3.1 The Consolidated Operating Account consolidates the operating results of the HA’s three businesses, i.e. Rental Housing, Commercial and Home Ownership Assistance, and the Net Non-operating Income.

3.2 The consolidated operating surplus for 2019/20 shown at Appendix A is projected at $11,097 million, mainly representing the net results from the three businesses. As compared to the 2018/19 Revised Budget surplus of $7,273 million, the increase in 2019/20 is mainly attributable to the higher surplus in Home Ownership Assistance Operating Account, mainly due to the sale of more subsidised sale flats (SSFs).

3.3 The main features of the 2019/20 operating budgets are highlighted below:

3.3.1 Rental Housing Operating Account (Appendix B)

The surplus for 2019/20 is projected at $29 million which is lower than the 2018/19 Revised Budget of $299 million by $270 million. This is mainly due to the higher maintenance and improvements expenditure and other recurrent expenditure, which is partially offset by the full year effect of rent adjustment effective from September 2018.

3.3.2 Commercial Operating Account (Appendix C)

The surplus for 2019/20 is projected at $1,640 million which is higher than the 2018/19 Revised Budget of $1,462 million by $178 million. This is mainly due to the projected addition of some newly completed premises in the year.

3.3.3 Home Ownership Assistance Operating Account (Appendix D)

The surplus for 2019/20 is projected at $9,409 million which is higher than the 2018/19 Revised Budget of $5,456 million by $3,953 million. This is mainly due to the sale of more SSFs in the year.