

Funds Established under Section 29 of the Public Finance Ordinance

ANALYSES OF VARIANCE ON RECEIPTS AND PAYMENTS

	2015-16			
	Original Estimate HK\$'000	Actual HK\$'000	Over/(Under) the Estimate HK\$'000	Variance %
Capital Works Reserve Fund				
Receipts	74,295,880	60,990,535	(13,305,345)	(17.9)
Payments	75,372,872	79,182,593	3,809,721	5.1
Capital Investment Fund				
Receipts	1,154,786	1,409,367	254,581	22.0
Payments	1,017,525	17,354	(1,000,171)	(98.3)
Civil Service Pension Reserve Fund				
Receipts	1,588,000	100,000	(1,488,000)	(93.7)
Disaster Relief Fund				
Receipts	32,000	81,102	49,102	153.4
Payments	-	82,147	82,147	-
Innovation and Technology Fund				
Receipts	45,515	68,606	23,091	50.7
Payments	1,014,476	1,014,259	(217)	-
Land Fund				
Receipts	12,085,000	-	(12,085,000)	(100.0)
Loan Fund				
Receipts	5,519,657	5,185,601	(334,056)	(6.1)
Payments	5,285,849	3,189,950	(2,095,899)	(39.7)
Lotteries Fund				
Receipts	2,585,938	1,330,652	(1,255,286)	(48.5)
Payments	919,208	936,571	17,363	1.9
Bond Fund				
Receipts	45,369,000	38,596,795	(6,772,205)	(14.9)
Payments	32,257,662	30,242,650	(2,015,012)	(6.2)

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Capital Works Reserve Fund

The decrease of HK\$13,305.3 million in receipts was mainly due to the lower than expected receipts from land premium (HK\$9,107.2 million) and investment income (HK\$4,268.7 million). The investment income on the fiscal reserves for 2015-16 has been set aside and retained within the Exchange Fund as further injection to the Housing Reserve, and not received on 31 December 2015. The investment income on the balance of the Capital Works Reserve Fund placed with the Exchange Fund for 2015-16 is HK\$3,979.7 million.

The increase of HK\$3,809.7 million in payments was mainly due to higher than expected cash flow requirements for various on-going works projects, including highways (HK\$6,147.7 million) and buildings (HK\$1,834.8 million), partly offset by the lower than expected cash flow requirements for some on-going non-works and works projects, including land acquisition (HK\$1,684.2 million), capital subventions (HK\$1,528.6 million), waterworks (HK\$378.4 million), drainage (HK\$260.9 million) and computerisation (HK\$243.1 million).

Capital Investment Fund

The increase of HK\$254.6 million in receipts was mainly due to the higher than expected dividends, interest and other receipts from investments/loans (HK\$362.8 million) and loan repayments from the Hong Kong Science and Technology Parks Corporation (HK\$2.8 million), partly offset by the lower than expected investment income (HK\$111 million). The investment income on the fiscal reserves for 2015-16 has been set aside and retained within the Exchange Fund as further injection to the Housing Reserve, and not received on 31 December 2015. The investment income on the balance of the Capital Investment Fund placed with the Exchange Fund for 2015-16 is HK\$98.4 million.

The decrease of HK\$1,000.2 million in payments was mainly due to no transfer of fund to the General Revenue Account (HK\$1,000 million).

Civil Service Pension Reserve Fund

The decrease of HK\$1,488 million in receipts was because the investment income on the fiscal reserves for 2015-16 has been set aside and retained within the Exchange Fund as further injection to the Housing Reserve, and not received on 31 December 2015. The investment income on the balance of the Civil Service Pension Reserve Fund placed with the Exchange Fund for 2015-16 is HK\$1,488 million.

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Disaster Relief Fund

The increase of HK\$49.1 million in receipts was mainly due to the approved supplementary provision to the Fund to cater for grants for disaster relief work outside Hong Kong (HK\$50 million) and the higher than expected receipts from refund of grants (HK\$1.1 million), partly offset by the lower than expected investment income (HK\$2 million). The investment income on the fiscal reserves for 2015-16 has been set aside and retained within the Exchange Fund as further injection to the Housing Reserve, and not received on 31 December 2015. The investment income on the balance of the Disaster Relief Fund placed with the Exchange Fund for 2015-16 is HK\$1.3 million.

No estimate of payment was made for the year as calls on the Fund in relief of disasters could not be predicted.

Innovation and Technology Fund

The increase of HK\$23.1 million in receipts was mainly due to the higher than expected receipts from refund of grants (HK\$54.5 million) and net income from projects (HK\$3.4 million), partly offset by the lower than expected investment income (HK\$34.8 million). The investment income on the fiscal reserves for 2015-16 has been set aside and retained within the Exchange Fund as further injection to the Housing Reserve, and not received on 31 December 2015. The investment income on the balance of the Innovation and Technology Fund placed with the Exchange Fund for 2015-16 is HK\$39.6 million.

Land Fund

The decrease of HK\$12,085 million in receipts was because the investment income on the fiscal reserves for 2015-16 has been set aside and retained within the Exchange Fund as further injection to the Housing Reserve, and not received on 31 December 2015. The investment income on the balance of the Land Fund placed with the Exchange Fund for 2015-16 is HK\$12,085.1 million.

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Loan Fund

The decrease of HK\$334.1 million in receipts was mainly due to the lower than expected loans to students (HK\$194.1 million), investment income (HK\$88 million), fisheries loans (HK\$33 million), repayments from civil servant housing loans (HK\$21.6 million) and Comprehensive Building Safety Improvement Loan Scheme (HK\$12.3 million), partly offset by the higher than expected interest on loans (HK\$14.9 million). The investment income on the fiscal reserves for 2015-16 has been set aside and retained within the Exchange Fund as further injection to the Housing Reserve, and not received on 31 December 2015. The investment income on the balance of the Loan Fund placed with the Exchange Fund for 2015-16 is HK\$115.9 million.

The decrease of HK\$2,095.9 million in payments was mainly due to the lower than expected loan payments to fisheries loans (HK\$134.6 million), loans to students (HK\$85.7 million), start-up loans to post-secondary education providers (HK\$43 million), civil servant housing loans (HK\$34.4 million) and the loan for the Ocean Park's Tai Shue Wan Development Project (HK\$1,770 million).

Lotteries Fund

The decrease of HK\$1,255.3 million in receipts was mainly due to the lower than expected investment income (HK\$1,202 million), receipts from Mark Six Lottery (HK\$92.1 million) and donations (HK\$1.3 million), partly offset by the higher than expected receipts from auction of vehicle registration marks (HK\$40 million). The investment income on the fiscal reserves for 2015-16 has been set aside and retained within the Exchange Fund as further injection to the Housing Reserve, and not received on 31 December 2015. The investment income on the balance of the Lotteries Fund placed with the Exchange Fund for 2015-16 is HK\$1,197.3 million.

The increase of HK\$17.4 million in payments was mainly due to the higher than expected cash flow requirements for various social welfare projects.

Bond Fund

The decrease of HK\$6,772.2 million in receipts was mainly due to the lower than expected issuance amount of bonds and alternative bonds (HK\$7,191.7 million), partly offset by the increase in investment income (HK\$419.5 million).

The decrease of HK\$2,015 million in payments was mainly due to the lower than expected interest payment and repayment for bonds (HK\$2,004.3 million), periodic distribution payments for alternative bonds (HK\$5.7 million) and the bond issuance-related miscellaneous expenditure (HK\$5 million).