

## 7. CONSOLIDATED BUDGETS

- 7.1 As a financially autonomous public body, HA funds its public housing programmes with its own resources. A summary of the income and expenditure of HA's 2021/22 Revised Budget and 2022/23 Proposed Budget is set out below –

	<b>2021/22 Revised Budget \$M</b>	<b>2022/23 Proposed Budget \$M</b>
Operating income	33,290	37,889
Operating expenditure	(26,508)	(30,143)
Consolidated Operating Surplus	<u>6,782</u>	<u>7,746</u>
Capital expenditure	<u>21,090</u>	<u>23,012</u>

### CONSOLIDATED OPERATING ACCOUNT

- 7.2 The Consolidated Operating Account in the 2022/23 Proposed Budget is projected at a surplus of \$7,746 million which is higher than the 2021/22 Revised Budget of \$6,782 million by \$964 million. The higher surplus is attributable to –
- (a) the slight surplus in the Rental Housing Operating Account mainly due to rent waiver for September 2021 granted by HA partly offset by projected increase in various expenditure items as a result of the addition of new rental flats and assumed price level adjustments; and
  - (b) the higher surplus in the Commercial Operating Account mainly due to the rent concession by HA to eligible non-domestic tenants / licensees in 2021/22, and the projected addition of new premises in 2022/23; partly offset by
  - (c) the lower surplus in the Home Ownership Assistance Operating Account mainly due to less estimated number of TPS flats sold and less alienation premium cases.

7.3 A summary by business operation is set out below –

	<b>2021/22 Revised Budget</b>	<b>2022/23 Proposed Budget</b>
	<b>\$M</b>	<b>\$M</b>
Rental Housing	(400)	193
Commercial	199	1,319
Home Ownership Assistance	6,983	6,234
Consolidated Operating Surplus	<u>6,782</u>	<u>7,746</u>

### **CASH AND INVESTMENT BALANCE**

7.4 The projected cash and investment balance at the end of March 2022 and 2023 are summarised below –

	<b>2021/22 Revised Budget</b>	<b>2022/23 Proposed Budget</b>
	<b>\$M</b>	<b>\$M</b>
Cash and Investment Balance at year-end	<u>57,076</u>	<u>55,314</u>

7.5 The cash and investment balance in the 2022/23 Proposed Budget is projected to decrease to \$55,314 million, mainly due to higher construction expenditures.

## CAPITAL EXPENDITURE

7.6 The capital expenditure in the 2022/23 Proposed Budget is \$23,012 million. The details are summarised below –

	<b>2021/22 Revised Budget</b>	<b>2022/23 Proposed Budget</b>
	<b>\$M</b>	<b>\$M</b>
Construction expenditure	20,367	22,100
Improvement works	495	689
Computer systems and equipment, other equipment and motor vehicles	228	223
Total	21,090	23,012

7.7 Compared with the 2021/22 Revised Budget, the capital expenditure in the 2022/23 Proposed Budget is projected to increase by \$1,922 million, mainly due to higher construction expenditure in the year.