

# Funds Established under Section 29 of the Public Finance Ordinance

## ANALYSES OF VARIANCE ON RECEIPTS AND PAYMENTS

	2014-15			
	Original Estimate HK\$'000	Actual HK\$'000	Over/(Under) the Estimate HK\$'000	Variance %
<b>Capital Works Reserve Fund</b>				
Receipts	78,232,051	<b>77,990,057</b>	(241,994)	(0.3)
Payments	86,604,606	<b>81,400,515</b>	(5,204,091)	(6.0)
<b>Capital Investment Fund</b>				
Receipts	1,361,250	<b>1,460,445</b>	99,195	7.3
Payments	2,011,684	<b>2,011,542</b>	(142)	-
<b>Civil Service Pension Reserve Fund</b>				
Receipts	973,000	-	(973,000)	(100.0)
<b>Disaster Relief Fund</b>				
Receipts	21,046	<b>31,520</b>	10,474	49.8
Payments	-	<b>47,164</b>	47,164	-
<b>Innovation and Technology Fund</b>				
Receipts	70,925	<b>57,022</b>	(13,903)	(19.6)
Payments	881,780	<b>881,441</b>	(339)	-
<b>Land Fund</b>				
Receipts	7,910,000	-	(7,910,000)	(100.0)
<b>Loan Fund</b>				
Receipts	4,819,680	<b>4,574,862</b>	(244,818)	(5.1)
Payments	4,078,607	<b>3,492,478</b>	(586,129)	(14.4)
<b>Lotteries Fund</b>				
Receipts	1,957,733	<b>1,322,168</b>	(635,565)	(32.5)
Payments	1,006,728	<b>875,648</b>	(131,080)	(13.0)
<b>Bond Fund</b>				
Receipts	804,545,000	<b>42,611,937</b>	(761,933,063)	(94.7)
Payments	793,120,419	<b>23,232,530</b>	(769,887,889)	(97.1)

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## ANALYSES OF VARIANCE ON RECEIPTS AND PAYMENTS *(Continued)*

### **Capital Works Reserve Fund**

The decrease of HK\$242 million in receipts was mainly due to no transfer from the General Revenue Account (HK\$5,000 million) and the lower than expected receipts from investment income (HK\$3,098.8 million), partly offset by the higher than expected receipts from land premium (HK\$7,804.1 million). The investment income on the fiscal reserves for 2014-15 has been set aside and retained within the Exchange Fund as provision for the Housing Reserve, and not received on 31 December 2014. The investment income on the balance of the Capital Works Reserve Fund placed with the Exchange Fund for 2014-15 is HK\$2,876.4 million.

The decrease of HK\$5,204.1 million in payments was mainly due to lower than expected cash flow requirements for various on-going non-works and works projects, including land acquisition (HK\$2,219 million), civil engineering (HK\$1,556 million), capital subventions (HK\$1,257.2 million), major systems and equipment (HK\$619.4 million) and computerisation (HK\$306.7 million), partly offset by the higher than expected cash flow requirements for some on-going works projects, including buildings (HK\$365.3 million) and drainage (HK\$263.1 million).

### **Capital Investment Fund**

The increase of HK\$99.2 million in receipts was mainly due to dividends, interest and other receipts from investments/loans as well as loan repayments from the Hongkong International Theme Parks Limited being higher than expected by HK\$169.2 million and HK\$16.6 million respectively, partly offset by the investment income being lower than expected by HK\$88 million. The investment income on the fiscal reserves for 2014-15 has been set aside and retained within the Exchange Fund as provision for the Housing Reserve, and not received on 31 December 2014. The investment income on the balance of the Capital Investment Fund placed with the Exchange Fund for 2014-15 is HK\$78.7 million.

### **Civil Service Pension Reserve Fund**

The decrease of HK\$973 million in receipts was because the investment income on the fiscal reserves for 2014-15 has been set aside and retained within the Exchange Fund as provision for the Housing Reserve, and not received on 31 December 2014. The investment income on the balance of the Civil Service Pension Reserve Fund placed with the Exchange Fund for 2014-15 is HK\$973 million.

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## ANALYSES OF VARIANCE ON RECEIPTS AND PAYMENTS *(Continued)*

### **Disaster Relief Fund**

The increase of HK\$10.5 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\$10 million) and the higher than expected receipts from refund of grants (HK\$2.5 million), partly offset by the lower than expected investment income (HK\$2 million). The investment income on the fiscal reserves for 2014-15 has been set aside and retained within the Exchange Fund as provision for the Housing Reserve, and not received on 31 December 2014. The investment income on the balance of the Disaster Relief Fund placed with the Exchange Fund for 2014-15 is HK\$1.1 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 decrease of HK\$13.9 million in receipts was mainly due to the lower than expected receipts from investment income (HK\$54.5 million), partly offset by the increases in refund of grants (HK\$37.1 million) and in net income from projects (HK\$3.5 million). The investment income on the fiscal reserves for 2014-15 has been set aside and retained within the Exchange Fund as provision for the Housing Reserve, and not received on 31 December 2014. The investment income on the balance of the Innovation and Technology Fund placed with the Exchange Fund for 2014-15 is HK\$56.8 million.

### **Land Fund**

The decrease of HK\$7,910 million in receipts was because the investment income on the fiscal reserves for 2014-15 has been set aside and retained within the Exchange Fund as provision for the Housing Reserve, and not received on 31 December 2014. The investment income on the balance of the Land Fund placed with the Exchange Fund for 2014-15 is HK\$7,910.3 million.

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## ANALYSES OF VARIANCE ON RECEIPTS AND PAYMENTS *(Continued)*

### **Loan Fund**

The decrease of HK\$244.8 million in receipts was mainly because the repayments in loans to students, fisheries loans and Comprehensive Building Safety Improvement Loan Scheme are lower than expected by HK\$100.3 million, HK\$22.4 million and HK\$13.6 million respectively. The decrease in receipts was also attributed by the proceeds from sale of civil servant housing loans and investment income being lower than expected by HK\$69.1 million and HK\$29 million respectively. The investment income on the fiscal reserves for 2014-15 has been set aside and retained within the Exchange Fund as provision for the Housing Reserve, and not received on 31 December 2014. The investment income on the balance of the Loan Fund placed with the Exchange Fund for 2014-15 is HK\$52.4 million.

The decrease of HK\$586.1 million in payments was mainly due to the loan payments to civil servant housing loans, start-up loans to post-secondary education providers, loans to students, fisheries loans and the loan for the Ocean Park's Tai Shue Wan Development Project being lower than expected by HK\$39.7 million, HK\$258.4 million, HK\$67.7 million, HK\$132.9 million and HK\$80 million respectively.

### **Lotteries Fund**

The decrease of HK\$635.6 million in receipts was mainly due to the lower than expected investment income (HK\$731 million), partly offset by the higher than expected receipts from Mark Six Lottery (HK\$19.6 million), auction of vehicle registration marks (HK\$16.8 million) and donations (HK\$59 million). The investment income on the fiscal reserves for 2014-15 has been set aside and retained within the Exchange Fund as provision for the Housing Reserve, and not received on 31 December 2014. The investment income on the balance of the Lotteries Fund placed with the Exchange Fund for 2014-15 is HK\$700.1 million.

The decrease of HK\$131.1 million in payments was mainly due to the lower than expected cash flow requirements for various social welfare projects.

### **Bond Fund**

The decrease of HK\$761,933.1 million in receipts was mainly due to the total issuance amounts of bonds and alternative bonds being lower than expected by HK\$762,366.6 million, partly offset by the increase in investment income by HK\$433.5 million.

The decrease of HK\$769,887.9 million in payments was mainly due to the interest payment for bonds and repayment of bonds being lower than expected by HK\$120.1 million and HK\$769,853 million respectively, partly offset by increases in payments representing periodic distribution payments for alternative bonds and the bond issuance-related miscellaneous expenditure by HK\$77.8 million and HK\$7.4 million respectively.