

HA to consider Budget for 2020-21

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

The Finance Committee (FC) of the Hong Kong Housing Authority (HA) has 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 in the proposed budgets and forecasts for the period 2019-20 to 2023-24.

The FC held a meeting today (January 10) on the HA's proposed budgets and forecasts for the period 2019-20 to 2023-24. After the meeting, the FC Chairman, Professor Chan Ka-lok, said, "With the projected increase in construction expenditure and operating expenditure in the next few years, which will partly be offset by the subsidised sale flat receipts, the cash and investment balance of the HA is projected to decrease from about \$43 billion at the beginning of April 2019 to about \$35 billion by the end of March 2024."

Professor Chan added, "If and when there are changes to any of the budget assumptions, the projected financial position will vary. In the face of the upcoming uncertainties, the HA will have to remain vigilant and exercise prudent financial control, so as to achieve the public housing supply target and to ensure that public funds will continue to be used in the most cost-effective manner."

According to the established mechanism, the HA conducts annual rolling five-year budgeting exercises and assesses its financial position and future funding requirements.

Based on the Long Term Housing Strategy Annual Progress Report 2019 announced by the Government last month, the public housing supply target for the 10-year period from 2020-21 to 2029-30 will be 301 000 units. In line with the established practice, the relevant financial implications will be reflected in the annual rolling five-year budgets as appropriate.

To achieve the public housing supply target, the Government has earmarked \$82.4 billion (the balance of the previous Housing Reserve) in the fiscal reserves for the development of public housing and related infrastructure to demonstrate the Government's firm commitment in this regard.

Today, the FC endorsed the HA's Revised Budget for 2019-20 and the Proposed Budget for 2020-21. The FC has also noted the Financial Forecasts for 2021-22 to 2023-24.

The HA meeting will examine the Budget on January 20. It will then be submitted to the Chief Executive for approval.