

LCQ 13

The Hong Kong Housing Authority (HA)'s Annual Overall Total Surpluses and Year-end Cash & Investment Balances
in the past 5 years and next 5 years

	2009-10 Actual	2010-11 Actual	2011-12 Actual	2012-13 Actual	2013-14 Actual	2014-15# Revised Budget	2015-16# Proposed Budget	2016-17# Forecast	2017-18# Forecast	2018-19# Forecast
	(\$B)	(\$B)	(\$B)	(\$B)	(\$B)	(\$B)	(\$B)	(\$B)	(\$B)	(\$B)
Cash & Investment Balance at beginning of year	56.5	62.4	69.7	69.4	69.2	70.0	65.0	56.3	43.6	32.5
Overall Total Surplus for the Year*	7.7	8.2	4.4	5.8	6.4	5.0	4.6	3.9	4.2	5.4
Add: Adjustments on non-cash items (mainly Depreciation) and others	4.5	6.1	3.8	3.8	4.4	3.4	4.5	5.5	9.9	14.8
Less: Payment of capital expenditure										
(a) Construction works	5.8	6.4	7.6	8.9	9.2	12.6	16.6	21.0	24.3	28.3
(b) Other improvement works and computer assets	0.5	0.6	0.9	0.9	0.8	0.8	1.2	1.1	0.9	0.8
Cash & Investment Balance at end of year	62.4	69.7	69.4	69.2	70.0	65.0	56.3	43.6	32.5	23.6

* *The Overall Total Surplus for the Year includes the results from the Consolidated Operating Account and the surplus from the Funds Management Account and the Agency Account.*

Based on the HA's Proposed Budgets and Forecasts for 2014/15 to 2018/19. With the fund generated from the annual operation and the cash and investment balance at about \$70 billion in April 2014, it is projected that the HA will be able to meet the funding requirement of its operation and the construction programmes in the budget and forecast period. Nevertheless, the HA's cash and investment balance is projected to decrease significantly over the years mainly due to the projected increase in construction costs and operating costs while no rent adjustment for PRH is assumed at this stage.