

Head 6 — ROYALTIES AND CONCESSIONS

Details of Revenue

Sub-head (Code)	Actual revenue 2023–24	Original estimate 2024–25	Revised estimate 2024–25	Estimate 2025–26
	\$'000	\$'000	\$'000	\$'000
020 Quarries and mining.....	33,273	48,040	50,000	47,000
030 Bridges and tunnels.....	2,904,335	3,566,348	3,014,000	3,455,000
070 Petrol filling.....	1,944	1,832	1,800	1,800
100 Parking.....	504,254	540,065	535,000	569,000
170 Vehicle examination.....	12,593	51,878	55,000	39,000
201 Slaughterhouse concessions.....	51,054	52,136	40,000	44,000
202 Other royalties and concessions.....	849,255	879,272	936,000	962,000
Total.....	<u>4,356,708</u>	<u>5,139,571</u>	<u>4,631,800</u>	<u>5,117,800</u>

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 Scenic Hill Tunnel, Airport Tunnel, Lung Shan Tunnel, Cheung Shan Tunnel, Central-Wan Chai Bypass Tunnel, Tuen Mun-Chek Lap Kok Tunnel, Tseung Kwan O-Lam Tin Tunnel and Tsing Ma Control Area; and concessions payable by contractors assuming management or toll collection responsibilities for Aberdeen Tunnel, Kai Tak Tunnel, Lion Rock Tunnel, Shing Mun Tunnels, Tseung Kwan O Tunnel, Tsing Sha Control Area, Cross-Harbour Tunnel, Eastern Harbour Crossing, Tate's Cairn Tunnel, Western Harbour Crossing and Tai Lam Tunnel (with effect from 31 May 2025).

Subhead 070 Petrol filling covers royalties from two petrol filling stations 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 Ground Floor of Transport Department Vehicle Examination Complex.

Subhead 201 Slaughterhouse concessions covers concessions payable by the contractor who operates the Sheung Shui Slaughterhouse.

Subhead 202 Other royalties and concessions covers miscellaneous royalties and concessions.

Revenue from royalties and concessions generated 0.9% of total revenue in 2024–25.

Underlying Changes in Revenue Yield

The 2024–25 revised estimate of \$4,631,800,000 reflects a net decrease of \$507,771,000 (9.9%) against the original estimate.

Under *Subhead 030 Bridges and tunnels*, the decrease of \$552,348,000 (15.5%) is mainly due to the decrease in toll revenue arising from the lower-than-expected traffic flow in various tunnels.

Under *Subhead 201 Slaughterhouse concessions*, the decrease of \$12,136,000 (23.3%) is mainly due to the decrease in the anticipated claw back amount from the operator of the Sheung Shui Slaughterhouse.

The 2025–26 estimate of \$5,117,800,000 reflects a net increase of \$486 million (10.5%) over the revised estimate for 2024–25.

Under *Subhead 030 Bridges and tunnels*, the increase of \$441 million (14.6%) is mainly due to the anticipated increase in toll revenue largely arising from the reversion of Tai Lam Tunnel back to the Government on 31 May 2025.

Under *Subhead 170 Vehicle examination*, the decrease of \$16 million (29.1%) is mainly due to an estimated increase in management fee upon commencement of a new agreement with the contractor at the outsourced portion of Transport Department Vehicle Examination Complex with effect from 1 April 2025.

Under *Subhead 201 Slaughterhouse concessions*, the increase of \$4 million (10.0%) is mainly due to the expected expiry of the waiver of basis fees payable by the operator of Sheung Shui Slaughterhouse on 31 July 2024.