Profits tax .....	166,619,646	159,600,000	131,440,000	130,900,000 †
(030) Personal assessment .....	5,963,102	6,100,000	4,900,000	7,230,000 †
(040) Property tax .....	3,624,446	3,600,000	3,200,000	4,000,000
(050) Salaries tax .....	60,145,881	66,600,000	54,400,000	59,910,000 †
Sub-total .....	236,353,075	235,900,000	193,940,000	202,040,000
050 Estate duty .....	88,652	15,000	54,000	15,000
070 Stamp duties.....	79,978,723	76,000,000	63,000,000	75,000,000 †
080 Air passenger departure tax .....	2,881,415	2,990,000	2,426,000	2,539,000
Total.....	341,496,290	337,135,000	281,220,000	301,794,000

† 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 two-tiered profits tax regime has taken effect from the year of assessment 2018/19. The tax rate for the first \$2 million of profits of corporations is lowered from 16.5% to 8.25%. Profits above that amount will continue to be subject to the tax rate of 16.5%. For unincorporated businesses, the two-tiered tax rates are correspondingly set at 7.5% and 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. Estates duty in respect of persons dying on or after 15 July 2005 and before 11 February 2006 is reduced to a nominal amount of \$100.

*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 20%. The *ad valorem* duties on stock transactions are 0.1% for each side per transaction. The Government 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 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 (Part 2 of Scale 1) rates, unless the property is a residential property and the buyer is an HKPR acting on his or her own behalf and not a beneficial owner of any another residential property in Hong Kong at the time of acquisition. The Government introduced a new residential stamp duty to increase the *ad valorem* stamp duty chargeable on instruments of acquiring residential property executed on or after 5 November 2016 to a flat rate of 15% (Part 1 of Scale 1 rate). The Government also introduced the tightening of the exemption arrangement for HKPR buyers under the new residential stamp duty regime, where acquisition of more than one residential property under a single instrument executed on or after 12 April 2017 is subject to the flat rate at 15%, even if the buyer is an HKPR who is acting on his or her own behalf and not a beneficial owner of any other residential property in Hong Kong at the time

### Head 3 — INTERNAL REVENUE

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of acquisition. 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 68.1% of total revenue in 2019–20.

#### Underlying Changes in Revenue Yield

The **2019–20** revised estimate of \$281,220 million reflects a net decrease of \$55,915 million (16.6%) against the original estimate.

Under *Subhead 030 Earnings and profits tax*, there is a net decrease of \$41,960 million (17.8%). The decrease of \$28,160 million (17.6%) in respect of profits tax is mainly due to the decrease in assessable profits and increase in holdover of provisional tax. The decrease of \$1,200 million (19.7%) in respect of tax charged under personal assessment and the decrease of \$400 million (11.1%) in respect of property tax are mainly due to deferral of tax collection to 2020–21. The decrease of \$12,200 million (18.3%) in respect of salaries tax are mainly due to the deferral of tax collection to 2020–21, enhanced tax concession announced in August 2019 and increase in holdover of provisional tax.

Under *Subhead 050 Estate duty*, the increase of \$39 million (260%) is mainly due to the higher-than-expected amount of duty receipt in 2019–20.

Under *Subhead 070 Stamp duties*, the decrease of \$13 billion (17.1%) is mainly due to the lower-than-expected turnover in the property and stock markets.

Under *Subhead 080 Air passenger departure tax*, the decrease of \$564 million (18.9%) is mainly due to the lower-than-expected number of departing air passengers in 2019–20 due to public incidents and the novel coronavirus outbreak in Hong Kong.

The **2020–21** estimate of \$301,794 million reflects a net increase of \$20,574 million (7.3%) over the revised estimate for 2019–20.

Under *Subhead 050 Estate duty*, the decrease of \$39 million (72.2%) is mainly due to the anticipated lower amount of duty receipt in 2020–21 in respect of the estates of persons who died before 11 February 2006.

Under *Subhead 070 Stamp duties*, the increase of \$12 billion (19.0%) is mainly due to expected increase in turnover in the property and stock markets.

## Head 4 — MOTOR VEHICLE TAXES

### Details of Revenue

Sub-head (Code)	Actual revenue 2018–19	Original estimate 2019–20	Revised estimate 2019–20	Estimate 2020–21
	\$'000	\$'000	\$'000	\$'000
010 First registration.....	9,432,181	9,198,140	7,382,000	<b>7,382,000</b>
Total.....	9,432,181	9,198,140	7,382,000	<b>7,382,000</b>

### 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 2019–20.

### Underlying Changes in Revenue Yield

The **2019–20** revised estimate of \$7,382,000,000 reflects a decrease of \$1,816,140,000 (19.7%) against the original estimate. This is mainly due to the lower-than-expected number of vehicles subject to first registration.

The **2020–21** estimate of \$7,382,000,000 is the same as the revised estimate for 2019–20.

## Head 5 — FINES, FORFEITURES AND PENALTIES

### Details of Revenue

Sub-head (Code)	Actual revenue 2018–19	Original estimate 2019–20	Revised estimate 2019–20	Estimate 2020–21
	\$'000	\$'000	\$'000	\$'000
010 Court fines and statutory penalties.....	1,449,670	527,067	1,085,593	551,000
020 Forfeitures.....	470,030	83,884	238,876	110,000
030 Fixed penalty system (Traffic Contraventions) ..	677,758	693,810	525,586	679,900
040 Fixed penalty system (Criminal Proceedings) ...	232,424	230,095	194,390	231,800
050 Payments by civil servants.....	6,860	4,958	5,574	5,850
060 Fixed penalty system (Motor Vehicle Idling) ....	16	17	17	17
Total.....	2,836,758	1,539,831	2,050,036	1,578,567

### 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 0.5% of total revenue in 2019–20.

### Underlying Changes in Revenue Yield

The **2019–20** revised estimate of \$2,050,036,000 reflects a net increase of \$510,205,000 (33.1%) over the original estimate.

Under *Subhead 010 Court fines and statutory penalties*, the increase of \$558,526,000 (106.0%) 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 \$154,992,000 (184.8%) is mainly due to the higher-than-expected revenue from forfeiture cases.

Under *Subhead 030 Fixed penalty system (Traffic Contraventions)*, the decrease of \$168,224,000 (24.2%) is mainly due to the lower-than-expected number of fixed penalty tickets issued for traffic offences.

Under *Subhead 040 Fixed penalty system (Criminal Proceedings)*, the decrease of \$35,705,000 (15.5%) is mainly due to the lower-than-expected number of fixed penalty tickets issued for traffic offences.

Under *Subhead 050 Payments by civil servants*, the increase of \$616,000 (12.4%) is mainly due to the higher-than-expected payments by civil servants resigning from the civil service who paid salary in lieu of observing the prescribed notice period.

The **2020–21** estimate of \$1,578,567,000 reflects a net decrease of \$471,469,000 (23.0%) against the revised estimate for 2019–20.

Under *Subhead 010 Court fines and statutory penalties*, a decrease of \$534,593,000 (49.2%) is expected mainly due to an anticipated decrease in revenue from fines.

Under *Subhead 020 Forfeitures*, a decrease of \$128,876,000 (54.0%) is expected mainly because the revenue from forfeiture cases is expected to drop.

Under *Subhead 030 Fixed penalty system (Traffic Contraventions)*, an increase of \$154,314,000 (29.4%) is expected mainly because the number of fixed penalty tickets issued for traffic offences is expected to rise.

Under *Subhead 040 Fixed penalty system (Criminal Proceedings)*, an increase of \$37,410,000 (19.2%) is expected mainly because the number of fixed penalty tickets issued for traffic offences is expected to rise.

## Head 6 — ROYALTIES AND CONCESSIONS

### Details of Revenue

Sub-head (Code)	Actual revenue 2018–19	Original estimate 2019–20	Revised estimate 2019–20	Estimate 2020–21
	\$'000	\$'000	\$'000	\$'000
020 Quarries and mining.....	98,166	94,133	96,717	96,717
030 Bridges and tunnels.....	2,568,328	2,512,884	2,346,574	2,379,274
070 Petrol filling .....	2,327	2,376	2,217	2,228
100 Parking .....	449,257	468,498	441,332	447,450
170 Vehicle examination .....	49,525	51,431	38,431	12,736
201 Slaughterhouse concessions .....	28,996	28,447	7,000	33,000
202 Other royalties and concessions .....	304,056	345,475	475,065	595,971
Total.....	3,500,655	3,503,244	3,407,336	3,567,376

### 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 Discovery Bay Tunnel; revenue from Route 8 between Cheung Sha Wan and Sha Tin, Scenic Hill Tunnel, Airport Tunnel, Lung Shan Tunnel, Cheung Shan Tunnel and Central-Wan Chai Bypass Tunnel; 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, the Eastern Harbour Crossing and the Tate's Cairn Tunnel.

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

*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 0.8% of total revenue in 2019–20.

### Underlying Changes in Revenue Yield

The **2019–20** revised estimate of \$3,407,336,000 reflects a net decrease of \$95,908,000 (2.7%) against the original estimate.

Under *Subhead 170 Vehicle examination*, the decrease of \$13 million (25.3%) is mainly due to the 12-month waiver of vehicle examination fees for registered commercial vehicles announced by the Financial Secretary on 15 August 2019, which covers the period from 30 December 2019 to 31 March 2020.

Under *Subhead 201 Slaughterhouse concessions*, the decrease of \$21,447,000 (75.4%) is mainly due to the waiver of basic fees payable by the operator of Sheung Shui Slaughterhouse from 1 August 2019 to 31 March 2020.

Under *Subhead 202 Other royalties and concessions*, the increase of \$129,590,000 (37.5%) is mainly due to the receipt of instalment payments of spectrum utilisation fees from assignment of spectrum in the 3.3 GHz, 3.5GHz and 4.9GHz bands.

The **2020–21** estimate of \$3,567,376,000 reflects a net increase of \$160,040,000 (4.7%) over the revised estimate for 2019–20.

Under *Subhead 170 Vehicle examination*, the decrease of \$25,695,000 (66.9%) is mainly due to the 12-month waiver of vehicle examination fees for registered commercial vehicles, which covers the period from 1 April to 29 December 2020 in 2020–21.

Under *Subhead 201 Slaughterhouse concessions*, the increase of \$26 million (371.4%) is because waiver of basic fees payable by the operator of Sheung Shui Slaughterhouse is not anticipated after July 2020.

## Head 6 — ROYALTIES AND CONCESSIONS

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Under *Subhead 202 Other royalties and concessions*, the increase of \$120,906,000 (25.5%) is mainly due to the anticipated receipt of instalment payments of spectrum utilisation fees from re-assignment of spectrum in the 900 MHz band.



## Head 7 — PROPERTIES AND INVESTMENTS

### Details of Revenue

Sub-head (Code)	Actual revenue 2018–19	Original estimate 2019–20	Revised estimate 2019–20	Estimate 2020–21
	\$'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.....	2,579,610	2,384,169	2,238,105	2,181,833
020 Rents from government quarters.....	878,145	846,989	896,375	897,121
030 Rents from government properties.....	1,657,608	1,524,915	1,280,842	1,262,971
040 Investment income and interest.....	27,751,420	39,998,000	40,119,444	45,862,000
060 Returns on equity investments in statutory agencies/corporations .....	—	5,190,275	5,561,009	5,561,009
080 Recovery from Housing Authority under current financial arrangement.....	1,233,494	2,185,485	1,517,688	2,659,144
090 Government rents charged at 3% of rateable values in accordance with the Government Rent (Assessment and Collection) Ordinance (Cap. 515) .....	12,062,214	12,517,000	12,933,000	13,300,000
Total.....	<u>46,162,491</u>	<u>64,646,833</u>	<u>64,546,463</u>	<u>71,724,078</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 subsidised sale flats are also included in this head.

Revenue from properties and investments generated 15.6% of total revenue in 2019–20.

### Underlying Changes in Revenue Yield

The **2019–20** revised estimate of \$64,546,463,000 reflects a net decrease of \$100,370,000 (0.2%) against the original estimate.

Under *Subhead 030 Rents from government properties*, the decrease of \$244,073,000 (16.0%) is mainly due to the 50% rental concession for public market stalls, fee-paying public car parks, catering and retail premises for six months from 1 October 2019 to 31 March 2020.

Under *Subhead 080 Recovery from the Housing Authority under current financial arrangement*, the decrease of \$667,797,000 (30.6%) is mainly due to the lower-than-expected number of subsidised sale flats sold.

The **2020–21** estimate of \$71,724,078,000 reflects a net increase of \$7,177,615,000 (11.1%) over the revised estimate for 2019–20.

Under *Subhead 040 Investment income and interest*, the increase of \$5,742,556,000 (14.3%) is mainly due to the anticipated increase in rate of return on the fund balance placed with the Exchange Fund for investment purpose.

Under *Subhead 080 Recovery from the Housing Authority under current financial arrangement*, the increase of \$1,141,456,000 (75.2%) is mainly due to the anticipated increase in the number of subsidised sale flats sold.

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

### Details of Revenue

Sub-head (Code)	Actual revenue 2018–19	Original estimate 2019–20	Revised estimate 2019–20	Estimate 2020–21
	\$'000	\$'000	\$'000	\$'000
010 Repayments of loans and advances.....	2	—	—	—
020 Pension contributions.....	4,253	3,186	3,177	2,750
030 Recovery of salaries and staff on-costs.....	2,878,089	3,183,851	3,191,011	3,276,000
040 Light and fuel in government buildings.....	21,918	20,279	19,701	20,150
050 Recovery of overpayments and losses.....	932,952	644,913	952,225	719,920
080 Transfers from Funds.....	80,000,000	55,000,000	55,000,000	84,000,000
090 Other receipts.....	9,210,475	1,022,100	932,111	1,090,000
110 Payments made by Trading Funds—				
(001) Transfer of statutory return.....	—	—	325,578	114,200
(002) Payments for “insurance” premium.....	2,561	3,777	3,777	3,980
(003) Reimbursements by trading funds arising from policy on “insurance”.....	95	210	196	230
Total.....	<u>93,050,345</u>	<u>59,878,316</u>	<u>60,427,776</u>	<u>89,227,230</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), transfer from Government Funds, and payments made by Trading Funds.

Revenue from loans, reimbursements, contributions and other receipts (excluding transfers from funds) generated 1.3% of total revenue in 2019–20.

### Underlying Changes in Revenue Yield

The **2019–20** revised estimate of \$60,427,776,000 reflects a net increase of \$549,460,000 (0.92%) over the original estimate.

Under *Subhead 050 Recovery of overpayments and losses*, the increase of \$307,312,000 (47.7%) is mainly due to the higher-than-expected refunds of unspent subventions from Non-governmental Organisations (“NGOs”) and other subvented organisations, unexpected refunds from the Electrical and Mechanical Services Trading Fund (“EMSTF”), and refunds of unspent balance from schemes for subsidy on student exchange.

Under *Subhead 110 Payments made by Trading Funds*, the increase of \$325,564,000 (8,165.6%) is due to the transfer of surplus representing the target return for 2016–17 to 2018–19 as directed by the Financial Secretary under the Trading Funds Ordinance (Cap. 430).

The **2020–21** estimate of \$89,227,230,000 reflects a net increase of \$28,799,454,000 (47.7%) over the revised estimate for 2019–20.

Under *Subhead 020 Pension contributions*, a decrease of \$427,000 (13.4%) 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 \$232,305,000 (24.4%) is expected mainly because the refunds of unspent subventions from NGOs and subvented organisations are expected to drop, and no refunds from the EMSTF and the schemes for subsidy on student exchange are expected.

Under *Subhead 080 Transfers from Funds*, the increase of \$29,000,000,000 (52.7%) is due to the expected increase in transfer from Capital Works Reserve Fund to the general revenue in 2020–21.

Under *Subhead 090 Other receipts*, an increase of \$157,889,000 (16.9%) is expected mainly because the sale proceeds of government properties are expected to rise.

Under *Subhead 110 Payments made by Trading Funds*, a decrease of \$211,141,000 (64.1%) is expected because only the target return for 2019–20 is expected to be transferred in 2020–21.

## Head 10 — UTILITIES

### Details of Revenue

Sub-head (Code)	Actual revenue 2018–19	Original estimate 2019–20	Revised estimate 2019–20	Estimate 2020–21
	\$'000	\$'000	\$'000	\$'000
040 Marine ferry terminals—				
(010) Berthing fee .....	44,502	30,833	31,437	35,886
(020) Embarkation fee .....	139,771	108,990	66,608	19,145
(030) Others .....	5,882	6,118	3,557	1,847
Sub-total .....	190,155	145,941	101,602	56,878
070 Waterworks—				
(010) Chargeable water .....	2,717,623	2,738,400	2,463,100	2,563,400 †
(020) Fees and licences .....	21,637	22,000	23,500	23,500
(040) Others .....	10,686	9,670	9,800	8,650
Sub-total .....	2,749,946	2,770,070	2,496,400	2,595,550
080 Sewage services—				
(010) Sewage charge .....	1,253,537	1,256,100	1,111,800	1,123,000 †
(020) Trade effluent surcharge .....	240,847	243,800	183,500	53,000
(030) Others .....	5,625	5,405	6,083	6,083
Sub-total .....	1,500,009	1,505,305	1,301,383	1,182,083
Total .....	4,440,110	4,421,316	3,899,385	3,834,511

† 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 income generated by government-operated public utilities except government toll-tunnels and bridges.

Revenue from utilities generated 0.9% of total revenue in 2019–20.

### Underlying Changes in Revenue Yield

The **2019–20** revised estimate of \$3,899,385,000 reflects a net decrease of \$521,931,000 (11.8%) over the original estimate.

Under Subhead 040 Marine ferry terminals, the decrease of \$44,339,000 (30.4%) is mainly due to the higher than expected diversion effect of Hong Kong–Zhuhai–Macao Bridge coupled with closure of boundary control points at China Ferry Terminal and Hong Kong–Macao Ferry Terminal arising from the outbreak of the novel coronavirus.

Under Subhead 080 Sewage services, the decrease of \$203,922,000 (13.5%) is mainly due to the deferment of non-domestic bills since December 2019 due to the legislative amendments and system enhancement for effecting the helping measure on waiving 75% sewage charges.

The **2020–21** estimate of \$3,834,511,000 reflects a net decrease of \$64,874,000 (1.7%) against the revised estimate for 2019–20.

Under Subhead 040 Marine ferry terminals, the decrease of \$44,724,000 (44.0%) is mainly due to abolition of embarkation fee as announced in the 2019 Policy Address.

## Head 11 — FEES AND CHARGES

### Details of Revenue

Sub-head (Code)	Actual revenue 2018–19	Original estimate 2019–20	Revised estimate 2019–20	Estimate 2020–21
	\$'000	\$'000	\$'000	\$'000
022 Agriculture, Fisheries and Conservation Department—				
(010) Markets .....	94,188	93,989	68,566	<b>68,411 *</b>
(020) Agricultural services and products .....	456	541	285	<b>286</b>
(030) Others .....	45,720	48,811	44,110	<b>43,280</b>
Sub-total .....	140,364	143,341	112,961	<b>111,977</b>
024 Audit Commission .....	11,499	11,498	12,989	<b>12,989</b>
025 Architectural Services Department—				
(025) Services to trading funds and subvented projects .....	761	463	1,079	<b>1,079</b>
(030) Others .....	538	601	556	<b>556</b>
Sub-total .....	1,299	1,064	1,635	<b>1,635</b>
026 Census and Statistics Department .....	1,158	501	576	<b>518</b>
027 Civil Aid Service .....	36	30	79	<b>44</b>
028 Civil Aviation Department—				
(010) Services to the Airport Authority.....	695,175	723,180	748,577	<b>728,028</b>
(020) Aircraft en route navigation charges.....	423,342	487,012	477,636	<b>571,293</b>
(030) Licences .....	98,665	80,987	82,448	<b>89,911</b>
(040) Others .....	470	490	469	<b>471</b>
Sub-total .....	1,217,652	1,291,669	1,309,130	<b>1,389,703</b>
030 Correctional Services Department—				
(010) Recovery other than cost of raw materials for correctional services industries.....	402	130	130	<b>130</b>
(015) Laundry charges .....	3,205	3,210	3,200	<b>3,200</b>
(020) Others .....	174	160	130	<b>130</b>
Sub-total .....	3,781	3,500	3,460	<b>3,460</b>
031 Customs and Excise Department—				
(010) Import and export declarations .....	671,020	569,664	439,462	<b>439,461</b>
(020) Bonded warehouse supervision charges.....	457	434	456	<b>456</b>
(030) Clothing industry training levy service charges .....	56	57	49	<b>50</b>
(040) Denaturing fees.....	237	226	303	<b>303</b>
(071) Import and export licences.....	3,436	3,312	3,468	<b>3,468</b>
(072) Warehouse licences .....	789	755	831	<b>831</b>
(080) Miscellaneous licences .....	1,935	1,810	1,942	<b>1,942</b>
(090) Storage fees .....	—	1	2	<b>1</b>
(100) Others .....	19,587	18,214	14,657	<b>13,679</b>
Sub-total .....	697,517	594,473	461,170	<b>460,191</b>

## Head 11 — FEES AND CHARGES

Sub-head (Code)	Actual revenue 2018–19	Original estimate 2019–20	Revised estimate 2019–20	Estimate 2020–21
	\$'000	\$'000	\$'000	\$'000
032 Companies Registry—				
(010) Licence and other fees .....	34,152	22,988	22,495	23,639
033 Civil Engineering and Development Department—				
(010) Works executed on private account .....	16,113	366	186	138
(011) Dangerous goods, mining and prospecting licences .....	1,689	1,813	1,253	999
(012) Explosives permit and storage fees .....	22,104	20,931	12,311	17,807
(013) Mud disposal .....	10,906	10,880	10,025	16,000
(014) Disposal of construction waste .....	930,753	1,139,000	855,000	926,000
(030) Others .....	350	334	209	137
Sub-total .....	981,915	1,173,324	878,984	961,081
037 Department of Health—				
(010) Dangerous drugs, pharmacy, poisons and other licences .....	24,872	24,727	30,865	31,158
(030) Out-patient charges .....	36,818	40,597	37,676	37,669
(040) Dental charges .....	12,223	12,594	12,096	12,110
(050) Medical and health charges other than hospital, out-patient and dental charges .....	34,417	37,754	34,092	34,375
(060) Registrations and certificates of medical and supplementary medical professionals .....	40,228	41,836	42,080	41,904
(070) Others .....	1,176	1,409	850	1,241
Sub-total .....	149,734	158,917	157,659	158,457
039 Drainage Services Department—				
(010) Works executed on private account .....	2	8	1	—
(030) Others .....	1,573	1,891	1,485	1,481
Sub-total .....	1,575	1,899	1,486	1,481
042 Electrical and Mechanical Services Department—				
(025) Services to Electrical and Mechanical Services Trading Fund .....	46,826	44,926	49,214	50,937
(027) Registration, certification and permit fees .....	50,819	60,275	60,172	54,922
(030) Others .....	15	14	110	17
Sub-total .....	97,660	105,215	109,496	105,876
044 Environmental Protection Department—				
(010) Chemical waste charging scheme .....	35,453	35,000	35,000	35,000
(015) MARPOL waste charging scheme .....	4,477	5,500	4,400	4,400
(017) Waste disposal charges .....	240,343	244,560	235,100	235,100
(020) Licence and permit fees .....	18,248	17,507	20,206	19,842
(025) Producer Responsibility Scheme .....	99,164	314,562	226,542	238,067
(030) Others .....	1,605	1,538	1,934	1,890
Sub-total .....	399,290	618,667	523,182	534,299

## Head 11 — FEES AND CHARGES

Sub-head (Code)	Actual revenue 2018–19	Original estimate 2019–20	Revised estimate 2019–20	Estimate 2020–21
	\$'000	\$'000	\$'000	\$'000
045 Fire Services Department—				
(010) Dangerous goods licences.....	13,081	13,716	13,488	<b>13,488</b>
(012) Official certificates and fire reports .....	10,000	10,029	10,257	<b>10,257</b>
(020) Others .....	1,806	1,699	1,803	<b>1,803</b>
Sub-total .....	24,887	25,444	25,548	<b>25,548</b>
047 Government Secretariat: Office of the Government Chief Information Officer.....	13,533	14,169	18,092	<b>21,477</b>
048 Government Laboratory—				
(015) Services to the Hospital Authority.....	1,819	1,847	1,847	<b>1,847</b>
(020) Others .....	4,132	3,771	4,600	<b>5,000</b>
Sub-total .....	5,951	5,618	6,447	<b>6,847</b>
049 Food and Environmental Hygiene Department—				
(010) Licences and permits .....	222,581	263,992	147,792	<b>136,482</b>
(020) Meat inspection.....	20,486	20,915	11,966	<b>899</b>
(030) Cemeteries and crematoria .....	71,673	133,127	126,130	<b>185,588</b>
(040) Others .....	6,635	5,986	5,605	<b>5,609</b>
Sub-total .....	321,375	424,020	291,493	<b>328,578</b>
051 Government Property Agency—				
(010) Management and air conditioning charges.....	67,371	67,552	70,072	<b>67,774</b>
(020) Others .....	9,763	9,707	7,284	<b>9,369</b>
Sub-total .....	77,134	77,259	77,356	<b>77,143</b>
055 Government Secretariat: Commerce and Economic Development Bureau (Communications and Creative Industries Branch).....	908	1,160	972	<b>1,050</b>
059 Government Logistics Department—				
(010) Printing services .....	274,714	284,424	286,646	<b>300,837</b>
(020) Advertisements .....	19,778	21,171	20,646	<b>20,646</b>
(030) Government transport .....	24,176	23,800	26,595	<b>26,595</b>
(040) Others .....	9,049	8,957	19,312	<b>11,590</b>
Sub-total .....	327,717	338,352	353,199	<b>359,668</b>
060 Highways Department—				
(010) Works executed on private account .....	1,017	850	1,060	<b>650</b>
(020) Excavation permits .....	152,741	179,601	154,004	<b>153,974</b>
(030) Others .....	2,113	2,871	2,254	<b>1,800</b>
Sub-total .....	155,871	183,322	157,318	<b>156,424</b>

## Head 11 — FEES AND CHARGES

Sub-head (Code)	Actual revenue 2018–19	Original estimate 2019–20	Revised estimate 2019–20	Estimate 2020–21
	\$'000	\$'000	\$'000	\$'000
063 Home Affairs Department—				
(015) Guesthouse licences .....	9,156	5,444	4,710	8,905
(016) Clubhouse certificates .....	12,626	12,697	14,044	12,894
(020) Karaoke establishments licences and permits .....	16	14	15	13
(021) Entertainment licences .....	12,416	12,539	13,517	13,305
(030) Others .....	3,007	2,790	2,987	2,987
Sub-total .....	37,221	33,484	35,273	38,104
070 Immigration Department—				
(012) Chinese nationality applications .....	5,892	6,484	5,723	5,724
(020) Travel documents .....	259,753	281,779	263,612	284,414
(030) Visas, entry permits and extension of stay .....	136,428	151,046	171,616	179,671
(040) Certification fees .....	12,178	12,117	12,727	13,070
(060) Replacement of identity cards .....	47,876	49,237	48,763	48,211
(070) Births and deaths registration fees .....	39,909	41,983	43,470	45,103
(080) Marriage registration fees .....	61,474	63,021	60,261	61,571
(090) Others .....	14,992	16,057	12,236	12,317
Sub-total .....	578,502	621,724	618,408	650,081
074 Information Services Department—				
(010) Sale of publications .....	2,619	2,788	2,444	2,444
(020) Others .....	1,759	1,773	1,484	1,484
Sub-total .....	4,378	4,561	3,928	3,928
076 Inland Revenue Department—				
(010) Business registration fees .....	2,826,688	190,000	180,000	130,000 †
(020) Others .....	33,642	33,000	32,590	32,525
Sub-total .....	2,860,330	223,000	212,590	162,525
078 Intellectual Property Department—				
(010) Patents fees .....	26,315	24,449	25,711	26,313
(020) Trade marks fees .....	186,453	184,149	179,238	181,255
(030) Registered designs fees .....	7,872	8,170	8,302	8,644
(040) Others .....	24	54	120	58
Sub-total .....	220,664	216,822	213,371	216,270
080 Judiciary—				
(010) Commission .....	6,846	5,674	12,617	8,028
(020) Court fees .....	160,237	157,125	171,734	170,314
(030) Possession .....	513	563	4,203	4,203
(040) Others .....	19,391	18,626	26,098	26,098
Sub-total .....	186,987	181,988	214,652	208,643

## Head 11 — FEES AND CHARGES

Sub-head (Code)	Actual revenue 2018–19	Original estimate 2019–20	Revised estimate 2019–20	Estimate 2020–21
	\$'000	\$'000	\$'000	\$'000
082 Buildings Department—				
(010) Buildings Ordinance fees .....	250,869	224,725	300,356	188,905
(020) Works executed on private account .....	37	66	28	28
(030) Others .....	2,969	4,105	2,609	5,027
Sub-total .....	253,875	228,896	302,993	193,960
090 Labour Department .....	31,391	31,808	33,182	34,737
091 Lands Department—				
(010) Administrative and legal land services .....	54,947	66,664	63,028	62,466
(012) Lands Department consent fees and Government lease fees .....	8,659	7,828	8,138	8,463
(013) Administrative fees for conveyancing services for FSI .....	217	200	200	200
(020) Excavation permits .....	12,466	13,489	12,391	12,612
(040) Works executed on private account .....	585	55	516	1,090
(042) Services to KCRC .....	55,510	21,562	22,597	23,673
(046) Services to MTRCL .....	35,121	43,393	39,490	43,837
(050) Others .....	24,953	27,272	28,793	29,349
Sub-total .....	192,458	180,463	175,153	181,690
092 Department of Justice .....	5,512	1,929	2,251	2,647
094 Legal Aid Department .....	357,542	391,165	406,510	394,075
095 Leisure and Cultural Services Department—				
(010) Admission and hire charges .....	802,166	803,076	722,220	773,354 *
(020) Programme entry fees for recreational and sports activities .....	39,788	42,083	42,208	42,144
(030) Licences .....	357	275	270	273
(040) Others .....	31,021	27,771	27,723	27,384
Sub-total .....	873,332	873,205	792,421	843,155
100 Marine Department—				
(010) Anchorage .....	20,028	14,918	45,437	22,810
(020) Buoy .....	21,341	20,958	20,242	20,242
(030) Permit fees .....	104,456	107,881	61,308	44,276
(040) Cargo working area charges .....	115,503	116,778	77,687	81,557 *
(050) Examination and registration fees .....	131,969	130,493	124,903	129,631
(070) Vessel licences .....	44,342	45,592	36,768	32,768
(080) Port and light dues .....	187,925	184,216	108,000	98,677
(090) Port clearance fees .....	10,265	10,638	9,748	9,748
(100) Survey fees .....	24,082	23,917	21,195	19,070
(110) Others .....	9,916	7,314	8,651	7,518
Sub-total .....	669,827	662,705	513,939	466,297



## Head 11 — FEES AND CHARGES

Sub-head (Code)	Actual revenue 2018–19	Original estimate 2019–20	Revised estimate 2019–20	Estimate 2020–21
	\$'000	\$'000	\$'000	\$'000
116 Official Receiver's Office—				
(010) Bankruptcy .....	112,853	105,738	103,795	<b>102,271</b>
(020) Liquidation .....	34,753	29,702	45,100	<b>32,700</b>
Sub-total .....	147,606	135,440	148,895	<b>134,971</b>
122 Hong Kong Police Force—				
(010) Confirmation of criminal record .....	12,507	11,255	15,632	<b>12,193</b>
(020) Establishments and trades licences .....	1,939	2,123	2,204	<b>2,204</b>
(025) Security personnel permits .....	10,647	11,048	11,411	<b>11,411</b>
(030) Others .....	8,544	9,277	9,914	<b>10,228</b>
Sub-total .....	33,637	33,703	39,161	<b>36,036</b>
143 Government Secretariat: Civil Service Bureau—				
(010) Translation and interpretation services ...	7,491	7,548	6,258	<b>7,361</b>
(020) Training and development services .....	7,602	6,870	7,452	<b>7,452</b>
(030) Others .....	672	669	656	<b>656</b>
Sub-total .....	15,765	15,087	14,366	<b>15,469</b>
148 Government Secretariat: Financial Services and the Treasury Bureau (Financial Services Branch)—				
(030) Others .....	2	4	3	<b>2</b>
151 Government Secretariat: Security Bureau—				
(010) Security companies .....	19,337	20,519	20,644	<b>21,362</b>
(090) Others .....	75	55	50	<b>51</b>
Sub-total .....	19,412	20,574	20,694	<b>21,413</b>
152 Government Secretariat: Commerce and Economic Development Bureau (Commerce, Industry and Tourism Branch) ..	4,492	10,819	5,331	<b>5,190</b>
155 Government Secretariat: Innovation and Technology Commission .....	17,769	18,952	18,085	<b>15,496</b>
156 Government Secretariat: Education Bureau—				
(020) Grant and subsidised schools provident funds—supervision fees .....	6,008	6,271	6,141	<b>6,367</b>
(030) Others .....	4,139	4,458	4,553	<b>4,497</b>
Sub-total .....	10,147	10,729	10,694	<b>10,864</b>
160 Radio Television Hong Kong .....	1,919	1,492	1,614	<b>1,398</b>
162 Rating and Valuation Department .....	4,729	4,646	6,973	<b>4,885</b>

## Head 11 — FEES AND CHARGES

Sub-head (Code)	Actual revenue 2018–19	Original estimate 2019–20	Revised estimate 2019–20	Estimate 2020–21
	\$'000	\$'000	\$'000	\$'000
168 Hong Kong Observatory—				
(010) Services to the Airport Authority.....	122,173	126,751	123,600	143,967
(020) Others .....	925	987	988	978
Sub-total .....	123,098	127,738	124,588	144,945
170 Social Welfare Department—				
(010) Traffic Accident Victims Assistance Scheme administration fee.....	25,920	25,800	26,684	26,471
(020) Others .....	784	688	677	677
Sub-total .....	26,704	26,488	27,361	27,148
173 Working Family and Student Financial Assistance Agency .....	33,903	34,681	34,797	34,939
180 Office for Film, Newspaper and Article Administration—				
(020) Film censorship fees .....	3,698	3,682	3,382	3,382
(030) Others .....	653	637	605	604
Sub-total .....	4,351	4,319	3,987	3,986
181 Trade and Industry Department—				
(010) Application fees for certificates of origin.....	252	237	390	390
(040) Others .....	4,314	4,253	4,095	4,098
Sub-total .....	4,566	4,490	4,485	4,488
186 Transport Department—				
(010) Vehicle and driving licences.....	4,238,068	4,347,712	4,101,813	3,814,672
(030) Transfer of vehicle and registration mark, driving test and permits .....	372,563	382,841	365,496	365,496
(040) Traffic Accident Victims Assistance Scheme administration fee.....	2,449	2,451	2,483	2,556
(050) Vehicle examination fees.....	66,141	67,560	54,562	28,305
(055) Personalized vehicle registration mark ...	37,581	27,973	30,597	30,597
(060) Others .....	18,829	19,093	17,579	15,503
Sub-total .....	4,735,631	4,847,630	4,572,530	4,257,129
188 Treasury—				
(040) Others .....	64,994	68,042	66,618	71,159
200 Other bureaux/departments .....	42,531	46,094	48,832	49,953
Total.....	16,228,283	14,259,108	13,199,412	12,977,668

\* After Budget revenue measures.

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

## Head 11 — FEES AND CHARGES

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### 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 3.2% of total revenue in 2019–20.

### Underlying Changes in Revenue Yield

The **2019–20** revised estimate of \$13,199,412,000 reflects a net decrease of \$1,059,696,000 (7.4%) against the original estimate.

Under *Subhead 022 Agriculture, Fisheries and Conservation Department*, the decrease of \$30,380,000 (21.2%) is mainly due to the rental concession measures on four wholesale markets for one year implemented from 1 October 2019.

Under *Subhead 031 Customs and Excise Department*, the decrease of \$133,303,000 (22.4%) is mainly due to lower-than-expected receipts from import and export declaration charges.

Under *Subhead 033 Civil Engineering and Development Department*, the decrease of \$294,340,000 (25.1%) is mainly due to lower-than-expected receipts from disposal of construction waste.

Under *Subhead 044 Environmental Protection Department*, the decrease of \$95,485,000 (15.4%) is mainly due to lower-than-expected receipts from recycling levy for regulated electrical equipment.

Under *Subhead 049 Food and Environmental Hygiene Department*, the decrease of \$132,527,000 (31.3%) is mainly due to waiver of various licence/permit fees for one year implemented from 1 October 2019.

Under *Subhead 060 Highways Department*, the decrease of \$26,004,000 (14.2%) is mainly due to lower-than-expected receipts from excavation permits.

Under *Subhead 080 Judiciary*, the increase of \$32,664,000 (17.9%) is mainly due to higher-than-expected receipts from commission, court fees, possession and other fees.

Under *Subhead 082 Buildings Department*, the increase of \$74,097,000 (32.4%) is mainly due to higher-than-expected receipts from building plan submission fees.

Under *Subhead 100 Marine Department*, the decrease of \$148,766,000 (22.4%) is mainly due to waiver of port and light dues, and cargo working area charges for one year implemented from 1 October 2019; and waiver of various licence/ permit fees for one year implemented from 1 November 2019; offset by higher-than-expected receipts from anchorage fees.

The **2020–21** estimate of \$12,977,668,000 reflects a net decrease of \$221,744,000 (1.7%) against the revised estimate for 2019–20.

Under *Subhead 049 Food and Environmental Hygiene Department*, the increase of \$37,085,000 (12.7%) is mainly due to projected increase in receipts from sales of new niches.

Under *Subhead 076 Inland Revenue Department*, the decrease of \$50,065,000 (23.6%) is mainly due to the projected decrease in receipts from business registration fees.

Under *Subhead 082 Buildings Department*, the decrease of \$109,033,000 (36.0%) is mainly due to projected decrease in receipts from building plan submission fees.

Under *Subhead 168 Hong Kong Observatory*, the increase of \$20,357,000 (16.3%) is mainly due to projected increase in receipts from services to the Airport Authority.