

# HA endorses Corporate Plan and Budget for 2021-22

The following is issued on behalf of the Hong Kong Housing Authority:

At the Hong Kong Housing Authority (HA) meeting today (January 18), the HA endorsed the Corporate Plan for 2021-22, the 2020-21 Revised Budget and the 2021-22 Proposed Budget, and also noted the Financial Forecasts for 2022-23 to 2024-25.

In 2021-22, the HA will continue to focus its efforts on providing quality homes, promoting sustainable living, optimising and rationalising the use of public resources and enhancing the attractiveness of its commercial properties. Based on these four themes, a total of 50 key activities and 19 key performance indicators have been drawn up for the 2021-22 Corporate Plan.

"The Corporate Plan is the platform through which the HA directs its work and focuses its efforts to address the challenges of public housing. In 2021-22, the HA will continue to invite the Government to provide suitable sites for developing both public rental housing (PRH) units and subsidised sale flats with a view to increasing the supply of public housing units. We will continue to put up Home Ownership Scheme and Green Form Subsidised Home Ownership Scheme flats for sale, accelerate the sale of unsold flats in the 39 estates under Tenants Purchase Scheme and explore the feasibility of redeveloping the HA's factory estates for public housing use. Furthermore, as announced in the 2020 Policy Address, we will clear the Shek Lei Interim Housing by the end of 2022 to redevelop the site for public housing development," a spokesman for the HA said.

"On development and construction of public housing, the HA will continue to review and enhance the quality management system and specifications for all critical site works and installations for new capital works projects and explore possible enhancements to the buildability and productivity of public housing developments, so as to expedite the development process and optimise the development potential of each and every public housing site where practicable. On estate management, the HA will continue to enhance safety, environmental hygiene, greening and landscaping, as well as community bonding in PRH estates. On corporate management, the HA will continue to make the best use of human resources to meet the corporate goals and enhance its corporate image," the spokesman added.

During the budget and forecast period from 2020-21 to 2024-25, with the projected increase in construction expenditure and operating expenditure partly offset by the subsidised sale flat receipts and recurrent receipts, the cash and investment balance of the HA is projected to decrease from about \$55.9 billion at the beginning of April 2020 to about \$49.9 billion by the end of March 2025. It is also projected that the HA will have the necessary financial resources to meet its recurrent expenditure and implement its

current public housing construction programme and maintenance programme during the budget and forecast period.

"If and when there are changes to any of the budget assumptions, the projected financial position will vary. It is worth noting that in the five-year budgets and forecasts up to 2024-25, it only reflects the completion of the planned production of around 100 000 flats from 2020-21 to 2024-25. For production of the estimated public housing supply of 316 000 flats for the 10 years from 2021-22 to 2030-31, the estimated construction expenditure will increase significantly in the second five years of the 10-year period (for construction of about 200 000 flats) in line with the production to meet the housing supply target for the 10 years from 2021-22 to 2030-31. According to the established mechanism, the HA will conduct an annual rolling five-year budgeting exercise and assess its financial position and future funding requirements. The Government has earmarked \$82.4 billion (the balance of the previous Housing Reserve as at December 31, 2018) in the fiscal reserves for the development of public housing and related infrastructure, which demonstrates the Government's commitment in this regard," the spokesman said.

The HA's 2021-22 Corporate Plan and the Budgets will be submitted to the Chief Executive for approval. The Financial Forecasts will also be made available to the Chief Executive for her information.