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CONSOLIDATED BUDGETS



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- 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 2023/24 Revised Budget and 2024/25 Proposed Budget is set out below –

	2023/24 (Revised)	2024/25
	\$M	\$M
Operating income	47,578	33,124
Operating expenditure	(34,955)	(30,521)
Consolidated Operating Surplus	12,623	2,603
Capital expenditure	22,931	32,909

CONSOLIDATED OPERATING ACCOUNT

- 7.2 The Consolidated Operating Account in the 2024/25 Proposed Budget is projected at a surplus of \$2,603 million, which is lower than the 2023/24 Revised Budget of \$12,623 million by \$10,020 million. The estimates have taken into account the following –

- (a) the lower receipts in the Home Ownership Assistance Operating Account, mainly due to fewer number of SSF assignment completed; and
- (b) a loss in the Rental Housing Operating Account for 2024/25, under a conservative budgetary assumption of no adjustments on rent level for public rental housing estates;

partly offset by
- (c) the higher net income in the Commercial Operating Account, with the budgetary assumption of no rent concession to the non-domestic tenants / licensees in 2024/25.

7.3 A summary by business operation is set out below –

	2023/24 (Revised) \$M	2024/25 \$M
Rental Housing	174	(1,167)
Commercial	865	1,539
Home Ownership Assistance	11,584	2,231
Consolidated Operating Surplus	<u>12,623</u>	<u>2,603</u>

CASH AND INVESTMENT BALANCE

7.4 The projected cash and investment balance at the end of March 2024 and 2025 are as below –

	2023/24 (Revised) \$M	2024/25 \$M
Cash and Investment Balance at year-end	<u>69,735</u>	<u>49,879</u>

7.5 The year-end balance for the 2024/25 Proposed Budget is estimated to be \$49,879M, mainly due to the lower receipts from SSFs and higher construction expenditure.

CAPITAL EXPENDITURE

- 7.6 The capital expenditure in the 2024/25 Proposed Budget is \$32,909 million. Details are highlighted below –

	2023/24 (Revised) \$M	2024/25 \$M
Construction expenditure	21,904	31,625
Improvement works	842	1,027
Computer systems and equipment, other equipment and motor vehicles	185	257
Total	<u>22,931</u>	<u>32,909</u>

- 7.7 The capital expenditure in 2024/25 is estimated to be \$32,909M, an increase over the 2023/24 Revised Budget by \$9,978M. Apart from the increase in construction works under HA's public housing development, this is mainly due to construction programme adjustments for some works contracts in 2023/24 arising from shortage of labour in the construction industry and slow recovery of the supply chain blockage in the aftermath of COVID-19 pandemic.