

# Funds Established under Section 29 of Public Finance Ordinance

## REVENUE AND EXPENDITURE VARIANCE ANALYSES

	2010-11			
	Original Estimate HK\$'000	Actual HK\$'000	Over/(Under) the Estimate HK\$'000	Variance %
<b>Capital Works Reserve Fund</b>				
Revenue	65,829,000	<b>68,342,221</b>	2,513,221	3.8
Expenditure	55,519,331	<b>53,537,391</b>	(1,981,940)	(3.6)
<b>Capital Investment Fund</b>				
Revenue	1,220,771	<b>1,357,103</b>	136,332	11.2
Expenditure	1,822,894	<b>1,474,569</b>	(348,325)	(19.1)
<b>Civil Service Pension Reserve Fund</b>				
Revenue	1,363,000	<b>1,362,739</b>	(261)	(0.0)
<b>Disaster Relief Fund</b>				
Revenue	49,046	<b>381,109</b>	332,063	677.0
Expenditure	-	<b>354,052</b>	354,052	-
<b>Innovation and Technology Fund</b>				
Revenue	215,000	<b>271,625</b>	56,625	26.3
Expenditure	970,489	<b>748,831</b>	(221,658)	(22.8)
<b>Land Fund</b>				
Revenue	11,078,000	<b>11,078,317</b>	317	0.0
<b>Loan Fund</b>				
Revenue	2,448,866	<b>2,237,205</b>	(211,661)	(8.6)
Expenditure	2,290,103	<b>1,986,875</b>	(303,228)	(13.2)
<b>Lotteries Fund</b>				
Revenue	1,456,366	<b>1,538,852</b>	82,486	5.7
Expenditure	1,054,024	<b>965,021</b>	(89,003)	(8.4)
<b>Bond Fund</b>				
Revenue	18,422,654	<b>17,139,343</b>	(1,283,311)	(7.0)
Expenditure	311,093	<b>269,691</b>	(41,402)	(13.3)

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## REVENUE AND EXPENDITURE VARIANCE ANALYSES *(Continued)*

### **Capital Works Reserve Fund**

The increase of HK\$2,513.2 million in revenue was mainly due to the higher than expected receipts from land premium (HK\$31,444.6 million) and investment income (HK\$1,115.1 million), partly offset by no transfer from the General Revenue Account (HK\$30,000 million).

The decrease of HK\$1,981.9 million in expenditure was mainly due to the lower than expected cash flow requirements for various on-going non-works projects, including land acquisition (HK\$1,101.7 million), major systems and equipment (HK\$706.8 million) and computerisation (HK\$325.8 million), partly offset by the higher than expected cash flow requirements in various on-going capital works projects (HK\$153.4 million).

### **Capital Investment Fund**

The increase of HK\$136.3 million in revenue was mainly due to the higher than expected dividends and interests from investments/loans (HK\$176.2 million), partly offset by the lower than expected loan repayments from the Hong Kong Science and Technology Parks Corporation (HK\$43 million).

The decrease of HK\$348.3 million in expenditure was mainly due to the deferred drawdown of loan to the Hong Kong Science and Technology Parks Corporation for the development of Science Park Phase 2 (HK\$358.9 million).

### **Disaster Relief Fund**

The increase of HK\$332.1 million in revenue was mainly due to the approved supplementary provision of HK\$330 million to the Fund to cater for grants for disaster relief work on the Mainland resulting from the damage brought by several disasters in 2010, including the drought in Guangxi, Guizhou and Yunnan Provinces, the earthquake in Qinghai Province and the mudslide in Gansu Province.

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

### **Innovation and Technology Fund**

The increase of HK\$56.6 million in revenue was mainly due to the higher than expected receipts from refund of grants (HK\$38.2 million), investment income (HK\$14.6 million) and net income from projects (HK\$3.8 million).

The decrease of HK\$221.7 million in expenditure was mainly due to the lower than expected cash flow requirement for projects undertaken by various local research institutes.

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## REVENUE AND EXPENDITURE VARIANCE ANALYSES *(Continued)*

### **Loan Fund**

The decrease of HK\$211.7 million in revenue was mainly due to the lower than expected loan repayments from education loans (HK\$110.5 million) and interest on loans (HK\$42.9 million).

The decrease of HK\$303.2 million in expenditure was mainly due to the lower than expected education loan payments to students and schools (HK\$188.1 million) and housing loan payments (HK\$52.6 million).

### **Lotteries Fund**

The increase of HK\$82.5 million in revenue was mainly due to the higher than expected receipts from Mark Six Lottery (HK\$47.3 million), investment income (HK\$25.4 million) and auction of vehicle registration marks (HK\$14.4 million), partly offset by the lower than expected receipts from donations (HK\$4.7 million).

The decrease of HK\$89 million in expenditure was mainly due to the lower than expected cash flow requirements for various social welfare projects.

### **Bond Fund**

The decrease of HK\$1,283.3 million in revenue was mainly due to the lower than expected bond issuance amount (HK\$1,343.3 million), partly offset by the higher than expected investment income (HK\$60 million).

The decrease of HK\$41.4 million in expenditure was mainly due to the lower than expected interest payment for bonds (HK\$32.5 million) as a result of the lower than expected bond issuance amount and a falling interest rate environment, and the lower than expected bond issuance-related miscellaneous expenditure (HK\$8.9 million).