

HA to consider Budget for 2021-22

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

At its meeting today (January 8), the Finance Committee (FC) of the Hong Kong Housing Authority (HA) endorsed the 2020-21 Revised Budget and the 2021-22 Proposed Budget and also noted the 2022-23 to 2024-25 Financial Forecasts. The FC 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 budgets and forecasts for the period from 2020-21 to 2024-25.

After the meeting, the FC Chairman, Professor Chan Ka-lok, said, "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."

The FC Chairman added, "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. In the face of upcoming uncertainties and challenges amid the current COVID-19 pandemic situation, the HA will have to remain vigilant, exercise prudent financial control and re-prioritise tasks where appropriate, 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 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.

Today, the FC endorsed the HA's 2020-21 Revised Budget and the 2021-22 Proposed Budget. The FC has also noted the 2022-23 to 2024-25 Financial Forecasts.

The HA meeting will examine the Budget on January 18. It will then be submitted to the Chief Executive for approval.