

Economic Performance

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The Hong Kong Housing Authority (HA) is committed to incorporating sustainability into its day-to-day operation. We strive to provide quality and affordable housing for the public through achieving operational excellence and high efficiency, investing in building and construction, as well as optimising of management and procurement practices.

Financial Performance

The HA is a financially autonomous entity. We have been generating our own funding to support the public housing development. The major sources of our income are contributed from rental of public housing and commercial properties, sale of subsidised sale flats, and income from funds investment.

The Finance Committee (FC), with the assistance of its Funds Management Sub-Committee (FMSC), reviewed the HA's investment strategy and position from time to time. The FMSC also advised on the selection of fund managers and monitors their performance, while ongoing monitoring of day-to-day operations was conducted by the Housing Department. An annual health check on the HA's Strategic Asset Allocation, taking into account the latest financial market situation and risks, was conducted in 2014/15.

To manage our finance in a prudent manner, we have carried out monthly reviews of the financial positions of the HA and reported the results to FC regularly. In addition, we have reviewed the financial management practice when necessary, and monitored and evaluated our financial planning and budgeting process.

Details of the 2014/15 financial statements are provided in the HA's Annual Report 2014/15. Summary of our financial performance is highlighted below:

Consolidate Income Statement in 2014/15

Item Description	HK\$M
Consolidated Operating Account Surplus	3 339
Funds Management Account Surplus	3 512
Agency Account Surplus	15
Surplus for the Year	6 866

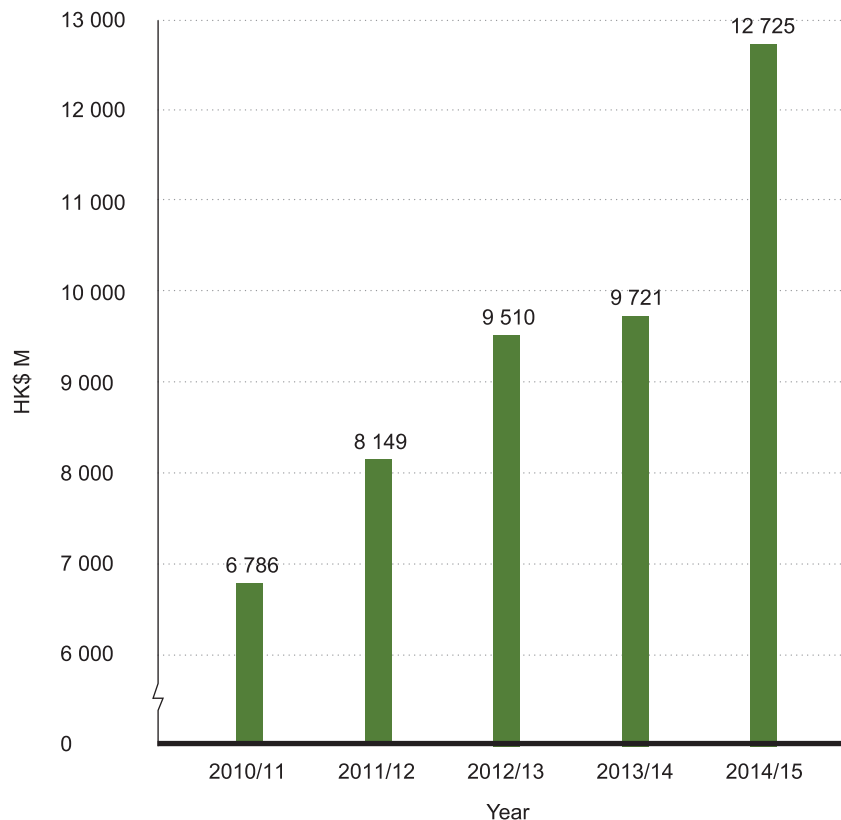
Consolidated Operating Account in 2014/15

Item Description	HK\$M
Rental Housing Operations Deficit	(28)
Commercial Operations Surplus	1 000
Home Ownership Assistance Operations Surplus	2 341
Consolidated Operating Surplus before Non-operating Items	3 313
Net Income on Non-operating Items	26
Surplus Including Non-operating Items for This Year	3 339

Capital Expenditure for the Fiscal Years 2010/11 – 2014/15

Item Description	HK\$M				
	2010/11	2011/12	2012/13	2013/14	2014/15
Construction	6 138	7 291	8 639	8 911	11 945
Improvement Works	471	666	682	657	646
Computer Systems	177	192	189	153	134
Total Capital Expenditure	6 786	8 149	9 510	9 721	12 725

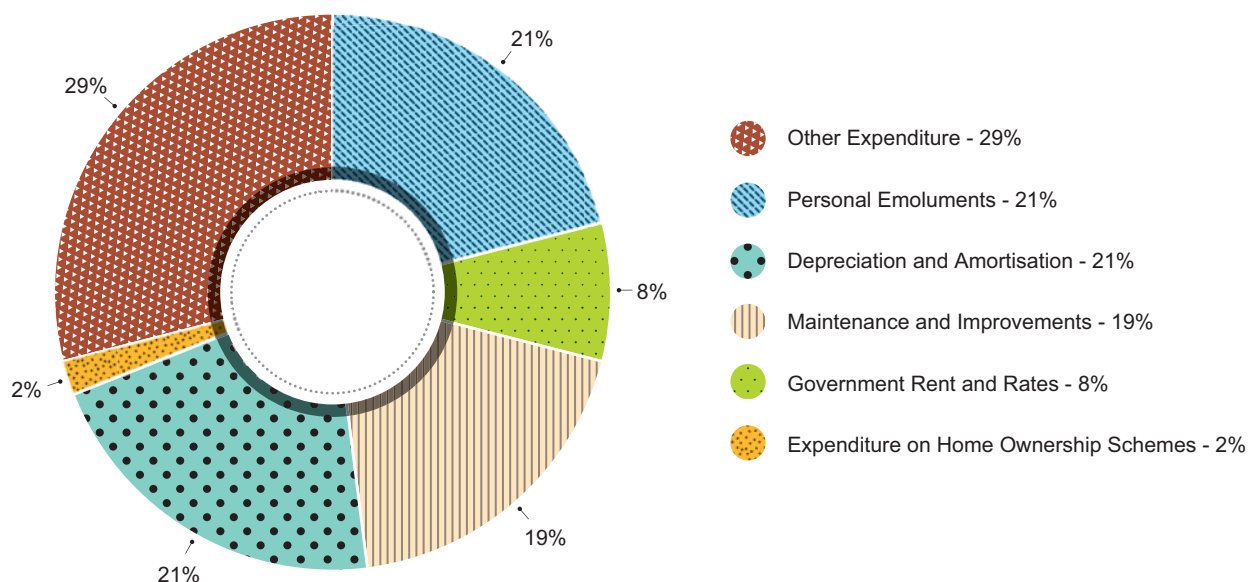
Total Capital Expenditure



Economic Performance

As at 31 March 2015, the HA's available investment funds stood at HK\$66 349 million, which was decreased by HK\$3 445 million as compared to 31 March 2014. During the year, the recurrent expenditure of the HA was HK\$15 914 million, which was HK\$992 million higher than 2013/14.

Analysis of Recurrent Expenditure 2014/15



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Initiatives in Planning and Construction of New Housing Estates

In December 2014, the Government promulgated the Long Term Housing Strategy (LTHS) and adopted a total housing supply target of 480 000 units for the ten-year period from 2015/16 to 2024/25 with public housing accounting for 60%, comprising 200 000 public rental housing (PRH) flats and 90 000 subsidised sales flats. HA is the primary provider of public housing in Hong Kong and play a prominent role in achieving the public housing supply target. In response to the LTHS, the HA rolled out a five-year Public Housing Construction Programme which targeted to produce about 77 100 PRH flats and 10 600 subsidised sale flats from 2014/15 to 2018/19 inclusively.

Provision of Public Rental Housing

The primary role of the HA is to provide subsidised PRH to low income families who cannot afford private rental accommodation. In 2014/15, the HA fulfilled our annual target in completing five projects including Shui Chuen O Estate Phase 1, Cheung Lung Wai Estate, Hung Fuk Estate Phase 1 and Phase 3, and Mei Tung Estate. These projects provided around 8 600 new PRH flats in total. We also completed 4 800 square metres of retail facilities, and 300 parking spaces for cars and commercial vehicles.



Cheung Lung Wai Estate

Managing the Home Ownership Scheme

One of the major initiatives of the HA's housing programme is the planning and provision of Home Ownership Scheme (HOS) flats, which serve many low to middle-income families to achieve home ownership. HOS flats also provide an avenue for better-off PRH tenants to buy their own homes, thereby releasing their PRH flats for allocation to PRH applicants.

In mid-2014, the HA launched the sale of 85 HOS flats in Tin Lee Court, which was converted from a PRH block in Lung Tin Estate at Tai O, Lantau Island. All flats were sold by September. For new HOS flats, the first batch of 2 160 was expected to be completed in 2016/17. Pre-sale was launched in December 2014 and all flats were sold. We expected approximately 2 700 and 2 000 new HOS flats would be ready for pre-sale in 2015/16 and 2016/17 respectively.



Tin Lee Court

In 2013, an interim scheme was introduced to allow 5 000 eligible White Form applicants to purchase flats without paying premium in the HOS Secondary Market. The first round of this scheme will be completed in April 2015. The HA decided to implement one more interim scheme in the second half of 2015 with a quota of 2 500, afterwards, a comprehensive review of the scheme will be conducted.

Green Form Subsidised Home Ownership Pilot Scheme (GSH)

In his 2015 Policy Address, the Chief Executive proposed to the HA that suitable flats should be identified among PRH developments under construction for sale to eligible Green Form applicants in the form of a pilot scheme, with prices set at a level lower than those of HOS. GSH is a response to LTHS's general direction to expand the forms of subsidised home ownership. As at March 2015, we were working on the implementation details for GSH, including eligibility criteria, price setting mechanism, resale arrangements, site selection principle, etc.

Optimising Use of Resources

Management and Procurement System

We continued to improve our procurement practices and systems in order to enhance service standards of various business partners. We have adopted pre-qualification and two-envelope tender system where appropriate to enhance tender assessment. A set of management procedures are also in place to review performance reporting and review mechanism for non-HA listed contractors and service providers. Nevertheless, we have reviewed the requirements for trade-tested workers in new works contracts with the industry stakeholders for an interim relaxation in order to address the issue of shortage of labour. We have established a working group to implement the streamlined Supplementary Labour Scheme (SLS) in HA's new works contracts to be commenced in the second quarter of 2014.

We implemented underground utilities investigation term contracts to identify the existing underground utilities for new works at project planning and design stages. During the year, we reviewed the operation of two previous underground utilities investigation term contracts with a view to enhancing the method of procurement and technical requirements. In 2014/15, we introduced a "Quarantine" system under the tender evaluation mechanism for Capital Works new works contracts for tenderers to check if they have any serious incidents occurring within six-month period preceding the tender closing date or within the tender assessment period preceding the tender award date.

We worked closely with industry peers to explore innovative solutions. For example, we tried out the Integrated Procurement Approach (IPA) in Tak Long Estate in 2014 which adopted a three-envelope tendering system comprising price, technical and innovation submissions, to encourage stakeholders to deliver innovative design concept and construction methods collectively and holistically for a complex and large-scale housing project.

After its successful completion, we reviewed and refined of the procurement method, and applied the enhanced IPA in On Tai Estate which involved reshaping of the old quarry skyline scheduled for completion in 2016/17.

Enhance Efficiency of Building Design and Construction with Information Technology

The HA has adopted various information technologies (IT) to improve our design and construction processes including the Building Information Modelling (BIM), the Geographic Information System (GIS), the Housing Construction Management Enterprise System (HOMES), and Radio Frequency Identification (RFID). In addition, we are currently exploring the use of a mobile apps "Development and Construction Site Mobile System" (DCSMS) and Unmanned Aerial System (UAS) to facilitate site management.

Building Information Modelling (BIM)

Through the generation of 3-dimensional (3-D) data, the BIM is an effective tool to enable better visualisation and planning with high levels of accuracy. During the year, we have implemented the application of BIM in 33 active projects at design, construction and near completion stages. We have continued to explore innovative BIM applications to enhance efficiency of our planning, design and construction work including the use of BIM for quantity taking off, RFID integration, and lighting analysis, etc.

To facilitate the application of BIM, we have prepared and published a comprehensive BIM Project Execution Guide and developed more building component details for our libraries. We have also provided training for in-house staff on the use of BIM Revit software.

Geographic Information System (GIS)

The GIS facilitates the search and enquiry for a range of spatial and textual data. During the year, we have prepared and tailored 3D terrain models acquired from Lands Department to search for potential sites, conduct feasibility studies, and carried out site formation studies.

We have implemented a new application which enabled users to view 3D data in web browsers. We would further explore the use of GIS for environmental analysis.

Housing Construction Management Enterprise System (HOMES)

To enhance the efficiency in managing construction projects, we have operated and enhanced HOMES - an online collaboration and knowledge management platform. During the year, we further enhanced the function of HOMES to improve contract, site, budget, payment and system interface so as to streamline the workflow and provide user with additional reports.

Radio Frequency Identification (RFID)

We used RFID to facilitate the delivery tracking of concrete cubes and selected building components, and monitoring of the disposal of the inert construction and demolition materials. We have conducted trial application of RFID on major building services equipment, including water pump, switchboard, generator and lift, and evaluated the results and feasibility of mass application.

Development and Construction Site Mobile System (DCSMS)

DCSMS is a mobile system to enable site staff to capture inspection data or records and send them to a centralised server via mobile phones. It helps to streamline the management of safety, quality and productivity in our building sites. During the year, the pilot phase of DCSMS was completed. We would implement Phase 1, to develop apps for building services works inspection and safety alerts, as well as enhance the apps development in the Pilot Phase for building works inspection.

Unmanned Aerial System (UAS)

UAS is another new technology being used by the HA in estate design and planning. The UAS facilitates us to capture high-resolution digital images of terrain from above, which is useful to create precise digital photo-map of a potential project site.



A high-resolution digital image for the Queen's Hill project delivered by UAS

Enhancing Building Standards, Quality and Productivity

Under the Office of the Permanent Secretary for Transport and Housing (Housing), the Independent Checking Unit (ICU) provides third-party checking of the building and structural plans for the HA's new development projects, as well as processing submissions for alterations and additions in the HA's existing buildings. It also enforces statutory building control over buildings in HOS courts, Tenant Purchase Scheme estates, and estates with commercial and car parking facilities divested to The Link REIT. With the help of the audit inspection system of the Lift Inspection Focus Team (LIFT), we would enhance safety and reduce the risk of accidents in lifts and escalators managed by the HA.

In 2014/15, we have processed 1 270 building submissions, 1 521 structural submissions, 879 consents for New Construction Projects 2 222 submissions for Alteration and Addition Works and 22 141 submissions under Minor Works Control System within the statutory or pledge period. We have also issued eight occupation permits and 113 structural certificates of completion for new works projects.

Mandatory Building Inspection Scheme (MBIS) and Mandatory Window Inspection Scheme (MWIS) were also implemented during the year. We selected 55 buildings for MBIS and 54 388 flats for MWIS, and subsequently issued 30 and 33 327 statutory notices for MBIS and MWIS respectively.

To align our management and operations with international standards, we have conducted regular internal audits and documents reviews with reference to ISO management systems. We strive for continuous improvement in our management systems and target to obtain certification for our development and construction work under the European Foundation for Quality Management (EFQM) Scheme. During the first quarter of 2015, we completed a self-assessment exercise using the EFQM framework to identify room for improvement to meet the scheme requirements.

Economic Performance

To facilitate risk management of new developments, as well as alteration and addition works, we continued to issue Quarterly Site Monitoring Reports for new construction projects, alteration, and addition works.

We conduct R&D Steering Committee meetings regularly to monitor the progress of and uphold a series of construction-related activities. With the aim to improve existing measures and explore new initiatives, we have liaised regularly with other stakeholders. We reviewed our construction specifications regularly to improve buildability and quality in new works projects. The General Specifications for Maintenance Works have been enhanced and implemented to meet the contemporary requirements and standards for building materials.

The HA has used product certification to mandate certification of building products for upstream quality control. It has been applied to ten building products and exploring two extra building products targeted as follows:

- Fire resistant timber doors
- Panel wall partitions
- Packed cement for architectural use
- Tile adhesives
- Ceramic tiles
- Repair mortars
- Aluminium windows
- uPVC drainage pipes and fittings
- Close-coupled water closet suites
- Mesh reinforcement
- Multi-layer acrylic paint
- LED bulkheads (target for certification in 2015/16)

To monitor the construction cost and improve the cost-effectiveness, we aim to achieve “Lean Design and Construction” through exploring and applying innovative construction methods to save labour, time and resources. We benchmark the average construction cost against average standards in the private sector to monitor the market cost trend and seek approval to adjust project budgets in a timely manner. Based on the feedback received from the users, we continued to evaluate the cost-effective initiatives and reviewed the provision standard for domestic flats. In the first quarter of 2015, we updated the M&I cost indicators for PRH estates and reported them to the Building Committee. We would use the M&I cost indicators as a benchmark in the preparation of action plans for estates and for budgeting purpose.

During the year, we have stipulated the following measures to explore and implement initiatives which could expedite the construction of new work projects.

- Use separate advance hoarding contracts
- Prepare major Excavation and Lateral Support Works plans and submit to ICU
- Submit piling record plan and consent for pile cap construction
- Liaise closely with Direct Testing Contractors
- Use draft or preliminary pile test reports
- Implement streamlined joint survey
- Streamline the checking and approval material sample submissions
- Implement streamlined inspection procedures
- Explore grouping building services inspections and audits
- Explore the sectional hand-over of lift shafts
- Explore treating non-essential items
- Explore the feasibility of appointing term structural consultants
- Standardise falsework details for precast facades and semi-precast slabs
- Explore the use of standardised precast elements
- Pilot a trial of 5-day typical domestic construction cycle
- Explore and implement the use of labour saving installation methods

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Initiatives in Existing Housing Estates

Rent Adjustment and Assistance Policies

As at March 2015, PRH rents per unit ranged from \$315 to \$4 264 per month, which includes rates as well as management and maintenance costs. The average monthly rent was about \$1 703.

The HA conducts a review on the rent of PRH every two years. The rent adjustment mechanism is based on PRH tenants' household income. The last rent review was completed in 2014 and the next review will be conducted in 2016.

To assist tenants with temporary financial difficulties, we have launched a Rent Assistance Scheme (RAS) which offers a rent reduction of 25% or 50% for eligible tenants, depending on tenants' income levels and circumstances. We have widely promoted RAS through various channels, such as the Housing Channel, radio broadcast, posters, leaflets, etc.

Optimising Housing Resources

In 2014/15, a total of some 21 730 flats, comprising newly completed flats and refurbished flats, were allocated. Among those flats, around 13 390 were allocated to general applicants (i.e. family and elderly one-person applicants) and non-elderly one-person applicants under the Quota and Points System, while the rest were allocated to existing PRH households who requested transfer, households affected by clearance, and those in special need as recommended by Social Welfare Department, etc.

To ensure the best use of our precious housing resources, we have adopted various measures to optimise the occupancy of PRH flats as part of our effort to address the escalating demand for public housing.

Curbing Tenancy Abuse

To ensure the housing resources are allocated only to those with genuine need, the HA has established stringent policies and tenancy management to prevent tenancy abuse.

In 2014/15, our frontline staff check some 200 000 income and asset declarations submitted in accordance with the Housing Subsidy Policy, the Policy on Safeguarding Rational Allocation of Public Housing Resources and other tenancy management policies, as a measure to prevent over-subsidising. In addition, our frontline staff visited some 169 600 flats under the inspection cycled commenced in November 2014, and conducted in-depth investigation on some 6 600 occupancy-related cases. During the year, we extended the deployment of the Special Team established in 2013 for another two years to step up the effort in combating tenancy abuse. In 2014/15, the team paid special attention to occupancy-related cases and investigated a number of abuses that included sub-letting, non-occupation, unauthorised occupation and the use of premises for illegal activities.

Apart from scaling up efforts to conduct checking and inspection, we tried hard to raise public awareness on curbing tenancy abuse. In 2014/15, we promoted the importance of cherishing public housing resources through various channels such as newspaper advertorials, advertisements at public transport, audio/video broadcast on TV/radio channels/public transport, display of posters/banners at public rental housing (PRH) estates and rolling broadcast in Housing Channel. Outreaching visits to estates were also conducted to solicit support from PRH residents in reporting suspected tenancy abuse cases.

Territory-wide Overcrowding Relief Transfer Scheme and Living Space Improvement Scheme

“Overcrowded” families refer to those with living density below 5.5 m² internal floor area (IFA) per person. To provide opportunities for transfer for tenants who are “overcrowded” families, an exercise of the on-going Territory-wide Overcrowding Relief Transfer Scheme was conducted between November 2014 and March 2015. In addition, the Living Space Improvement Transfer Scheme aims to offer relief to those households that occupy an IFA per person of less than 7 square metres. A transfer exercise under this scheme was conducted in 2014/15. During the reporting year, the two schemes, together with households rehoused for reason of overcrowding, benefitted a total of 1 303 households.

Operation with Cost-effectiveness

We have paid substantial effort to make sure public rental estates are in good condition and well maintained in order to ensure building safety and living quality of residents, as well as lower operation cost. The HA has provided comprehensive maintenance services for tenants through the Total Maintenance Scheme (TMS). During the year, 24 estates commenced inspection under the TMS with a special focus on building safety. As part of our effort to enhance effective provision of property services to PRH estates, we had conducted a review on procurement strategy and tendering arrangement for Property Management Agents mode contracts. The recommendations stemming from the review were subsequently endorsed by the Tender Committee.

Our Responsive In-flat Maintenance Service offered resources to front-line staff to respond promptly to maintenance requests. It was expanded to cover all 212 estates and courts by March 2015.



Responsive In-flat Maintenance Service



Total Maintenance Scheme

We continued to roll out the Comprehensive Structural Investigation Programme (CSIP) during the year, which checks the structural integrity of older estates and assess the cost-effectiveness of structural repair work that will extend the life of the buildings. Different from the CSIP, the Estate Improvement Programme (EIP) improves conditions and facilities of estates considered structurally safe and financially viable to be further sustained under CSIP. The works of EIP were implemented as scheduled in 2014/15.

In 2014/15, we continued to implement the Stage 2 Lift Addition Programme, involving the addition of 13 lifts in eight PRH estates. We also completed the Lift Modernisation Programme during the year, which targets to replace 105 lifts with over 25 years of service.

We recognise the role of IT in enhancing efficiency in property management and operations. In view of this, we launched a key initiative for subsidised housing to replace the aging facial recognition devices with more advanced models. In September 2014, we commenced the revamp project as scheduled.

Economic Performance

We strive to offer barrier-free access for people with disabilities across all PRH estates in Hong Kong. We had completed the majority of the planned retrofitting works to bring existing estates up to the standards stipulated in the Design Manual: Barrier Free Access 2008. An amount of HK\$330 million was spent on bringing some 240 existing estates and facilities in line with the Government's barrier-free policy. A small number of the improvement works relating to addition of new lift landing openings under this programme have now been tied in with Lift Modernisation Programme and are due for completion in 2016/17, so as to minimise disruption to our tenants.

For better estate security and management, we had upgraded the Closed Circuit Television (CCTV) systems with colour cameras, digital video recorders and broadband transmission network.

We also conducted surveillance laboratory tests for selected items of building materials and components to enhance quality assurance of building maintenance works. In 2014/15, laboratory tests were carried out in accordance with the schedule.

Redevelopment and Adaptive Re-Use

The LTHS published in December 2014 had set out the long term strategy on redevelopment of aged PRH estates. As analysed in the LTHS, while redevelopment may increase public rental housing (PRH) supply over the long term, it will reduce PRH stock available for allocation in the short term. This will inevitably add further pressure on HA's ability in maintaining the target of providing first flat offers to general applicants at around three years on average. The net gain in flat supply from redevelopment will take a long time to realise, very often towards the latter if not the last phase of the redevelopment. Given the current strong demand for PRH, it is not advisable to carry out any massive redevelopment programme which will result in the freezing of a large number of PRH units that may otherwise be allocated to households in need. We will, in accordance with its established policies and criteria, consider the redevelopment of individual estates based on the four basic principles, viz. structural conditions of buildings, cost-effectiveness of repair works, availability of suitable rehousing resources in the vicinity of the estates to be redeveloped, and build-back potential upon redevelopment.



Chai Wan Flatted Factory - Before Conversion



Chai Wan Flatted Factory - After Conversion (Computer Rendering)

Transformation of Chai Wan Factory Estate into PRH is one of our recent projects involving adaptive re-use. Once completed, the project will provide about 180 public rental flats. Since the building is the only remaining H-shape factory building in Hong Kong, we put emphasis on preserving the original building structure and appearance when we planned for the project. The building contract was commenced in the second quarter of 2014, and is scheduled for completion in 2015/16.

Optimising Utilisation of Commercial Properties

The HA develops and maintains an extensive network of commercial premises and community facilities in PRH estates, such as retail shops, car parking spaces, factory premises, community, education and welfare facilities etc. When managing these premises and facilities, it is our prime concern to better serve the daily needs of PRH residents and members of the nearby community, while at the same time ensuring business viability for shop tenants.

We understand that the trade mix of a shopping centre significantly affects its ability to serve local needs, and therefore we have adopted flexible and market-oriented letting strategies to achieve greater diversity in tenant mix. In 2014/15, for example, we have introduced new retail trades, such as telecommunication equipment and healthy food retailers, into our shopping centres. To better utilise communal areas of shopping centres, promotion venues were also set aside for short-term retail activities periodically.

In recent years, we have actively implemented measures to provide an easy and enjoyable shopping experience for customers. For instance, to better utilise the vacant market stalls and provide more dining choice for local residents, some vacant market stalls in Lai Yiu Estate were converted and let as a Chinese restaurant. Surplus car parking spaces in Ping Shek Estate were converted into eatery premises and other retail trades. In addition, as a special marketing programme, all major shopping centres were decorated during festive seasons. In some occasions such as opening of Ching Long Shopping Centre, we held ceremonial events to promote the image and popularity, enhancing the patronage of the shopping centre.

Adjacent to Yau Tong Railway Station, Domain is positioned as a premium shopping centre which serves as a prominent entertainment venue in the region. To upkeep the mall and enhance shopper's experience, we have continued to introduce better management strategies and practices in 2014/15. As an on-going initiative, quality facility management practices, such as energy saving practices, green management and happy workforce, had been adopted. A private consultant was commissioned to review the leasing strategy cum tenants and trade mix for Domain. Recommendations from the consultant will be implemented phase-by-phase during the renewal process. Similar to other shopping malls, thematic promotion programmes and promotion packages were also rolled out in collaboration with shop tenants to attract more customers visiting the mall.



Chinese New Year festive atmosphere at Domain

To facilitate evaluation of our commercial operations, key performance indicators (KPIs) were set to monitor performance of our commercial portfolio. As at the end of March 2015, the vacancy rate, rent arrears rate, and operating expenditure to income ratio (as listed below), were well kept within the targets set for 2014/15.

Achievements related to KPIs as at 31.3.2015	Percentage
Vacancy Rate for Retail Premises (Shops)	1.5%
Rent Arrears Rate	2.07%
Operating Expenditure to Income Ratio	54.6%

As a continuing measure, the HA has planned for and implemented a five-year rolling programme for assess enhancement of commercial properties. During the year, we completed upgrading and improvement works on retail and car parking facilities in Ping Shek Estate, and continued the renovation works on retail facilities in On Kay and Lung Poon Courts as well as Kwai Shing West Estate as scheduled. The new five-year rolling programme for 2015/16 to 2019/20 was also consolidated and submitted to concerned parties during the year. To ensure effectiveness of projects, we would conduct financial re-assessment for the works upon completion.

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Initiatives in Office at Work

Management and Procurement System

The HA continues to implement various ISO management systems in 2014/15 to uphold our management best practices. Over the years, we have acquired a number of certifications or verifications tabulated below.

Years attained	Management systems
1993	ISO 9001 Certification on Quality Management
2010	ISO 14001 Certification on Environmental Management
2010	ISO 26000 on Corporate Social Responsibility
2012	ISO 50001 Certification on Energy Management
2013	ISO 19011 Auditing Management System
2013	ISO 31000 Risk Management System

Apart from managing our own performance, we have required our contractors to attain ISO 9001, ISO 14001 and OHSAS 18001 certification. Starting from 2014, we also requested our building and piling contractors to certify to the ISO 50001 Energy Management System.

We have established robust mechanisms to review and enhance the services standards offered by HA lists of contractors, sub-contractors and service providers. Starting from the second quarter of 2013, the HA has implemented “Statutory Declaration” for list admission and renewal of contractors or service providers. To ensure financial capability of tenderers, we conducted writ search for the lowest three tenderers or the top three scorers of works contracts during shortlisting and tender assessment. For non-HA listed contractors and service providers, performance reporting and the review mechanism would be conducted.

We are keen to promote partnering with different stakeholders. To enhance the awareness of HA's procurement principle and systems, we continued to conduct regular briefing sessions, seminars and experience sharing with industry peers. Through continuous communication with our business partners, we collected their feedback with the aim of helping us to develop and update our procurement initiatives. In addition, we have conducted briefing and debriefing sessions, and site visits for both active and wildcard contractors in order to disseminate the latest HA's requirements to them.

To strengthen our procurement practice, we have been reviewing the “Guide to Registration of Works Contractors and Property Management Services Management Services Providers” on a regular basis. We have engaged a consultant to review the Schedule of Rates (SOR) for three types of BS Term Maintenance Contracts and to prepare a new set of SOR. To maintain an open, fair, transparent and cost-effective environment, we reviewed the adequacy of HA lists of contractors and the price-to-technical ratio in the tender scoring system to enhance the value-for-money for works.

The HA upholds integrity in all our business operations. We disseminated requirements to our contractors for prohibiting their employees, agents and sub-contractors from offering, soliciting or accepting any advantage in particular where the business concerned has connection to our contracts. From time to time, we arranged anti-corruption briefings for HA’s contractors and service providers to enhance their awareness. Ethical requirements under legislative control have also been passed to our contractors for implementation.

Enhance Efficiency with Information Technology

Over the past few years, the HA has continued to invest in IT with the aim of providing world-class IT services and software products in all our business operations. With these in place, we have achieved several accreditations in three main areas, namely application software development maintenance, IT services management, and information security management. We are pleased to be the first and only government department to have obtained world-class standard in all these areas. The accreditations achieved have re-affirmed our on-going commitment to provide quality IT services and application products with benchmarks against world-class international standards.

Years attained	Management systems
2008 and 2012	Capability Maturity Model Integration (CMMI) Development Maturity Level 3 (CMMI-DEV ML3)
2012 and 2013	IT Services Management (ISO20000)
2014	Information Security Management System (ISO27001)
2014	CMMI Acquisition Maturity Level 3 (CMMI-ACQ ML3)

The HA has utilised various advanced IT solutions to help improve operational efficiency, maintain service quality and enhance customer experience in the public housing estates. For instance:

- In December 2014, we rolled out the New HOS system to support the pre-sales and sales operations relating to HOS flats.
- A new system, Housing Electronic Building Records Online System (HeBROS) was launched to provide one-stop inspections and copying services for building plans and documents for the public and other Government users.
- We have applied Radio Frequency Identification (RFID) to track the delivery of concrete cubes and selected building components as pilot trials. We would further evaluate the effectiveness of such application.

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- We have commenced the use of electronic forms with automatic work flow to monitor the ERP project on the procurement aspect.
- The “electronic tender booklet” system was enhanced in new works foundation and building contracts with integration and merging of system softwares.
- We continued to use the GIS in keeping centralised drawing records and for location identification in maintenance works orders.
- We were in the progress of developing the Housing Electronic Plan Submission (HePlan) system in the ICU. The trial use of the system would be commenced in late 2015.
- We had reviewed the operation of the e-transfer of structural, building and geotechnical documents submission to ICU.
- A common e-Services platform was established to provide internet services for the general public, public housing tenants and applicants.

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