

Funds Established under Section 29 of the Public Finance Ordinance

ANALYSES OF VARIANCE ON RECEIPTS AND PAYMENTS

(Expressed in Hong Kong dollars)

	2016-17			
	Original Estimate \$'000	Actual \$'000	Over/(Under) the Estimate \$'000	Variance %
Capital Works Reserve Fund				
Receipts	94,201,694	129,996,767	35,795,073	38.0
Payments	84,546,001	87,293,816	2,747,815	3.3
Capital Investment Fund				
Receipts	10,405,629	10,436,544	30,915	0.3
Payments	11,155,643	10,193,339	(962,304)	(8.6)
Civil Service Pension Reserve Fund				
Receipts	4,789,000	4,770,539	(18,461)	(0.4)
Disaster Relief Fund				
Receipts	66,000	67,648	1,648	2.5
Payments	-	54,444	54,444	-
Innovation and Technology Fund				
Receipts	5,120,974	9,207,183	4,086,209	79.8
Payments	1,257,495	1,257,462	(33)	-
Land Fund				
Receipts	-	-	-	-
Loan Fund				
Receipts	4,530,481	4,385,497	(144,984)	(3.2)
Payments	6,690,512	4,669,482	(2,021,030)	(30.2)
Lotteries Fund				
Receipts	1,988,550	2,098,033	109,483	5.5
Payments	1,888,414	1,329,673	(558,741)	(29.6)
Bond Fund				
Receipts	38,300,000	42,132,745	3,832,745	10.0
Payments	31,249,791	29,165,550	(2,084,241)	(6.7)

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Capital Works Reserve Fund

The increase of \$35,795.1 million in receipts was mainly due to the higher than expected receipts from land premium (\$60,969.5 million), partly offset by no transfer from the General Revenue Account (\$25,000 million) and the lower than expected receipts from investment income (\$253.3 million).

The increase of \$2,747.8 million in payments was mainly due to the higher than expected cash flow requirements for various on-going works projects, including highways (\$5,305.8 million), new towns and urban area development (\$530.7 million) and buildings (\$437.9 million), partly offset by the lower than expected cash flow requirements for some on-going non-works and works projects, including land acquisition (\$2,396.1 million), capital subventions (\$626.1 million) and housing (\$442 million).

Capital Investment Fund

The increase of \$30.9 million in receipts was mainly due to the higher than expected dividends, interest and other receipts from investments/loans (\$22.1 million) and investment income (\$7.6 million).

The decrease of \$962.3 million in payments was mainly due to the deferred drawdown of loan for the development of the Science Park Phase 3 by the Hong Kong Science and Technology Parks Corporation (\$1,220 million), partly offset by an increase in payment to the Hongkong International Theme Parks Limited (\$257.9 million).

Civil Service Pension Reserve Fund

The decrease of \$18.5 million in receipts was due to the lower than expected investment income.

Disaster Relief Fund

The increase of \$1.6 million in receipts was mainly due to the higher than expected receipts from refund of grants (\$2.3 million), partly offset by the lower than expected investment income (\$0.7 million).

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

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Innovation and Technology Fund

The increase of \$4,086.2 million in receipts was mainly due to the transfer from the General Revenue Account for financing projects under the Midstream Research Programme for Universities and the Innovation and Technology Venture Fund (\$4,000 million), the higher than expected receipts from refund of grants (\$47.6 million) and investment income (\$43.0 million), partly offset by the lower than expected net income from projects (\$4.4 million).

Loan Fund

The decrease of \$145 million in receipts was mainly due to the lower than expected repayments from loans to students (\$217.9 million), fisheries loans (\$18.7 million), civil servant housing loans (\$16.9 million) as well as the lower than expected proceeds from sale of civil servant housing loans (\$54.9 million), partly offset by the higher than expected repayments from the Home Starter Loan Scheme (\$94.7 million), investment income (\$41.6 million) and interest on loans (\$20.2 million).

The decrease of \$2,021 million in payments was mainly due to the lower than expected loan payments for the Ocean Park's Tai Shue Wan Development Project (\$1,530 million), loans to students (\$152.3 million), fisheries loans (\$143.5 million), start-up loans to post-secondary education providers (\$115 million) and civil servant housing loans (\$34.1 million).

Lotteries Fund

The increase of \$109.5 million in receipts was due to the higher than expected receipts from Mark Six Lottery (\$73.0 million), auctions of vehicle registration marks (\$28.8 million) and investment income (\$12.2 million), partly offset by the lower than expected receipts from donations (\$4.5 million).

The decrease of \$558.7 million in payments was mainly due to the lower than expected cash flow requirements for various social welfare projects.

Bond Fund

The increase of \$3,832.7 million in receipts was mainly due to the higher than expected issuance amount of alternative bonds and investment income (\$7,893.3 million), partly offset by the decrease in issuance amount of bonds (\$4,060.6 million).

The decrease of \$2,084.2 million in payments was mainly due to the lower than expected interest payment and repayment for bonds (\$2,077.5 million), periodic distribution payments for alternative bonds (\$1.5 million) and the bond issuance-related miscellaneous expenditure (\$5.2 million).