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# CONSOLIDATED BUDGETS



## 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 2022/23 Revised Budget and 2023/24 Proposed Budget is set out below –

	<b>2022/23 Revised Budget \$M</b>	<b>2023/24 Proposed Budget \$M</b>
Operating income	30,327	54,598
Operating expenditure	(24,890)	(38,390)
Consolidated Operating Surplus	<u>5,437</u>	<u>16,208</u>
Capital expenditure	<u>18,465</u>	<u>29,503</u>

### CONSOLIDATED OPERATING ACCOUNT

- 7.2 The Consolidated Operating Account in the 2023/24 Proposed Budget is projected at a surplus of \$16,208 million, which is higher than the 2022/23 Revised Budget of \$5,437 million by \$10,771 million. The higher surplus is attributable to –

- (a) the higher surplus in the Home Ownership Assistance Operating Account, mainly due to more estimated number of SSFs completed assignment; and
- (b) the higher surplus in the Commercial Operating Account, assuming HA will not offer any rent concession to its non-domestic tenants / licensees starting from 1 July 2023. The opening of new non-domestic premises will also generate additional income;

partly offset by

- (c) deficit projected for 2023/24 as compared to surplus projected for 2022/23 in the Rental Housing Operating Account, mainly due to projected increase in various expenditure items as a result of the addition of new rental units and the assumed price level adjustments.

7.3 A summary by business operation is set out below –

	<b>2022/23 Revised Budget \$M</b>	<b>2023/24 Proposed Budget \$M</b>
Rental Housing	639	(46)
Commercial	585	1,286
Home Ownership Assistance	4,213	14,968
Consolidated Operating Surplus	<u>5,437</u>	<u>16,208</u>

## CASH AND INVESTMENT BALANCE

7.4 The projected cash and investment balance at the end of March 2023 and 2024 are summarised below –

	<b>2022/23 Revised Budget \$M</b>	<b>2023/24 Proposed Budget \$M</b>
Cash and Investment Balance at year-end	<u>54,813</u>	<u>63,047</u>

7.5 The year-end balance for the 2023/24 Proposed Budget is estimated to rise to \$63,047M, mainly due to the higher receipts from SSFs assignments and an assumed investment return of 4.6% for HA's Funds Management Account. No doubt the latter is subject to global financial market changes.

## CAPITAL EXPENDITURE

7.6 The capital expenditure in the 2023/24 Proposed Budget is \$29,503 million. Details are summarised below –

	<b>2022/23 Revised Budget \$M</b>	<b>2023/24 Proposed Budget \$M</b>
Construction expenditure	17,643	28,443
Improvement works	629	856
Computer systems and equipment, other equipment and motor vehicles	193	204
Total	<u>18,465</u>	<u>29,503</u>

7.7 The capital expenditure in 2023/24 Proposed Budget is estimated to be \$29,503M, an increase over 2022/23 Revised Budget by \$11,038M. This reflects primarily the sharp increase in construction expenditure for HA's public housing development.