

HA to consider Budget for 2022-23

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

At its meeting today (January 6), the Finance Committee (FC) of the Hong Kong Housing Authority (HA) endorsed the 2021-22 Revised Budget, 2022-23 Proposed Budget and also noted the 2023-24 to 2025-26 Financial Forecasts.

The FC has projected that the HA will have the necessary financial resources to meet its recurrent expenditure and take forward its current public housing construction programme and maintenance works during the budgets and forecasts for the period from 2021-22 to 2025-26.

After the meeting, the FC Chairman, Professor Chan Ka-lok, said, "The financial resources on hand which the HA can actually utilise to maintain its operation and payments for constructing the increasing number of public housing units is its cash and investment balance. For the budget and forecast period from 2021-22 to 2025-26, the cash and investment balance of the HA is projected to change from \$57.9 billion at the beginning of April 2021 to around \$57.7 billion by the end of March 2026."

The FC Chairman added, "It is worth-noting that the five-year budgets and forecasts up to 2025-26 only reflect the financial commitments of the planned production of around 100 000 flats. It has yet to take into account all the financial implications that may arise from the updated public housing supply projection of 330 000 units for the 10-year period from 2022-23 to 2031-32 as announced in the 2021 Policy Address and reflected subsequently in the Long Term Housing Strategy Annual Progress Report 2021, since the update of the supply projection mainly affects the latter part of the 10-year period. We envisage that the HA's construction expenditure for the second five-year period will more than double than that estimated in the current forecasts.

"The HA will continue to remain vigilant in exercising prudent financial control, and re-prioritising tasks where appropriate to achieve the public housing supply target."

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.

Today, the FC endorsed the HA's 2021-22 Revised Budget and the 2022-23 Proposed Budget. The FC has also noted the 2023-24 to 2025-26 Financial Forecasts.

The HA meeting will examine the Budget on January 17. It will be submitted to the Chief Executive for approval thereafter.