

# Corporate Plan

## 2024/25



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1

# CORPORATE PROFILE



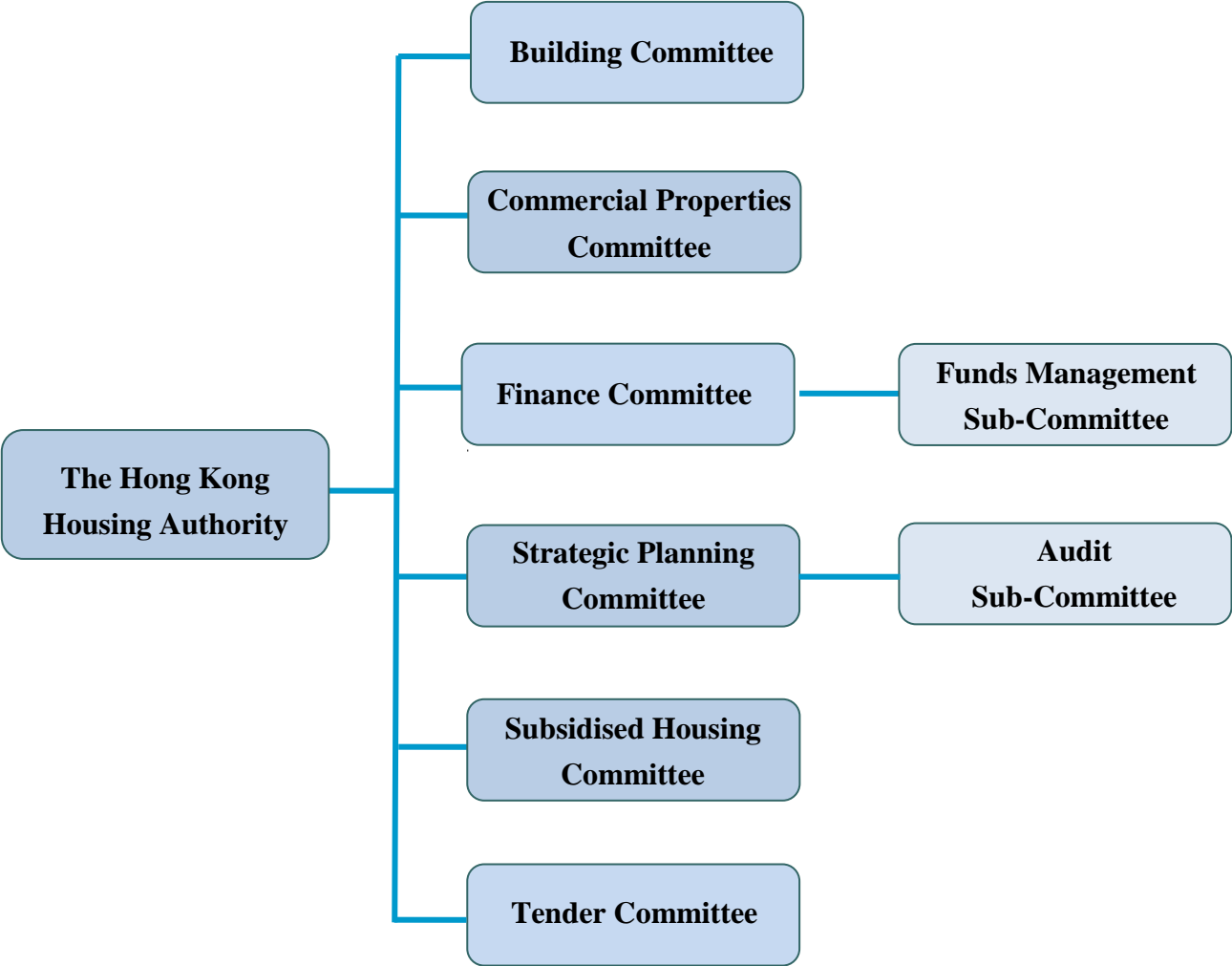


# 1. CORPORATE PROFILE

## **The Hong Kong Housing Authority**

- 1.1 The Hong Kong Housing Authority (HA) is the major organisation formulating the public housing policies in Hong Kong. HA's vision has long been to provide public rental housing (PRH) to low-income families who cannot afford private rental accommodation, and provide subsidised sale flats (SSFs) to address the home ownership aspirations of low- to middle-income families.
- 1.2 As at December 2023, the membership of HA comprised 18 non-official members and four official members. Appointments are made by the Chief Executive. To help forge closer collaboration between HA and the Government in the provision of public housing, the Secretary for Housing and the Director of Housing have respectively assumed the positions of the Chairman and Vice-Chairman of HA.
- 1.3 There are six standing committees and two sub-committees under HA to formulate and oversee policies in specified areas.

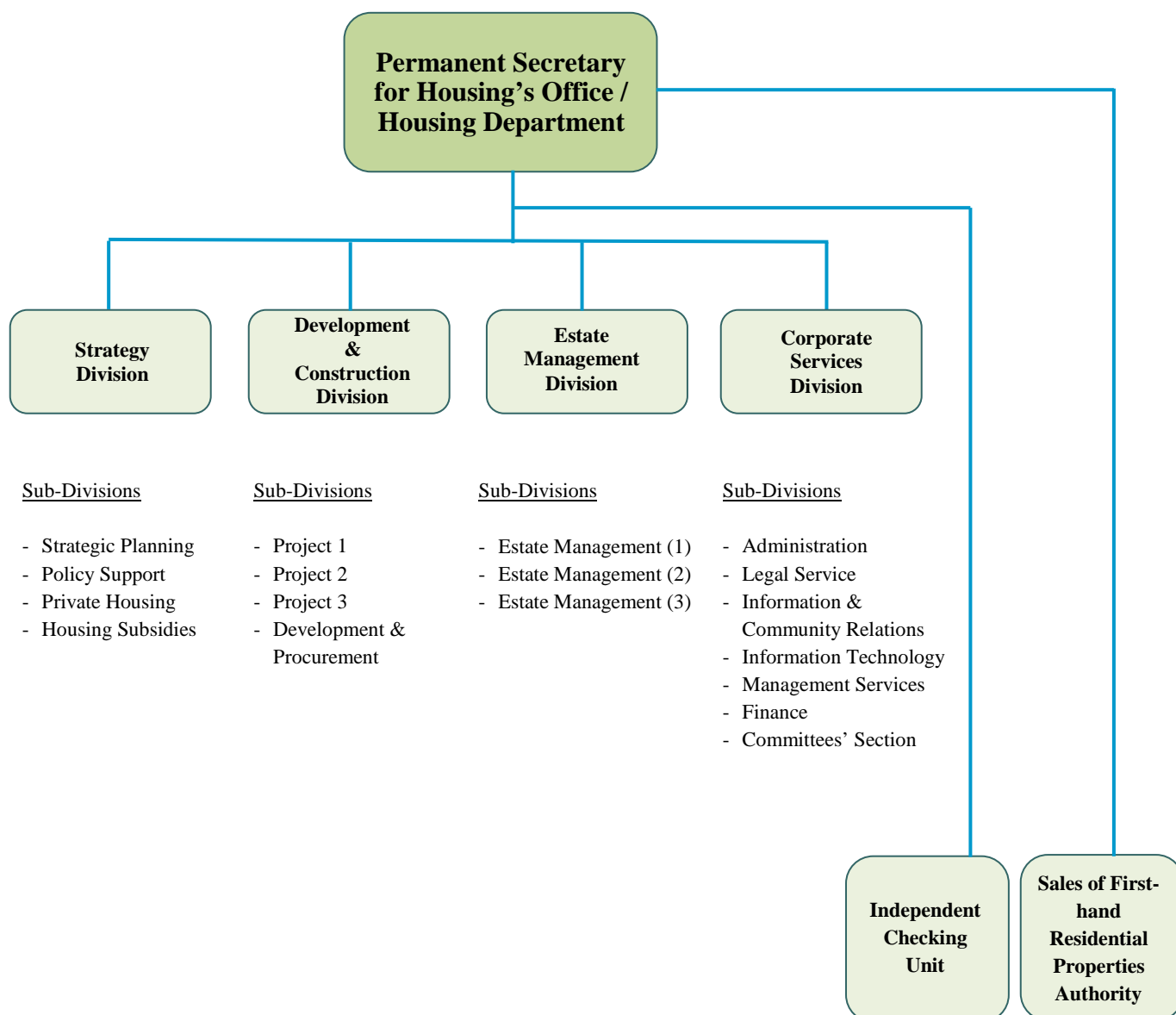
# Organisation of the Hong Kong Housing Authority



## Housing Department

- 1.4 The Housing Department (HD) acts as the executive arm of HA to implement its policies. HD is headed by the Permanent Secretary for Housing, who also assumes the office of the Director of Housing.

## Organisation of the Housing Department





# 2

## CORPORATE VISION, MISSION, CORE VALUES AND STRATEGIC OBJECTIVES





## 2. CORPORATE VISION, MISSION, CORE VALUES AND STRATEGIC OBJECTIVES

- 2.1 The Vision, Mission, Core Values, and Strategic Objectives of HA are set out below: -

### *Vision*

- 2.2 To provide affordable rental housing to low-income families with housing needs, and to help low- to middle-income families gain access to subsidised home ownership.

### *Mission*

- 2.3
- (a) To provide affordable quality housing, management, maintenance and other housing related services to meet the needs of our customers in a proactive and caring manner.
  - (b) To provide an age-friendly and barrier-free estate environment to address the needs of residents of different ages and physical ability.
  - (c) To ensure cost-effective and rational use of public resources in service delivery and allocation of housing assistance in an open and equitable manner.
  - (d) To maintain a competent, dedicated and performance-oriented team.

### *Core Values*

- 2.4 Caring, Customer-focused, Creative, Committed.



## *Strategic Objectives*

2.5 Having regard to HA's latest work priorities and initiatives, we have developed the following strategic objectives –

- (a) To facilitate the cost-effective provision of quality PRH<sup>[1]</sup>.
- (b) To address the aspiration of low- to middle-income families for home ownership through the provision of SSFs.
- (c) To make efficient and effective use of public housing (including PRH and SSFs) resources.
- (d) To maximise the rational allocation and eliminate abuse of PRH resources with a view to enhancing the turnover of PRH units.
- (e) To work in partnership with customers and other stakeholders to enhance service quality.
- (f) To adopt universal design for planning and design of new housing estates, and improve facilities in existing estates in accordance with the same principle.
- (g) To manage and maintain assets with a view to maximising their economic life and contribution.
- (h) To make effective use of private sector resources.
- (i) To make the fullest use of human and financial resources and of information technology (IT) to meet corporate goals.
- (j) To contribute actively and positively towards sustainable development.
- (k) To be innovative in enhancing operational efficiency.
- (l) To promote the core values of HA among staff members.
- (m) To optimise the use of commercial properties.

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Note [1] “Quality” PRH, in a broad sense, refers to (a) safe and healthy accommodation for the low-income household / persons suitable for the formation of a harmonious and sustainable community, with estate facilities and domestic flats well-matched to the essential needs of modern living, and with estate designs serving the purpose of aging in place and socio-spatial equity for people of all ages and abilities; (b) building and maintaining the PRH in accordance with the principles of environmental protection and greening, with the application of green construction materials and energy-saving installations to minimise the burden on the environment; and (c) the procurement of value-for-money and durable construction materials, coupled with comprehensive maintenance services, to maintain a decent living environment for the residents.

3

# YEAR-END REVIEW OF THE HA'S 2022/23 CORPORATE PLAN





### 3. YEAR-END REVIEW OF THE 2022/23 CORPORATE PLAN

- 3.1 The year-end performance of the 2022/23 CP was reviewed and members were informed of the details vide Paper No. HA 6/2023. There were 50 key activities (KAs) in 2022/23 CP. As at 31 March 2023, four KAs were completed and 46 KAs were on schedule, on-going, or partially completed.

#### Theme 1: Providing Quality Homes

- 3.2 Under this theme, HA has continued its work on improving people's living conditions by providing quality public housing. To low-income families which cannot afford private rental accommodation, we provide PRH. In 2022/23, about 3 700 PRH/Green Form Subsidised Home Ownership Scheme (GSH) flats were completed. Around 31 000 PRH flats (comprising both newly completed flats and recovered flats) were allocated in 2022/23. Of the around 31 000 flats, around 25 000 units were allocated to PRH applicants, while the rest were allocated to PRH tenants requesting transfer, households recommended by the Social Welfare Department for compassionate rehousing, junior civil servants, eligible carees, etc.<sup>[2]</sup> As at 31 March 2023, the average waiting time (AWT)<sup>[3]</sup> for general applicants (i.e. family and elderly one-person applicants) who were housed to PRH in the past 12 months was 5.3 years. Among them, the AWT for elderly one-person applicants was 3.9 years. We would continue our efforts to increase PRH supply with a view to shortening the waiting time for PRH.
- 3.3 In 2022/23, about 6 900 other SSFs were completed. In February 2022, the Sale of Home Ownership Scheme (HOS) Flats 2022 involving a total of around 8 900 new flats was launched together with White Form Secondary

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Note [2] Around 16 600 recovered flats were allocated in 2022/23, among which around 9,800 and 1 500 were allocated to PRH general applicants and non-elderly one-person applicants under the Quota and Points System respectively.

Note [3] Waiting time basically refers to the time taken between registration for PRH and the first flat offer, excluding any frozen period during the application period (e.g. when the applicant has not yet fulfilled the residence requirement; the applicant has requested to put his/her application on hold pending arrival of family members for family reunion; the applicant is imprisoned, etc.). AWT for general applicants refers to the average of waiting time of those general applicants who were housed to PRH in the past 12 months.

Market Scheme (WSM) 2022 which involved an annual quota of 4 500. HOS flat selection was completed in February 2023 and successful WSM applicants were invited in November 2022 to apply for a Certificate of Eligibility to Purchase. The Sale of GSH Flats 2022, involving a total of around 4 700 new GSH flats, was launched in September 2022. Ballot was held in December 2022 and flat selection commenced from March 2023. To accelerate the sale of unsold flats in 39 estates under the Tenants Purchase Scheme (TPS), the second batch of about 500 recovered TPS flats were put up for sale under the Sale of HOS Flats 2022 and flat selection was completed in February 2023.

- 3.4 In terms of the development and construction of public housing projects, to optimise the development potential of public housing sites, we have implemented the Government policy which allows the domestic plot ratio at the selected zones to increase by up to 30% where technically feasible. We also made effort to facilitate rezoning of the four factory sites and to implement the proposed public housing developments. In order to speed up the building process, we identified suitable projects for adopting Design-and-Build (D&B) procurement and issued tenders for our first two D&B projects in June and December 2022 respectively.
- 3.5 The Independent Checking Unit (ICU) continued to exercise administrative building control over new public housing development projects and existing PRH estates without any part sold or divested, which were not subject to the Buildings Ordinance (Chapter 123) (BO), by applying standards and practices parallel to that of the Buildings Department.

## **Theme 2: Promoting Sustainable Living**

- 3.6 Besides providing homes, we hope to promote a sustainable living environment for those who live in HA's developments. We continued to conduct annual internal audits to maintain ISO 14001 certification for Environmental Management System and ISO 50001 certification for Energy Management System. External Surveillance Audit for PRH estates was carried out in May 2022 and no non-conformity was observed. Moreover, we continued to monitor carbon emission and review efficiency through the Carbon Audit exercise in 14 selected domestic block types.
- 3.7 With a view to raising the awareness of PRH tenants on waste reduction and recycling, we carried out publicity work and public education, including recruiting Estate Ambassadors, organising mascot tour and recyclable competition, broadcasting videos via social media as well as displaying newly designed promotion banners and posters. To better



prepare for the implementation of municipal solid waste (MSW) charging, we continued to collaborate with the Environmental Protection Department to conduct various trial projects in PRH estates. In 2022, we completed Phase 3 MSW charging trial and commenced Phase 4 charging trial.

- 3.8 We strived to enhance family cohesion and attend to tenants' needs. A cumulative total of 75 160 households have benefited from the Harmonious Families Policies. We widely publicised Rent Assistance Scheme through various channels to raise awareness of PRH tenants so that those in need can submit applications accordingly. We had also successively extended the temporary relief measure six times to June 2023 to withhold the issuance of Notice-to-quit (NTQ) to tenants who could not settle their rent payments on time due to financial hardship. Eligible tenants might submit one-off applications to the HA and NTQ against them would be withheld upon approval of their applications. As at 31 March 2023, a cumulative total of 1 778 applications were approved.
- 3.9 HA continued to make wider use of both traditional and social media in promotion and publicity work. For example, we produced Facebook posts and YouTube videos to promote various initiatives including the Cross-sectoral Territory-wide Anti-rodent Action, HA's Year End Cleaning Campaign and healthy living among elderly tenants.

### **Theme 3: Optimising and Rationalising the Use of Public Resources**

- 3.10 HA has always strived to optimise and rationalise the use of public resources, so as to address society's housing needs as best as we can. To optimise the use of public resources, we plan to redevelop Shek Lei Interim Housing for public housing development of about 1 600 units. After completion of clearance, we commenced the demolition in February 2023.
- 3.11 For the biennial PRH rent review, Subsidised Housing Committee (SHC) endorsed the outcome of the 2022 rent review at its meeting on 15 August 2022 and adjusted PRH rent upwards by 1.17% with effect from 1 October 2022 in accordance with the Housing Ordinance (Chapter 283). Having regard to the extent of the rent increase, impact on the PRH tenants, and the impact on HA's financial position, SHC also endorsed providing a special relief measure to PRH tenants by waving the extra rent payable each month due to the rent adjustment in the first 12 months following the rent adjustment.
- 3.12 To safeguard the rational and effective use of public housing resources, we completed vetting of some 250 000 income and assets declarations under

the Well-off Tenants Policies; intensive checking on some 7 600 suspected and randomly selected cases on income and assets declaration; and rigorous checking on some 6 700 occupancy-related and suspected tenancy abuse cases. In addition to intensified investigation measures, we launched various publicity and educational activities to enhance public awareness of cherishing public housing resources and providing PRH flats to those with pressing needs.

- 3.13 On IT front, we continued to implement and expand the use of Development and Construction Site Mobile System (DCSMS) to improve the workflow, communication and record management of site inspection process. Since rolling out of the first mobile app in early 2016, we have successfully launched and adopted a total of 12 mobile apps/web applications in HA projects <sup>[ 4 ]</sup>. We continue to explore further development of DCSMS to cover more areas of site applications. We also commissioned the development of a new web-based Housing Smart Intake (HOST) System to streamline the defects reporting process during mass intake of completed housing projects. Phase 1 <sup>[5]</sup> of the HOST System was rolled out in mid of 2022 for PRH estates. We continued to develop Phase 2 for SSF projects and for common areas at the public housing estates for rolling out in stages.
- 3.14 On human resource management, we have been taking steps to create more civil service posts since 2012 for meeting the public housing supply target, and a total of 452 posts have been created between 2015/16 and 2022/23. We will continue to monitor the manpower situation and make the most effective use of human resources through process re-engineering, staff redeployment and re-prioritisation of tasks, and to bid for additional manpower where necessary. For staff development, we have put in place the Development Scheme for Senior Professionals to provide HD colleagues with opportunities to take up responsibilities beyond their professional boundary. Besides, management development programmes for different levels of staff and cross-division attachment programmes for professionals have been arranged to broaden their perspectives.

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Note [4] Materials Testing Request App, as the Phase 4 development of DCSMS, was rolled out in December 2022. Another two Apps, namely Migration of Site Operation Module from HOMES and BIM Integration Module, as the Phase 5 development of DCSMS, are in the pipeline and targeted to be rolled out in early 2024.

Note [5] Development of the HOST System commenced in September 2021. The system is used for deficiencies or defects reporting by tenants and owners during mass intake. The reported items would be interfaced with DCSMS for follow-up actions by Intake Ambassadors, Main Contractors and Site Inspection Team. Upon completion of defects rectification works, tenants and owners will be notified via the HOST System on the completion of works. The first phase of the HOST System for PRH projects was used for mass intake of Ching Tin Estate and Wo Tin Estate in August 2022.



## **Theme 4: Enhancing the Attractiveness of Commercial Properties**

- 3.15 We continued to identify asset enhancement opportunities and implement the earmarked projects of retail and carparking facilities under the five-year rolling programme. To optimise the use of resources, we continued to explore ways to optimise the use of non-domestic premises and other spaces, including conversion to domestic or other uses. As at end March 2023, we had successfully converted some vacant non-domestic spaces into about 130 domestic flats.
- 3.16 We continued to adopt a flexible and market-oriented leasing strategy and formulated a balanced and well-diversified trade mix for HA's retail facilities so as to provide residents with a good variety of goods and services. We also continued to adopt strategic planning and arrange early marketing and leasing of the retail facilities well in advance before completion of the public housing developments in order to address residents' basic needs upon intake.
- 3.17 To sustain the popularity and attractiveness of Domain, HA's flagship shopping centre, as a regional mall, we continued to adopt proactive and flexible leasing strategies with a view to enhancing its tenants' profile and trade mix. In February 2022, the Letting Panel endorsed the introduction of a family-friendly restaurant which combined a Chinese restaurant with a children's game centre. This innovative tenancy catering for both parents and children aligns with the trendy and chic image of Domain and would be appealing to Domain's target customers of young families. The shop had recently commenced business.
- 3.18 In line with the Government's relief measures to support enterprises and relieve people's financial burden, we granted eligible retail and factory tenants a 50% rent concession from 1 October 2019 to 31 March 2020. The rent concession for these tenants was subsequently extended several rounds from 1 April 2020 to 31 December 2022 totaling 33 months, and increased to 75%. The coverage of the 75% rent concession was also extended to include tenants/licensees of bus kiosks and most advertising signboards, as well as carpark users for the monthly parking of commercial vehicles. Also, eligible tenants/licensees of HA's non-domestic premises could apply for 100% rent concession for the period during which their operation at the premises concerned was required to be closed under anti-epidemic regulations or directions of the Government. In December 2022, to tie in with the Government's latest relief measures, Members approved further extension of the 75% rent concession up to 30 June 2023.

- 3.19 In the 2019 Policy Address, HA was invited to explore the feasibility of redeveloping its factory estates for public housing use. On 24 May 2021, Members approved the arrangements for clearance of four factory estates, viz. Yip On, Sui Fai, Wang Cheong and Kwai On Factory Estates for public housing development. There were around 2 100 affected tenants in the four factory estates under redevelopment. We successfully completed the clearance of all four factory estates in January 2023 and commenced the demolition in March 2023.



# 4

## THEMES, OBJECTIVES, AND KEY ACTIVITIES IN 2024/25



## 4. THEMES, OBJECTIVES, AND KEY ACTIVITIES IN 2024/25

- 4.1 To formulate the themes, objectives, and KAs of HA in 2024/25, Strategic Planning Committee (SPC) endorsed the 2024/25 Strategic Plan on 3 November 2023, which served as a first draft of the Corporate Plan. Subsequently, each Committee discussed and endorsed their relevant Programmes of Activities prepared based on the Strategic Plan in November 2023 and December 2023 respectively. Taking into account views expressed by Members, the themes, objectives, and KAs of HA in 2024/25 are set out in this chapter of the 2024/25 CP.

### Themes

- 4.2 HA shall continue to focus its efforts in 2024/25 under the following four themes –

**Theme 1:** Providing Quality Homes;

**Theme 2:** Promoting Sustainable Living;

**Theme 3:** Optimising and Rationalising the Use of Public Resources; and

**Theme 4:** Enhancing the Attractiveness of Commercial Properties.



## Key Activities

- 4.3 Under the above four themes, we have drawn up 39 KAs for 2024/25. In this Chapter, the KAs are presented under the relevant themes in order to achieve the respective objectives.

### Theme 1: Providing Quality Homes

#### ***Objective 1: Providing PRH to low-income families and addressing the home ownership aspirations of low- to middle-income families***

1. To provide PRH to low-income families who cannot afford private rental accommodation.
2. To put up HOS and GSH flats for sale.
3. To allocate WSM quota.
4. To accelerate the sale of unsold flats in the 39 estates under TPS.
5. To relax the arrangements for mortgage default guarantee for SSFs, including the extension of the maximum mortgage default guarantee period in the Secondary Market from 30 years to 50 years.

#### ***Objective 2: Supporting families with newborns***

6. To introduce the "Families with Newborns Flat Selection Priority Scheme" starting from the Sale of HOS Flats 2024.
7. To introduce the "Families with Newborns Allocation Priority Scheme".

#### ***Objective 3: Seeking Government's provision of sites suitable for development***

8. To seek Government's provision of spade-ready sites to HA to expedite the construction of public housing units, optimise the development potential of the sites and maximise the supply of domestic flats, and complete the projects in phases where appropriate.
9. To monitor the site availability for public housing development.
10. To accelerate housing production by the adoption of "Design-and-Build" procurement model and adoption of the Design for Manufacture and Assembly approach, the Modular Integrated Construction (MiC) approach and other advanced construction technologies.

***Objective 4: Reviewing the Quality Management System***

11. To review the quality management system and to assure quality for all critical site works and installations for capital works new works projects.

***Objective 5: Enhancing building standards through research, management system and liaison with stakeholders***

12. To provide newly-built SSFs to be completed from 2026-27 onwards which are no less than 26 square metres saleable area in general. The internal floor area of newly-built PRH flats (except for 1-person and 2-person units) will be no less than the equivalent level in general, i.e. 21 square metres.
13. To improve building standards, quality, and productivity in construction by conducting research on building design and construction, implementing a quality management system and product certification, as well as liaising with industry stakeholders.

***Objective 6: Maintaining compliance with statutory requirements in new development projects and existing properties***

14. To implement building control in the design, construction, completion and post-occupation stages for the buildings developed by HA.



## **Theme 2: Promoting Sustainable Living**

### ***Objective 7: Enhancing the sense of well-being among residents***

15. To enhance the well-being of PRH residents through improving environmental protection, greening, and conservation in different aspects of HA's work; develop "Well-Being" design guidelines for new public housing projects and apply the same concept to existing estates.
16. To implement maintenance and improvement programmes.
17. To adopt universal design for all ages and abilities in modular flats, communal facilities and integrated community play areas, and implement barrier-free access to enhance safety, accessibility and spatial equity in the community.

### ***Objective 8: Promoting Smart Estate Management***

18. To promote smart estate management. Ten PRH estates will be selected as pilot sites in 2024 for trial adoption of such innovative technologies as the Internet of Things sensors, Artificial Intelligence and mobile devices. These will help daily estate management.

### ***Objective 9: Enhancing community engagement throughout the delivery of development projects and promoting partnering with business partners***

19. To promote partnering with stakeholders, such as engaging the community in the development process, as well as promoting social cohesion.

### ***Objective 10: Maintaining estate cleanliness and environmental hygiene***

20. To implement the Marking Scheme for Estate Management Enforcement and strengthen the prevention and control of pest and rodents in PRH estates.
21. To raise the awareness of PRH tenants on the Government's implementation of MSW Charging.

### ***Objective 11: Planning and designing new development for a green and healthy environment, conserving resources, and promoting green procurement***

22. To adopt environmentally responsive planning and design, optimise greening in housing estates to promote a green and healthy environment, and promote "green procurement."

***Objective 12: Enhancing community bonding and attending to tenants' needs***

23. To foster community building and caring for the tenants in need.

***Objective 13: Promoting HA's work***

24. To build a proactive and caring corporate image of HA and to strengthen communications with our staff, tenants, partners and the general public.

***Objective 14: Enhancing awareness on health, safety, and promoting relevant practices in HA's workplace***

25. To monitor and enhance the quality of development and environment, as well as health and safety at HA's development and construction workplaces, and improve the environmental, social and economic aspects of sustainability.

### **Theme 3: Optimising and Rationalising the Use of Public Resources**

#### ***Objective 15: Optimising the use of PRH resources***

- 26. To provide transfer opportunities for sitting tenants through various transfer exercises.
- 27. To conduct the biennial PRH rent review.
- 28. To strengthen tenancy management and to prevent abuse of public housing resources.

#### ***Objective 16: Reviewing the feasibility of redeveloping individual aged estates and enhancing the sustainability of older estates***

- 29. To review the feasibility of redeveloping individual aged PRH estates and to review the opportunities for additional developments within or near existing PRH estates.

#### ***Objective 17: Monitoring the construction cost of new housing development***

- 30. To monitor construction cost and improve the cost-effectiveness of construction.

#### ***Objective 18: Making the best use of human resources***

- 31. To achieve a lean, flexible and dynamic organisation with the capacity to respond to changes in service requirements.
- 32. To enhance staff engagement and staff competencies.

#### ***Objective 19: Making effective and wider application of IT***

- 33. To implement or enhance IT systems to support the evolving business requirements, and to improve the overall operational efficiency and IT security.
- 34. To implement e-services for submission of applications for PRH and SSFs (including HOS, GSH and WSM) and explore possible enhancements.



***Objective 20: Maintaining sound financial and funds management***

35. To manage HA's finance and implement HA's investment strategy in a prudent manner.

## **Theme 4: Enhancing the Attractiveness of Commercial Properties**

***Objective 21: Enhancing the potential of HA's commercial properties through exploring asset enhancement opportunities and optimising usage***

36. To explore opportunities to enhance HA's commercial properties and optimise the use of resources.

***Objective 22 Enhancing HA's commercial properties***

37. To enhance the leasing, promotion and management strategies for HA's new and existing commercial facilities.

38. To maintain Domain's market positioning, attractiveness and competitiveness as a regional shopping mall.

39. To enhance the implementation of green measures in HA's commercial facilities.

5

## KEY PERFORMANCE INDICATORS





## 5. KEY PERFORMANCE INDICATORS

5.1 In order to help evaluate and monitor our performance in implementing the KAs, having taken into account Members' views in the course of the Corporate Planning exercise and the 2023 Policy Address, we have adopted 17 Key Performance Indicators (KPIs) <sup>[6]</sup> for 2024/25. The target for 2023/24 and 2024/25 of the KPIs are set out below –

	Target for 2023/24	Target for 2024/25
(1) No. of new flats to be provided <sup>[7]</sup>		
- PRH/GSH flats	12 800	17 300
- Other SSFs	200	11 300
(2) AWT for PRH applications (years) <sup>[8]</sup>		
- General applicants	3	3
- <i>Among which, elderly one-person applicants</i>	2	2
(3) Number of housing projects to be tendered out to adopt "Design for Manufacture and Assembly" (DfMA) (MiC approach included) and other advanced construction technologies as the main construction method	DfMA- All projects MiC approach - 4 projects	DfMA- All projects <sup>[9]</sup> MiC approach - 9 projects

Note [6] Applicable to both in-house services and services provided by property services agents/contractors.

Note [7] Figures rounded to the nearest hundred.

Note [8] Our immediate goal is to cap the AWT for PRH at the level of six years in order to stop the AWT from rising further. The Government has also introduced the index of Composite Waiting Time for Subsidised Rental Housing (CWT) to reflect general applicants' composite waiting time for traditional PRH or Light Public Housing (LPH). Considering the new LPH supply and the increased supply of traditional PRH, and assuming that the number of newly registered general applicants and the quantity of recovered PRH units will remain unchanged at the current level, CWT may reduce to around 4.5 years in 2026/27.

Note [9] As announced in the 2022 Policy Address, all public housing projects under HA which are scheduled for completion in the first five-year period (2023/24 to 2027/28) will adopt DfMA, including MiC approach in suitable projects. No less than half of the public housing projects scheduled for completion in the second five-year period (2028/29 to 2032/33) will adopt MiC approach, and DfMA for the remaining projects. Based on the latest tender programme, more than four MiC projects will be tendered out in 2023/24 and nine MiC projects have been identified to be tendered out in 2024/25. HD continues to identify more MiC projects in 2025/26 onwards to achieve the target set in the Policy Address.

	Target for 2023/24	Target for 2024/25
(4) Number of public housing units to be tendered out adopting Design and Build (D&B) procurement model	11 000	12 000 <sup>[10]</sup>
(5) Percentage of overcrowded families <sup>[11]</sup> against total PRH families (%)	Below 0.55	Below 0.55
(6) Vacancy rate (%)		
- PRH	Below 1.3	Below 1.3
- Retail Premises (shops)	Below 2.5	Below 2.5
(7) Average turnaround time for vacant flat refurbishment (days)	Not exceeding 44	Not exceeding 44
(8) Average construction time for foundation and superstructure of public housing projects with 40 domestic storeys (months)	56	56 <sup>[12]</sup>
(9) Processing applications for fast-track occupation permit of new construction projects (with pre-OP inspection completed) within 10 days	100%	100%
(10) Processing applications for fast-track temporary occupation permit of new construction projects within 10 days	100%	100%
(11) Processing plans for new construction projects wholly adopting pre-accepted typical design/details:		

Note [10] As announced in the 2022 Policy Address, HA will adopt the D&B contract model in at least half of the flats scheduled for completion in the second five-year period (i.e. from 2028/29 to 2032/33). Based on the latest tender programme, about 11 000 flats have been tendered out under the D&B model in 2023/24. HD continues to identify more D&B projects from 2024/25 onwards to achieve the target set in the Policy Address.

Note [11] Overcrowded families are families with living density below 5.5 m<sup>2</sup> internal floor area per person.

Note [12] This KPI is the average construction time for foundation and superstructure of all public housing projects, including those which are complex in nature (e.g. with substantial welfare, car parking and other public facilities in podium or basement, complicated ground and geological conditions, deep piled foundation, etc.) but excluding those projects which entails demolition, site formation or decontamination; or where the domestic block exceeds 40 storeys.

	Target for 2023/24	Target for 2024/25
- first submission within 15 days	90%	90%
- amendment within 10 days	90%	90%
(12) No. of joint environmental hygiene operations with stakeholders in PRH estates under HA	Not less than 500	Not less than 500
(13) Accident rate		
- Average number of accidents per 1000 workers per year for new works contract	Not more than 8	Not more than 8
- Average number of accidents per 1000 workers per year for maintenance and improvement works contract	Not more than 8	Not more than 8
- Number of fatal accident for new works contract	0	0
- Number of fatal accident for maintenance and improvement works contract	0	0
(14) Rationalise PRH resources		
- Vetting of Income and Assets Declaration Forms under the Well-off Tenants Policies within a two-year cycle (nos.)	No less than 450 000	No less than 450 000
- In-depth investigation per year (households)	10 000	10 000
(15) Training investment per staff member (\$)	2,100	2,300



	Target for 2023/24	Target for 2024/25
(16) Paper consumption	Maintain consumption per staff comparable to 2022/23 level	Maintain consumption per staff comparable to 2023/24 level <sup>[13]</sup>
(17) Water consumption in HA Headquarters	Maintain consumption per staff comparable to 2022/23 level	Maintain consumption per staff comparable to 2023/24 level <sup>[14]</sup>

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Note [13] At present, there is no Government's service-wide saving target for paper consumption in office. For 2024/25, we target to maintain paper consumption per staff comparable to 2023/24 level, which is the actual consumption per staff.

Note [14] At present, there is no Government's service-wide saving target for water consumption in office. For 2024/25, we target to maintain water consumption per staff comparable to 2023/24 level, which is the actual consumption per staff.

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## MAIN OPERATIONS



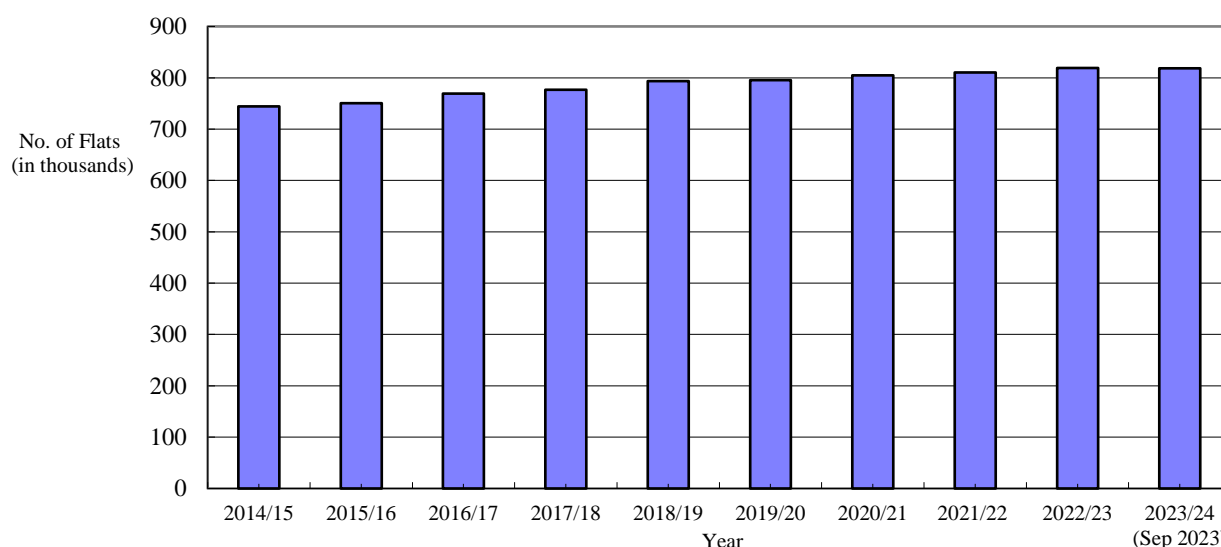
## 6. MAIN OPERATIONS

- 6.1 The operations and activities of HA lie in six main areas, namely development and construction, subsidised housing, commercial properties, building control, procurement, and corporate services. In the coming year, different operations of HA will continue to focus their efforts to achieve the objectives under the four themes for 2024/25.

### DEVELOPMENT AND CONSTRUCTION

- 6.2 The main functions of the development and construction operation are to plan, design and construct HA's public housing developments as well as associated facilities.
- 6.3 The following chart shows the changes in PRH stock from 2014/15 to 2023/24 –

**Stock of PRH Flats** <sup>[15]</sup>



Note [15] The chart shows the PRH flat stocks from 2014/15 to 2023/24. The position from 2014/15 to 2022/23 is as at end-March of the respective years, while that for 2023/24 is as at end-September 2023.



***Budget***

- 6.4 The construction expenditure for 2024/25 is projected at \$31,625M, which is higher than the 2023/24 Revised Budget of \$21,904M by \$9,721M. The higher construction expenditure is mainly due to construction programme adjustments from 2023/24 to 2024/25 for some works contract arising from shortage of labour in the construction industry and slow recovery of the supply chain blockage in the aftermath of COVID-19 pandemic as well as the increase in construction expenditure for HA's public housing development.

**SUBSIDISED HOUSING**

- 6.5 The main functions of the subsidised housing operation are to allocate, manage and maintain HA's domestic rental properties, and to handle the sale of HA's SSFs.

***Budget*****Rental Housing Operating Account**

- 6.6 The income and expenditure of the Rental Housing Operating Account in 2024/25 are projected at \$23,131M and \$24,298M respectively. The operating result for 2024/25 is estimated to incur a loss of \$1,167M. This has taken into account increase in various expenditure items as well as assumed price level adjustments. As for income, we assume no adjustment on rent level solely for budgetary purpose.

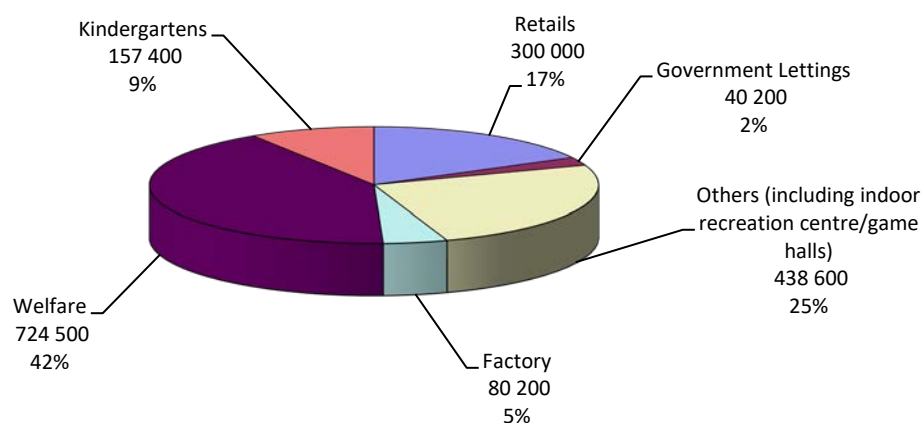
**Home Ownership Assistance Operating Account**

- 6.7 The income and expenditure of the Home Ownership Assistance Operating Account in 2024/25 are projected at \$5,966M and \$3,735M respectively. The SSF net income for 2024/25 is estimated to be \$2,231M, which is lower than that of 2023/24, mainly due to fewer number of SSF assignment completed.

## COMMERCIAL PROPERTIES

- 6.8 The main function of the commercial properties operation is to manage HA's commercial and non-domestic properties (including retail shops, Government lettings, welfare facilities, kindergartens and flatted factories, etc.) as well as car parks.
- 6.9 As at end-September 2023, HA ran approximately 1 740 900 m<sup>2</sup> internal floor area of commercial and other non-domestic properties (excluding schools) and 34 000 car parking spaces. Breakdown of the commercial and non-domestic properties portfolio by space is as follows –

**Commercial and Non-domestic Properties Portfolio by Space (internal floor area m<sup>2</sup>)**  
**As at end-September 2023**  
**(Total Space 1 740 900 m<sup>2</sup>)**



### Budget

- 6.10 The income and expenditure of the Commercial Operating Account in 2024/25 are projected at \$4,027M and \$2,488M respectively. The net income in 2024/25 is estimated to be \$1,539M, which is higher than the 2023/24 Revised Budget by \$674M, mainly due to the budget assumption of no rent concession to be offered to the non-domestic tenants / licensees in 2024/25.

## BUILDING CONTROL

- 6.11 The Independent Checking Unit (ICU) established directly under the Office of the Permanent Secretary for Housing exercises dual control functions including the statutory building control to buildings subject to BO under the delegated authority from the Building Authority (i.e. Director of Buildings), as well as the administrative building control<sup>[16]</sup> to buildings and works not subject to the BO by way of HA's administrative arrangements. ICU's statutory control function is funded by the Government, whilst its administrative control function is funded by HA.

### *Budget*

- 6.12 The expenditure for building control in 2024/25 is projected at \$276M, which is higher than the 2023/24 Revised Budget of \$261M by \$15M, mainly due to increase in personal emoluments and capital expenditure on computer systems and equipment.

## PROCUREMENT

- 6.13 The main operations of procurement are to secure competent and reliable business partners through equitable procurement principles<sup>[17]</sup>, achieving efficiency, effectiveness and value for money at all times.

### *Budget*

- 6.14 The expenditure for procurement for 2024/25 is projected at \$138M, which is the same as the 2023/24 Revised Budget.

## CORPORATE SERVICES

- 6.15 Corporate services operation comprises a wide range of supporting services that facilitate the efficient operation of HA. These include general administration, human resources management, finance and accounting services, IT, information and community relations, legal advice services and management consultancy services.

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Note [16] Administrative building control mainly includes processing of submissions for HA's new public housing development and alteration and addition works in existing HA's buildings.

Note [17] The basis of HA's procurement principles are as follows -

- (a) Obtain Value for Money;
- (b) Incorporate Risk Management in a holistic manner;
- (c) Maintain a focus on continuous improvement at all levels;
- (d) Provide effective governance which is accountable and transparent;
- (e) Provide for open and fair competition in the market place; and
- (f) Procure in a fair, reasonable and ethical manner with due regard to probity.



***Budget***

- 6.16 The expenditure for corporate services in 2024/25 is projected at \$1,204M, which is higher than the 2023/24 Revised Budget of \$1,100M by \$104M, mainly due to higher personal emoluments and capital expenditure on computer systems.

# 7

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

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

### 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 –

	<b>2023/24 (Revised) \$M</b>	<b>2024/25 \$M</b>
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 –

	<b>2023/24 (Revised) \$M</b>	<b>2024/25 \$M</b>
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.

# ***LIST OF ABBREVIATIONS***

AWT	average waiting time
BO	Buildings Ordinance
DfMA	Design for Manufacture and Assembly
FC	Finance Committee
GSH	Green Form Subsidised Home Ownership Scheme
HA	Hong Kong Housing Authority
HCP	Housing Construction Programme
HD	Housing Department
HOS	Home Ownership Scheme
HOST	Housing Smart Intake
ICU	Independent Checking Unit
IT	information technology
KAs	key activities
KPI	key performance indicator
MiC	Modular Integrated Construction
MSW	municipal solid waste
NTQ	Notice-to-quit
PRH	public rental housing
PRSC	Post-retirement Service Contract
SHC	Subsidised Housing Committee

SPC	Strategic Planning Committee
SSF	Subsidised Sale Flat
TPS	Tenants Purchase Scheme
WSM	White Form Secondary Market Scheme