

PAPER NO.	<u>HA</u>	<u>4/2023</u>
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	FMSC	1/2023

**Memorandum for the Hong Kong Housing Authority
and its Committees/Sub-Committees**

Reports from Chairmen of Committees

Please find enclosed the reports from Chairmen of the following
Committees for Members' information –

- (a) Building Committee;
- (b) Commercial Properties Committee;
- (c) Finance Committee;
- (d) Subsidised Housing Committee; and
- (e) Tender Committee.

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File Ref. : HD 1-7/COMM1/HA-9
(Corporate Services Division)
Date of Issue : 3 November 2023

Report by the Chairman of the Building Committee for 2022/23

INTRODUCTION

Throughout the year of 2022/23, the Building Committee (BC) made a commendable effort in advancing the planning, design and construction of public housing. BC met ten times and organised one site visit. Altogether, BC processed 29 discussion papers, 12 presumption papers and 20 information papers.

ISSUES DISCUSSED

2. The work of BC covers the Hong Kong Housing Authority (HA)'s policies relating to the implementation of the construction and major improvement, renovation and rehabilitation programmes, and the monitoring of progress of these programmes, which are grouped in the following categories –

- (a) endorse programme of activities including new initiatives, monitor their performance and approve the financial targets, service standards and performance measures; and
- (b) approve project budget, master layout plans and scheme designs for public housing projects.

PUBLIC HOUSING PRODUCTION

Production in 2022/23

3. HA completed about 10 600 flats, including around 3 700 public rental housing (PRH)/Green Form Subsidised Home Ownership Scheme (GSH) units and around 6 900 other subsidised sale flats (SSFs) in six projects^{Note 1} in 2022/23. HA also completed about 5 500 m² gross floor area of retail

Note 1 The six projects include two PRH/GSH projects (Tuen Mun Area 54 Sites 3 & 4 (East) – Block 1 (Ching Tin Estate), Tsing Hung Road – Blocks A and B (Ching Fu Court)), and four other SSFs projects (Tung Chung Area 54 – Blocks A to F (Yu Nga Court), Ma On Shan Road – Blocks A to E (Kam Chun Court), Diamond Hill Phase 3 – Blocks A and B (Kai Cheung Court) and On Muk Street Phase 1 – Block A (Yu Tak Court)). Flat numbers are rounded to the nearest hundred and may not add up to the total due to rounding.

facilities^{Note 2} and about 700 parking spaces^{Note 3}. Compared with the forecast production as at March 2022 benchmark, two PRH/GSH projects^{Note 4} originally scheduled for completion in the last quarter of 2022/23 were delayed with completion deferred to 2023/24 mainly due to the outbreak of COVID-19 affecting supply of building materials and labour resources. HA continues to be vigilant towards the risks which its high construction volume is exposed to in the current operating environment and implement the strategies and initiatives HA has put in place to mitigate them, including the use of labour-saving design and efficient construction methods, innovative technologies, such as Modular Integrated Construction (MiC), off-site prefabrication and construction robotics, and arranged various training and recruitment schemes for workers.

4. On 31 January 2023, Members visited the MiC mock-ups in Tung Chung Area 99, which is one of the first public housing projects using MiC. Members were briefed on the design and installation details, logistic arrangement and the potentials in adopting MiC in terms of safety, quality and efficiency.

5. A new initiative of Housing Authority Project Information Management and Analytics Platform (HA-PIMAP) was introduced to Members on 30 March 2023. It is developed with a view to enhancing the efficiency and effectiveness in collecting and analysing data throughout the planning, design, construction and handover stages to further facilitate project and construction management in meeting the challenges posed by the substantial increase in public housing developments in the coming years.

Commitment of Capital Works

6. Last year, Members endorsed the scheme design and project budget of 24 projects producing about 37 600 PRH/GSH units and other SSFs^{Note 5} with the commitment of capital expenditure of about \$47.467 billion. These projects

Note 2 In Tuen Mun Area 54 Sites 3 & 4 (East), Tung Chung Area 54 and Tsing Hung Road. Figure is rounded to the nearest hundred.

Note 3 In Tuen Mun Area 54 Sites 3 & 4 (East), Ching Hong Road North Phase 1, Tung Chung Area 54, Ma On Shan Road, Diamond Hill Phase 3, On Muk Street Phase 1 and Tsing Hung Road. Figure is rounded to the nearest ten.

Note 4 Tai Po Area 9 Blocks 2 to 9 and Lai Cho Road Block 1.

Note 5 Wu Shan Road, Shek Li Street, Junction Road, Mei Tin Estate Phase 4, Ka Wai Man Road Phases 1a and 1b, Wang Chau Site A, Chung Nga Road West, Tuen Mun Area 54 Sites 4A (South) & Site 5, San Wan Road, Wang Chau Site B, Tung Chung Areas 114 and 117, Ying Yip Road, Kam Sheung Road Site 1 Phases 1 and 2, Tung Chung Area 42 Phases 1 and 2, Kam Sheung Road Site 6 Phases 1 and 2, Pak Tin Estate Phase 12, Po Shek Wu Road and To Kwa Wan Road.

are scheduled to be completed between the financial years of 2026/27 to 2030/31, and will contribute to meeting the public housing supply target of 210 000 PRH/GSH units and 91 000 other SSFs for the ten-year period from 2023/24 to 2032/33 stated in the Long Term Housing Strategy Annual Progress Report 2022.

PROGRAMME OF ACTIVITIES 2023/24

7. Following the discussion on 24 November 2022, Members endorsed the 2023/24 Programme of Activities for Development and Construction and 2023/24 Programme of Activities for Building Control, with an estimated construction expenditure of about \$28,443 million including direct costs and overheads. While new initiatives were introduced in the past few years in response to Government Policy to expedite the development of housing units, the programmed activities in 2023/24 are primarily the continuation of current efforts in meeting the long term planned goals.

8. For the year 2022/23, HA has met the majority of the targets and Key Performance Indicators set out in last year's Programme of Activities. These programmed activities are grouped into three themes: Providing Quality Homes, Promoting Sustainable Living, and Optimising and Rationalising the Use of Public Resources. The progress of some of the major activities have been reported and discussed in details at BC.

PROVIDING QUALITY HOMES

Expediting the Development of Housing Units

9. Despite the increasing challenges and difficulties ahead, HA continues to take forward public housing developments. The Department held regular meetings with the Government bureaux and departments concerned to identify potential sites suitable for public housing development in an effort to increase and expedite the supply of housing units. In collaboration with departments concerned, the Department sought to advance the availability of suitable sites for development, optimise the development potential, increase the plot ratios and relax the building height of suitable sites.

10. When planning the parking facilities in the public housing developments, HA will provide parking facilities with reference to the Hong Kong Planning Standards and Guidelines and consult relevant Government departments/organisations to meet the parking demand of the residents as appropriate. Meanwhile, in line with the Government's initiative to provide more welfare facilities, HA will reserve about 5% of the total attainable domestic

gross floor area for welfare uses, where feasible, in public housing developments to be completed in 2026/27 and beyond. With keen competition among parking facilities and various community and welfare facilities in particular at the lower floor areas, projects with site constraints will necessitate the construction of multi-storey podium or basement to house the above facilities before residential blocks can be built on top. This will inevitably lengthen the lead time for construction works. Depending on individual site conditions, HA will adopt the most suitable planning, design and construction measures, and will accommodate some of the ancillary facilities and other Government facilities in separate non-domestic building in the earlier development phases where practicable to expedite construction and facilitate phased completion of the projects and residential blocks.

11. HA will adopt MiC and innovative construction technology more widely to speed up public housing construction. HA will adopt MiC in a domestic block at Tung Chung Area 99, a domestic block at Tak Tin Street, Kwun Tong and three domestic blocks at Anderson Road Quarry Sites R2-6 and R2-7. HA continues to identify projects suitable for MiC application, and adopt Design for Manufacture and Assembly (DfMA) for all public housing projects. HA actively adopts technologies to enhance efficiency in construction, including extending the application of Building Information Modelling and other innovative technologies such as laser scanning and small unmanned aerial vehicles with cameras in the planning, design and construction stages; utilising mobile devices and mobile applications for site supervision to streamline on-site communication and workflow; using construction robotics to address labour shortage; making use of technologies to improve site safety management; and applying and actively exploring MultiTrade Integrated Mechanical, Electrical and Plumbing (MiMEP) for building services installation.

12. Following Members' approval of the governance model for public housing developments using Design-and-Build (D&B) approach in March 2022, HA issued tenders for the first two D&B projects in June and December 2022 respectively. Members approved the revised project budget of the first D&B project at Kwu Tung North Area 19 Phase 2 (involving about 4 340 flats) in March 2023 after its tender approval by the Tender Committee.

Promoting Green and Healthy Living

13. HA continues to promote passive design with energy-saving practices, use of renewable energy, water conservation and other resource saving measures for a sustainable living environment. In support of the Government's initiatives to promote wider use of electric vehicles, HA has made provisions for medium chargers and charging-enabling facilities for indoor private car parking spaces in new car parks of public housing developments. Since 2011, HA has

been installing grid-connected photovoltaic (PV) systems in new PRH projects and joined the feed-in tariff schemes launched by electricity supply companies. In 2022/23, HA continued to register new projects with the Hong Kong Green Building Council for assessment under the Building Environmental Assessment Method (BEAM) Plus to foster a quality and sustainable built environment as well as to gain up to 10% Gross Floor Area concession in relevant projects under the Buildings Department (BD)'s Sustainable Building Design Guidelines. The 17 projects which have obtained BEAM Plus Certification for New Buildings during the year are set out at **Annex A**.

Quality Management System

14. The Department obtains and maintains certification to standards published by the International Organization for Standardization (ISO) in a number of areas, including quality, environment, energy, and safety and health, which have assured its management systems and processes being implemented at high, internationally recognised standards for efficient and effective delivery of quality services. It also allows the Department, through regular internal and external audits necessary for obtaining and renewing certification, to identify areas and opportunities for continual improvement vital in the increasingly demanding operating environment. The Department has successfully transitioned to the 2015 edition of ISO 9001 and ISO 14001, and to the 2018 edition of ISO 50001. Occupational Health and Safety Assessment Series (OHSAS) 18001 Occupational Health and Safety Management System (OHSMS) for the Development and Construction Division (DCD) and Estate Management Division (EMD) have been successfully migrated to ISO 45001:2018 OHSMS. Standards to which the Department is certified are listed in **Annex B**.

15. In addition to certifiable standards, the Department keeps applying other quality schemes and standards in its work to assure a high level of performance. This is the eleventh consecutive year and ninth consecutive year for DCD and EMD respectively to have achieved the full score of 5.0 in the third party measurement on its performance under the Hong Kong Quality Assurance Agency (HKQAA) Corporate Social Responsibility (CSR) Advocate Index. Various other quality schemes and standards the Department applies in its operations are listed in **Annex B**.

Building Control

16. The Independent Checking Unit (ICU) continues to exercise dual building control functions with regard to new public housing development projects and existing buildings developed by HA, including –

- (a) administrative building control over new public housing development projects, and existing buildings in PRH estates without any part sold or divested, which are not subject to the Buildings Ordinance (BO), by applying standards and practices parallel to that of the Buildings Department (BD). A Memorandum of Understanding had been formalised between HA/Housing Department and BD stressing the alignment of practices between ICU and BD. Administrative building control is funded by HA; and
- (b) statutory building control under delegated authority from the Building Authority (i.e. the Director of Buildings) over those properties which are subject to BO, including properties in PRH estates with retail and car parking facilities, and Courts and Estates divested with subsidised home ownership schemes. Statutory building control is funded by the Government.

17. Besides, the Lift Inspection Focus Team continues to monitor the use and operation of HA's lifts and escalators for risk management and enhancing the compliance with the Lifts and Escalators Ordinance (Cap. 618).

18. ICU continues to operate and enhance its electronic submission and processing system, namely the "Housing Electronic Plan Submission System" (HePlan), in handling building and structural plans and exercising building control in HA's new development projects and existing buildings. Preparation work for further enhancement of HePlan for BO cases of alterations and additions works is in progress. ICU has also developed and implemented the "Housing Electronic Checking System for Test Reports" (HeCheck)^{Note 6} adopting artificial intelligence technology to enhance the efficiency and accuracy of checking any non-compliance in test reports of concrete and reinforcement. Since its full implementation in May 2022, nearly 40 000 test reports have been successfully processed by the system with satisfactory results.

PROMOTING SUSTAINABLE LIVING

Energy Saving Measures

19. To maintain new buildings fulfilling the requirements of the Building Energy Code issued by the Electrical and Mechanical Services Department as an on-going initiative, HA implemented various energy saving measures. The Department has been adopting Light Emitting Diode (LED)

Note 6 The development of the technology is funded by the TechConnect (Block Vote) Fund under the Innovation and Technology Bureau.

bulkhead in the communal areas of the new developments. To further reduce energy consumption, the Department has adopted LED exit signs and directional signs in new developments for tenders issued since 2019.

20. In existing PRH estates, the Department continues to implement ISO 50001 Energy Management Systems (EnMS) for the communal areas of the domestic blocks and to adopt energy efficient equipment for building services installations, such as –

- (a) adopting the variable speed drive controlled booster pumps for replacement of booster pumps which are approaching the end of service life;
- (b) implementing the Lift Modernisation Programme to replace aged lift cars, machinery and control systems, which are able to reduce electricity consumption up to 30% as compared with old ones; and
- (c) using LED luminaires to replace malfunctioned compact fluorescent lamp bulkhead light fittings, exit signs and directional signs.

Carbon Emission Estimation for Projects under Design

21. The assessment of projects under design using “Carbon Emission Estimation” (CEE) is an on-going initiative. CEE has been conducted for eight new development projects at detailed design stage during the year. Since the roll-out of CEE, HA has achieved an average of about 17.30% reduction in estimated carbon emission in terms of construction floor area for the designed whole life cycle of domestic blocks as compared with the baseline figure.

Carbon Audits and Carbon Reduction in Existing Estates

22. The Department has been conducting Carbon Audits in existing estates since 2012/13. The Department continues the carbon emission monitoring through the Carbon Audit exercise in selected domestic blocks of 14 typical PRH block types covering the majority of HA block type designs. This audit process is conducted in accordance with the relevant Guidelines issued by the Environmental Protection Department.

Site Safety

23. The Department continues to implement HA’s Site Safety Strategy in new works construction contracts, maintenance and improvement (M&I) works contracts, property services agents and cleansing and security service

contracts. HA sets goals at an accident rate of no more than nine accidents per 1 000 workers and zero industrial fatal accident. Accident rates of 5.7^{Note 7} per 1 000 workers for new works contracts and zero per 1 000 workers for maintenance works contracts were achieved in 2022, which are lower than the average industry accident rate of 29.1 per 1 000 workers. No industrial fatal accident occurred in HA's works contracts in 2022. HA continues to put emphasis on site safety to drive contractors for better site safety standard.

24. During the year, HA has taken steps to strengthen the safety management systems to further improve safety performance of both new works and M&I works sites, including –

- (a) specification was enhanced to cover more smart site safety systems to improve site safety management and promulgated in October 2022;
- (b) the Housing Authority Safety Auditing System (HASAS) & Housing Authority Lift and Escalator Nominated Subcontracts Safety Auditing System (HALENSAS) and the Surprise Safety Inspection Programme (SSIP) were revised to fine tune audit questions/assessment criteria and add new clause for MiC. The new revisions were promulgated in October 2022;
- (c) HASAS (Maintenance & Improvement) and caring measures were reviewed to increase motivation for enhancing the safety performance and promulgated in December 2022. Induction training materials of accident sharing are reviewed annually;
- (d) the five-year site safety PASSPORT training programmes for new works staff are reviewed and enhanced by incorporation of experiential safety training scheduled for launching in mid 2023; and
- (e) annual safety forum, seminars, workshops and meetings were held to keep the works contractors, property management contractors and frontline staff updated about safety legislation, contract requirements and innovative safety measures.

Note 7 Annual accident rate is based on accident statistics of 2022 received on 4 May 2023 from the Labour Department (LD). LD compiles accident statistics on basis of calendar year.

OPTIMISING AND RATIONALISING THE USE OF PUBLIC RESOURCES

Prolonging the Useful Life of Aged Estates

25. For aged PRH estates, HA continues to implement various programmes and measures to upkeep or improve the building conditions and provide residents with a safe and suitable living environment. These include the Comprehensive Structural Investigation Programme (CSIP), the Estate Improvement Programme (EIP), the Total Maintenance Scheme (TMS) and Responsive In-flat Maintenance Services (RIMS). CSIP aims to ascertain structural safety and financial sustainability to maintain aged PRH estates for at least 15 years. Under EIP, while preserving a familiar and harmonious environment, new facilities and provisions were added in phases to enable aged estates to better serve the residents' needs. Regarding the in-flat areas, HA has been proactively providing tenants with in-flat inspections and necessary maintenance services through TMS. In parallel, HA has implemented RIMS to promptly respond to tenants' works requests, closely liaise with tenants and provide in-flat minor maintenance services to tenants.

Utilisation of Land Resources of Aged Estates

26. The Chief Executive in Council approved the partial lifting of the Pok Fu Lam Moratorium to release six Government sites for public housing development (PHD), including the existing Wah Fu Estate (WFE) and five Pok Fu Lam South (PFLS) sites. PHD in the five PFLS sites will serve as major reception resources for the redevelopment of WFE. Members approved the scheme design and project budget of five PFLS reception estates in November 2021 and July 2023 accordingly.

27. Under the 2021 Policy Address, HA was invited to examine the redevelopment of Sai Wan Estate (SWE) and Ma Tau Wai Estate (MTWE) and to consider the possibility of enlarging the redevelopment sites by incorporating nearby land to maximise the housing yield. PHD at Ka Wai Man Road Phase 1 (KWMR) and To Kwa Wan Road (TKWR) (currently occupied by Lok Sin Tong as transitional housing and the Agriculture, Fisheries and Conservation Department as animal management centre) are identified as suitable rehousing resources to kick start the redevelopment of SWE and MTWE respectively. Members approved the scheme design and project budget of KWMR in May 2022 and TKWR in March 2023.

Redeveloping HA's Factory Estates

28. The Government had proceeded and completed the rezoning process for the factory estate sites of Sui Fai, Yip On, Wang Cheong and Kwai On for public housing developments. HA had also completed the clearance of the four factory estates and demolition works are in progress. HA expects to provide over 5 000 units from these sites.

Cost Yardsticks and Project Budgets

29. Construction Cost Yardsticks (CCY) are updated annually in June to serve as a reference for preparing Project Construction Cost Ceilings, project budgets, and five-year construction expenditure budgets and forecasts for projects under planning. Half-year review is also carried out to track cost trends with better accuracy. The June 2022 CCY for the superstructure of HA's PRH/GSH and other SSFs domestic blocks had been increased by 1.0% ^{Note 8} and 6.1% respectively over the June 2021 CCY mainly due to the increase in the cost of materials and the cost of labour in some trades since June 2021. The half-year review conducted in December 2022 indicated that there was a rise in tender price level of +4.2% to the superstructure construction cost of both PRH/GSH and other SSFs domestic blocks as compared with those of the June 2022 CCY. The increase is mainly attributed to increase in the costs of materials and labour in some trades.

30. The Department closely monitors the adequacy of project budgets. During the year, Members approved the revised project budgets for ten projects due to design development and refinements, increase in flat production, adoption of MiC, adjustment of provisional sums for contract price fluctuation, etc. The Department continues to closely monitor cost trends and manage our project budgets in a timely manner to ensure smooth delivery of the public housing programme.

Note 8 The increase for PRH/GSH includes the effect of adopting new reference models for PRH/GSH domestic blocks in June 2022 CCY. The new reference models are domestic blocks with more economical design, which partially offset the effect of increase in costs of materials and labour.

Bench-marking of Construction Cost

31. The average construction cost of the superstructure of HA's rental domestic buildings is about 42% ^{Note 9} lower than that of high rise residential buildings of "average standard" in the private sector. This is attributed to economies of scale, mechanised construction methods, optimised structural design and a lean specification on finishes and fittings with emphasis on quality being fitness for purpose. Quality of design and construction, however, is strictly maintained for long term durability.

AWARDS RECEIVED

32. In 2022/23, HA was honoured to receive a number of awards and corporate environmental, safety awards and labels. The details are summarised in **Annex C**.

FINANCIAL PERFORMANCE

Construction Expenditure

33. The provisional construction expenditure for the year ended 31 March 2023 amounted to \$16,521 million, which was lower than the revised budget of \$17,643 million by \$1,122 million, mainly due to construction programme adjustments under some projects.

Building Control (by Independent Checking Unit)

34. The 2022/23 provisional expenditure for Building Control was \$221 million, which was \$19 million lower than the revised budget of \$240 million. The variance was mainly due to the lower than budgeted spending in personal emoluments.

Note 9 The comparison is based on the construction cost data published by our consultant for 4th Quarter 2021 for high rise residential buildings of "average standard" in private housing estates at the time of preparing the year-end performance review of the Programme of Activities for Development & Construction in 2021/22.

WAY FORWARD

35. HA will continue to review and improve its quality assurance systems, and to develop sustainable and innovative solutions for the delivery of quality housing, management and maintenance services to our tenants.

36. To address the high demand for PRH, the Government must deliver land to HA in a timely manner for the construction of PRH units. The Long Term Housing Strategy Annual Progress Report 2022 indicates the demand of 210 000 PRH/GSH units and 91 000 other SSFs for the ten-year period from 2023/24 to 2032/33. To meet this public housing supply target, the Government is expediting land and housing supply on all fronts through streamlining procedures, and enhancing co-ordination of inter-departmental work with a view to expediting “land production”. For housing construction, to expedite the construction process, HA will carry out pre-construction preparatory tasks in parallel with the Government’s “land production” process such that the construction works can be commenced as soon as possible after the sites are handed over to HA. Besides, depending on individual site conditions, HA will adopt the most suitable planning, design and construction measures to expedite construction and facilitate phased completion of the projects as far as practicable. Moreover, HA will promote innovative technology and construction methods to enhance quantity, speed, efficiency and quality.

37. To better sustain the ageing housing stock, HA will continue to implement its sustainability-focused maintenance strategy, emphasising preventive maintenance, people-based and customer-oriented approaches for the implementation of maintenance and improvement programmes and energy-saving initiatives.

CONCLUSION

38. As demonstrated by the awards and labels HA received during the year, our Programme of Activities is effective in providing green, healthy and affordable quality housing. We will continue to collaborate with stakeholders on all fronts to further enhance the delivery process of public housing. In meeting the housing production target in the coming years, we will continue to uphold HA’s core values of caring, committed, customer-focused and creative in serving the community, striving for innovations and making effective use of resources in an environment-friendly manner.

39. I thank all BC Members and staff of the Department for their valuable contributions and unfailing support to the work of BC during the past year.

Johnnie Casire CHAN Chi-kau
Chairman, Building Committee

Achievement in BEAM Plus Certification for New Buildings in 2022/23

Rating	Scheme	Project
Gold Rating in the Provisional Assessment	BEAM Plus Version 1.2 for New Buildings	Kai Cheung Court, Diamond Hill
		Public Housing Development at Hiu Ming Street, Kwun Tong
		Public Housing Development at Kai Tak Site 2B5
		Public Housing Development at Kai Tak Site 2B6
		Public Housing Development at North West Kowloon Reclamation Site 1 (East), Cheung Sha Wan
		Public Rental Housing Development at Hang Tai Road, MOS Area 86B Phase 2
		Public Rental Housing Development at Pak Tin Estate (Phase 10)
		Ching Tin Estate, Tuen Mun
Platinum Rating in the Provisional Assessment	BEAM Plus Version 2.0 for New Buildings	Public Housing Development at Wang Chiu Road Phase 2
Gold Rating in the Provisional Assessment	BEAM Plus Version 2.0 for New Buildings	Public Housing Development at Anderson Road Quarry Site R2-5
Gold Rating in the Final Assessment	BEAM Plus Version 1.2 for New Buildings	Choi Wo House, Choi Fook Estate and Choi Wing Road Sports Centre, Kwun Tong
		Po Shek Wu Estate, Sheung Shui
		Hoi Tak Court, Sheung Sha Wan
		Yu Tai Court, Tung Chung
		Yung Ming Court, Tseung Kwan O
		Hoi Lok Court, Cheung Sha Wan
		Hoi Tak Court, Sham Shui PO

Certified Standards

Certified Standard	Scope	Certified Since
Development and Construction Division		
ISO 9001: Quality Management	Planning, design, project management and contract administration for the construction of public housing.	1993
ISO 14001: Environmental Management	Planning, design, project management, contract administration and materials testing for the construction of public housing.	2009
ISO 50001: Energy Management	Planning, design, project management and contract administration for the construction of public housing.	2012
ISO 45001: Occupational Health and Safety Management System	Materials testing for the construction of public housing.	2020
Estate Management Division		
ISO 9001: Quality Management	Planning, design, project management and contract administration for the planned maintenance and improvement of public housing.	1993
ISO 14001: Environmental Management	Planning, design, project management and contract administration for the planned maintenance and improvement of public housing. Provision of property management services (including cleansing, security, landscaping and office administration) in public housing estate.	2011
ISO 50001: Energy Management	Planning, design, operation, project management and contract administration for facility management and improvement works of the communal areas of public rental housing domestic blocks.	2013
ISO 45001: Occupational Health and Safety Management System	Planning, design, project management and contract administration for the planned maintenance and improvement of public housing.	2019
Independent Checking Unit		
ISO 9001: Quality Management	Building Control for Public Housing	2014

Certified Standard	Scope	Certified Since
ISO 14001: Environmental Management	Building Control for Public Housing	2014

Other Quality Schemes and Standards

Scheme/Standard	Scope	Adopted Since	Remarks
Development and Construction Division			
ISO 26000: Social Responsibility	Planning, design, project management and contract administration for the construction of public housing.	2010	Integrated with other management systems of DCD. A non-certifiable standard, but measured through HKQAA CSR Advocate Index. For the eleventh consecutive year since 2012, DCD achieved the full score of 5.0.
ISO 31000: Risk Management	Planning, design, project management and contract administration for the construction of public housing.	2010	Integrated with other management systems of DCD.
European Foundation for Quality Management (EFQM) Excellence Model	Planning, design, project management and contract administration for the construction of public housing.	2010	Integrated with other management systems in DCD.
Estate Management Division			
ISO 19011: Auditing Management System	Internal audit for planning, design, project management and contract administration for the planned maintenance and improvement of public housing.	2012	Integrated with other management systems of EMD. A non-certifiable standard, but verified through HKQAA with Verification Statement obtained in 2013.
ISO 26000: Social Responsibility	Planning, design, project management and contract administration for the planned maintenance and improvement of public housing.	2012	Integrated with other management systems of EMD. A non-certifiable standard, but measured through HKQAA CSR Advocate Index. For the ninth consecutive year since 2014, EMD achieved the full score of 5.0.

Scheme/Standard	Scope	Adopted Since	Remarks
ISO 31000: Risk Management	Planning, design, project management and contract administration for the planned maintenance and improvement of public housing.	2012	Integrated with other management systems of EMD. A non-certifiable standard, but verified through HKQAA with Verification Statement obtained in 2013.
HKQAA Sustainable Building Index (SBI) Scheme	Sustainability performance on environmental, social and economic aspects of domestic blocks in ten estates with major block types.	2012	A non-certifiable standard, but verified through HKQAA SBI Scheme. HA became the first organisation obtained the HKQAA SBI Verified Mark in 2012.

Project Related Local Awards

Organiser/Award Title	Project/Research Topic	Category and Level Attained
Development and Construction Division		
Environmental Campaign Committee – Hong Kong Green Organisation Certification	HKHA Waste Reduction Performance	Wastewi\$e Certificate – Good Level
Hong Kong Quality Assurance Agency (HKQAA) – HKQAA Corporate Social Responsibility (CSR) Index – Advocate Mark	The performance of social responsibility practices in Development and Construction Division	ISO – HKQAA CSR Advocate Mark
Co-organised by the Hong Kong Green Building Council and the Professional Green Building Council – Green Building Award 2021	The Public Rental Housing Development at Anderson Road Site B	New Buildings Category (Completed Projects – Residential Building) – Grand Award and Special Citation on United Nations Sustainable Development Goals
Hong Kong Institute of Project Management – Project Management Achievement Awards 2021	Public Rental Housing Development at Choi Yuen Road Sites 3 & 4, Sheung Shui (Po Shek Wu Estate)	Construction/Engineering Project – Winner
Hong Kong Institute of Project Management – Project Management Achievement Awards 2021	Public Housing Development at Queen’s Hill Site 1 Phase 3 (Shan Lai Court)	Project of the Year
Hong Kong Institute of Project Management – Project Management Achievement Awards 2021	Public Housing Development at Queen’s Hill Site 1 Phase 3 (Shan Lai Court)	Sustainable Project – Winner
Construction Industry Council – Celebration of BIM Achievement 2022	Public Housing Development at San Kwai Street	BIM Projects 2022 – Winner
Committee on BIM of Construction Industry Council – Celebration of CIC BIM Achievement 2022	Planning for Success: BIM for Construction/Safety Planning and Risk Mitigation	BIM Projects 2022

Organiser/Award Title	Project/Research Topic	Category and Level Attained
Committee on BIM of Construction Industry Council – Celebration of CIC BIM Achievement 2022	Hong Kong Housing Authority	BIM Organizations 2022
Autodesk Far East Limited – Autodesk Hong Kong BIM Awards 2022	Planning for Success: BIM for Construction/Safety Planning and Risk Mitigation	Outstanding BIM Applications – Project Safety and Risk Management
The Hong Kong Institution of Engineers Structural Division – Structural Excellence Award 2022	Footbridge FB1 of Public Rental Housing Developments at North West Kowloon Reclamation Site 6 and Fat Tsueng Street West	Infrastructures and Footbridges – Grand Award
Civil Service Bureau – Civil Service Outstanding Service Award Scheme 2022 – Excellence in Team Collaboration	Conversion of 3000 Public Housing Units into Community Isolation Facilities at top speed	Crisis Management – Merit Award
Civil Service Bureau – Civil Service Outstanding Service Award Scheme 2022	Conversion of Chun Yeung Estate into a Quarantine Centre and the Subsequent Reinstatement	The Excellence in Team Collaboration Award – Excellence in Team Collaboration (Management of Crisis) Gold Prize
Civil Service Bureau – Civil Service Outstanding Service Award Scheme 2022	Zero Irrigation System	Excellence in Team Collaboration (Specialised Service) – Merit Award
Contractor		
Labour Department – Construction Industry Safety Award Scheme 2021/2022	Construction of Public Housing Development at Yip Wong Road Phase 1 and Phase 2, Tuen Mun by Able Engineering Company Limited	Building Sites (Public sector) – Bronze Award
		Safety Teams – Certificate of Good Performance
Labour Department – Construction Industry Safety Award Scheme 2021/2022	Foundation for Public Housing Development at Wang Chiu Road Phase 1 by New Concepts Foundation Limited	Building Sites (Public sector) – Merit Award

Organiser/Award Title	Project/Research Topic	Category and Level Attained
Labour Department – Construction Industry Safety Award Scheme 2021/2022	Construction of Public Housing Development at Lei Yue Mun Phase 4 by China State Construction Engineering (Hong Kong) Limited	Building Sites (Public sector) – Merit Award
Labour Department – Construction Industry Safety Award Scheme 2021/2022	Construction of Public Housing Development at Lei Yue Mun Phase 4 by China State Construction Engineering (Hong Kong) Limited	Building Sites – Sub-Contractor Certificate of Good Performance by Chiu Kee steelwork engineering Ltd.
Labour Department – Construction Industry Safety Award Scheme 2021/2022	Construction of Subsidised Sale Flats Development at Ko Shan Road by Chevalier (Construction) Company Limited	Building Sites (Public sector) – Merit Award
		Safety Teams – Merit Award
Labour Department – Construction Industry Safety Award Scheme 2021/2022	Foundation for Public Housing Development at North West Kowloon Reclamation (NWKR) Site 1 (East) by Chun Wo Foundations Limited	Civil Engineering Construction Sites – Merit Award
		Safety Teams – Merit Award
Labour Department – Construction Industry Safety Award Scheme 2021/2022	Foundation for Public Rental Housing Development at Tung Chung Area 99 by Chun Wo Foundations Limited	Safety Teams – Merit Award
BOCHK – BOCHK Corporate Environmental Leadership Awards 2021	Construction of Subsidized Sale Flats Development at Tung Chung Area 54 by Aggressive Construction Co., Ltd.	Environmental – Outstanding Eco Partner
Environmental Campaign Committee (ECC) alongside the Environmental Protection Department and in conjunction with nine organisations – The Hong Kong Green Organisation Certification (HKGOC) – Wastewi\$e Certificate 2021	Construction of Public Rental Housing Development Phases 1 & 2 and Subsidised Sale Flats Development at Diamond Hill Comprehensive Development Area	Construction Industry – Good Level

Organiser/Award Title	Project/Research Topic	Category and Level Attained
Occupational Safety and Health Council – Occupational Health Award 2021-22	Construction of Public Housing Development at Tuen Mun Area 29 West by Aggressive Construction Company Limited	Joyful@Healthy Workplace Best Practices Award (Branch/Small and Medium Enterprise Category) – Outstanding Award
Occupational Safety and Health Council – Occupational Health Award 2021-22	Construction of Public Housing Redevelopment at Pak Tin Estate Phase 10 by Aggressive Construction Company Limited	Hearing Conservation Best Practices Award – Excellence Award
Construction Industry Council – Life First Promotional Campaign 2022	Construction of Public Housing Development at Sheung Shui Areas 4 and 30 Site 1 Phase 1 by Shui On Building Contractors Limited	Merit Award
The Hong Kong Institute of Surveyors – QS Contract Management Award (Contractors) 2022	The Integrated Contract for Construction of Public Rental Housing Development at Anderson Road Site A and B Phases 1 and 2 by Yau Lee Construction Company Limited	Quantity Surveying Division – Merit Award
HKCA – HKCA Construction Safety Awards	Construction of Public Vehicle Park at Sheung Shui Areas 4 and 30 Site 2 Phase 1	Building (including E&M) – Proactive Safety Contractor Award
		Building (including E&M) – HKCA Safe Supervisor Award
Hong Kong Construction Association – HKCA PROACTIVE SAFETY CONSTRUCTION AWARD FOR THE YEAR 2022-23 (Safe Supervisor)	Construction of Public Housing Development at Hin Fat Lane, Tuen Mun by Hanison Construction Company Limited	Safety – Safe Supervisor Award – Cheung Kwok Wai
Environmental Campaign Committee – 2021 Hong Kong Awards for Environmental Excellence	Construction of Public Housing Development at Hin Fat Lane, Tuen Mun by Hanison Construction Company Limited	Environmental – Certificate of Attainment

Organiser/Award Title	Project/Research Topic	Category and Level Attained
Occupational Safety & Health Council – The 23rd Construction Safety Award (Best Safety Enhancement Program for Working at Height)	Construction of Public Vehicle Park at Sheung Shui Areas 4 and 30 Site 2 Phase 1	Building (including E&M) – Certificate of Attainment
Occupational Safety and Health Council – 23rd Construction Safety Award	Construction of Public Housing Development at Tung Chung Area 99, Tung Chung by Yau Lee Construction Company Limited	Competition on Safety Culture – Best Safety Culture Site – Silver Award
		Competition on Safety Culture – Best Safety Activity Team – Bronze Award
Occupational Safety and Health Council – 23rd Construction Safety Award	Construction of Public Rental Housing Development Phases 1 & 2 and Subsidised Sale Flats Development at Diamond Hill Comprehensive Development Area by Sun Fook Kong Construction Limited	Best Safety Enhancement Program for Working at Height – Merit
Occupational Safety and Health Council – 23rd Construction Safety Award	Construction of Public Housing Development at Hin Fat Lane, Tuen Mun by Hanison Construction Company Limited	Safety Culture Competition – Certificate of Attainment
		Best Safety Enhancement Program for Lifting Operation – Certificate of Attainment
Occupational Safety and Health Council – The 23rd Construction Safety Award (Best Safety Enhancement Program for Working at Height)	Construction of public vehicle park at Sheung Shui areas 4 and 30 site 2 phase 1	Building Sites (Public sector) – Certificate of Attainment
Tung Wah Group of Hospitals – TWGHs Corporate Partnership Recognition Scheme	Construction of Subsidized Sale Flats Development at Tung Chung Area 54 by Aggressive Construction Co., Ltd.	Environmental – Certification of sustainable community contributions

Organiser/Award Title	Project/Research Topic	Category and Level Attained
Occupational Safety & Health Council – The 21st Hong Kong Occupational Safety & Health Award	Construction of public vehicle park at Sheung Shui areas 4 and 30 site 2 phase 1	Building Sites (Public sector) – Certificate of Participation
Occupational Safety & Health Council – The 21st Hong Kong Occupational Safety & Health Award	Foundation and Demolition for Public Hosing Redevelopment at Pak Tin Estate Phase 12 and 13 by China State Construction Engineering (Hong Kong) Limited	Safety Performance Award– Construction Industry – Outstanding Award
Occupational Safety & Health Council – The 21st Hong Kong Occupational Safety & Health Award	Construction of Subsidised Sale Flats Development at Ko Shan Road by Chevalier (Construction) Company Limited	Safety Performance Award– Construction Industry– Rookie Safety Performance Award – Outstanding Award
Labour Department – Construction Industry Safety Award Scheme 2022/2023	Construction of Subsidised Sale Flats Development at Ko Shan Road by Chevalier (Construction) Company Limited	Building Sites (Public sector) – Merit Award
		Safety Teams – Merit Award
Labour Department – Construction Industry Safety Award Scheme 2022/2023	Construction of Public Housing Development at Anderson Road Quarry Site R2-5 by Yau Lee Construction Company Limited	Building Sites (Public sector) – Good Performance Certificate
Labour Department – Construction Industry Safety Award Scheme 2022/2023	Foundation and Demolition for Public Housing Redevelopment at Pak Tin Estate Phases 12 and 13 by China State Construction Engineering (Hong Kong) Limited	Civil Engineering Sites – Merit Award
		Safety Teams – Merit Award

Organiser/Award Title	Project/Research Topic	Category and Level Attained
Labour Department – Construction Industry Safety Award Scheme 2022/2023	Foundation and Demolition for Public Housing Redevelopment at Pak Tin Estate Phases 12 and 13 by Ng Chun Yim Construction Co., Limited	Civil Engineering Sites – Sub-contractors – Merit Award
Labour Department – Construction Industry Safety Award Scheme 2022/2023	Construction of Public Housing Development at Fanling Area 36 Phase 4 and Alteration and Addition Works at Ching Ho Estate by China Overseas Building Construction Limited	Safety Teams – Bronze Award
Labour Department – Construction Industry Safety Award Scheme 2022/2023	Construction of Public Housing Development at Hiu Ming Street by Chun Wo Construction & Engineering Company Limited	Safety Teams – Merit Award

Report by the Chairman of the Commercial Properties Committee for 2022/23

INTRODUCTION

The Commercial Properties Committee (CPC) met four times during the year. In August 2022, Members paid a visit to three Hong Kong Housing Authority (HA)'s public housing estates (PHEs) to view a new shopping centre, an existing market facility with asset enhancement works completed as well as some domestic flats converted from vacant non-domestic premises. To assist tenants to tide over the difficult economic environment under the COVID-19 epidemic, HA continued to provide rent concessions for its eligible non-domestic tenants and implement various leasing and promotion activities to enhance the business environment of its retail facilities. The Department also continued to identify enhancement opportunities and undertake feasibility studies and improvement works under the five-year rolling programme for asset enhancement of HA's retail and car parking (RC) facilities.

HA's RETAIL FACILITIES

New Developments

2. New retail facilities in Wo Tin Estate, Ching Tin Estate, Dip Tsui Court, Yu Nga Court and Ching Fu Court were completed during the year. As at the end of March 2023, the total internal floor area (IFA) of HA's retail portfolio was about 300 000 m².

Leasing Strategies

3. In formulating the leasing strategy for our new retail facilities such as Ching Tin Shopping Centre and Wo Tin Shopping Centre, we continued to adopt strategic planning and arrange early marketing and leasing of new retail facilities well in advance before completion of the public housing developments to address residents' basic needs upon intake. To maintain the balance between residents' needs and shop tenants' business viability, we have also adopted flexible leasing and intake arrangements. Furthermore, we continued to maintain a balanced and diversified trade mix in our shopping centres according to local situation. We prioritise the provision of trades that meet the daily basic needs of local residents (such as supermarkets and eateries) and actively introduce trades of other goods and services such that sufficient variety was provided for our residents and the local community in line with market trend.

Existing Retail Facilities

Enhancement of Trade Mix

4. In the year, we continued to adopt a flexible and market-oriented leasing strategy for our existing retail facilities and seek opportunities to enhance the trade mix of our shopping centres in response to market demand.

5. For Domain, HA's flagship shopping centre, we continued our efforts in improving its trade and tenant mix by way of proactive strategies in tenancy renewal and well-planned shop leasing with a view to maintaining its popularity and competitiveness. 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's marketing positioning. The shop has recently commenced business bringing a brand new shopping excitement to Domain. Apart from tenant mix, we also implemented a toilet improvement programme in Domain upgrading facilities to maintain operational efficiency and keep up with market trends while improving the overall business environment. The improvement programme commenced in February 2022 and was completed in December 2022. The enhanced facilities have provided shoppers with a more comfortable and convenient shopping experience.

6. We continued to work closely with major banks to facilitate them in setting up banking services in our PHEs for the convenience of residents. To facilitate the expansion of mobile banking service in our PHEs, we had been maintaining close collaboration with major banks. As at the end of March 2023, mobile banking services provided by major banks have covered 33 HA's public rental housing (PRH) estates.

7. In response to the keen demand for logistics services arising from the increasing popularity of online purchase, we have continued to let out suitable spaces in our PHEs and shopping centres for setting up parcel lockers. As at the end of March 2023, a total of 104 parcel lockers had been set up in HA's PHEs and shopping centres.

Vacancy

8. Through well-planned leasing arrangements and promotion strategies together with the rent concession measures which provided certain assistance to HA's commercial tenants to tide over the difficult business environment, the vacancy rate of retail premises as at the end of March 2023 was maintained at a low rate of 2%.

Rent Arrears

9. The rent arrears rate as at the end of March 2023 was 2%, which met the performance target of less than 2.5%.

ISSUES DISCUSSED

Asset Enhancement of HA's Retail and Car Parking Facilities

10. The Department has since 2011 formulated a five-year rolling programme for prioritising asset enhancement of HA's RC facilities with a view to enhancing their potential and business environment as well as to meet residents' needs. Based on the Strengths-Weaknesses-Opportunities-Threats (SWOT) analysis for HA's commercial portfolio, a number of suitable RC facilities have been identified for further feasibility studies and asset enhancement through major improvement works, re-designation of trade mix and conversion of usage according to the priority set.

11. During the year, the Department continued to identify new asset enhancement opportunities and implement the earmarked projects. Taking into account the results of the SWOT analyses conducted by the Department, we endorsed in August 2022 to earmark Shek Yam (East) Estate and Tung Wui Estate for inclusion under the rolling programme. The Department would conduct further studies to explore the feasibility of additional retail provisions in these two estates to meet residents' needs. Besides, improvement works in Choi Ying Place, Pok Hong Market and Tin Ching Estate were completed during the year while those for Yau Lai and Mei Tin Shopping Centres, Upper Ngau Tau Kok Estate, Choi Wan (II) Estate as well as Shui Pin Wai Estate were in good progress. The Department will assess the effectiveness of completed asset enhancement projects in terms of financial returns and payback periods after completion of the improvement works, with a view to safeguarding the efficient use of resources. In August 2022, the Department reported the effectiveness of six major/typical asset enhancement projects completed in the past as well as the tenancy arrangements adopted to facilitate implementation of the asset enhancement projects.

Carparks

Carparks Management Services

12. HA had a portfolio of 188 carparks providing about 33 600 parking spaces as at the end of March 2023. Management contracts have been procured for the management of 110 carparks by carpark operators, and the rest are under the management of the Department's staff and other property management agents. Carpark automation and electronic payment system by Octopus have been in place in most of the carparks to enhance cost effectiveness and user-friendliness. In support of Government's promotion of efficient and safe instant payment services on a round-the-clock basis electronic payment services for collection of carpark monthly fees was launched in September 2022. Monthly carpark users can use Faster Payment System service via iHousing mobile application to pay monthly fee anytime anywhere.

Carpark Charges

13. HA charges fees at market level for its parking spaces, and the fees are reviewed annually and will take effect on 1 January of the following year. In reviewing the charges, reference is made to the carpark charges of other public bodies and comparable private sector. Having regard to the trend of market charges according to the result of market research, we approved a mild increase in HA's monthly and hourly carpark charges with effect from 1 January 2023. The monthly charges for private car (PC), light goods vehicle (LGV) and coach/bus (C/B) open and covered parking spaces will be increased by \$100 and \$120 respectively. For motorcycle (MC) parking spaces, the charges for open and covered spaces will be increased by \$20 and \$30 respectively. On hourly rates, we approved increasing the hourly rates by \$1 for PC, LGV and MC parking spaces, and to increase the Day Pass and 24-hour Pass charges for PC parking spaces by \$5, for all regions in 2023. Taking into consideration the growing popularity of electric vehicles (EVs) and the Government's plan to impose EV charging fees in government carparks from around 2025, we endorsed the discontinuation of free parking during electricity charging at hourly parking spaces in HA's carparks since January 2022, while free electricity will continue to be provided in line with the current market practice.

Maximising the Usage of Carparks and Increasing Parking Spaces

14. The Department continued to implement various measures to maximise the usage of HA's car parking facilities, including re-designation of surplus parking spaces for a particular type of vehicle to other types of vehicle in demand, conversion of surplus monthly parking spaces for hourly parking to meet the demand, adopting floating parking system in some HA carparks with hourly

parking to enable the sale of more monthly tickets and letting surplus parking spaces to non-residents upon obtaining necessary permissions, etc. Through the implementation of such measures coupled with the increasing demand for parking spaces, the overall occupancy rate of HA's parking spaces has been maintained at a high level of around 99% as at the end of March 2023.

15. In view of the keen demand for car parking spaces, the Department has been seeking opportunities for creating additional parking spaces in HA's existing carparks subject to technical feasibility and necessary approvals. As at March 2023, a total of 297 additional parking spaces had been created in 32 estates by making use of open spaces, realignment of parking spaces, re-designation of spaces for the parking of other types of vehicles, etc. The Department would continue to implement various measures to maximise the usage of HA's car parking facilities as well as seek opportunities to add more car parking spaces to meet the demand. For new public housing development projects, HA will provide car parking spaces in accordance with the latest standards stipulated in the Hong Kong Planning Standards and Guidelines (HKPSG) and in consultation with the Transport Department.

Provision of Electric Vehicle Charging Facilities

16. In support of Government's policy to promote the wider use of EVs, HA has since 2011 been providing EV charging facilities in its carparks. In some HA's existing carparks, EV charging facilities had been installed at hourly PC parking spaces in collaboration with power companies. We approved to continue the charge of a nominal licence fee of \$1 per annum for the EV charging facilities installed by utility companies at HA's carparks for 2023.

17. Since 2013, HA has been providing EV charging facilities in the carparks in new public housing developments in accordance with the HKPSG. All the PC parking spaces in new carparks have been provided with EV charging facilities. Standard chargers (SCs) have been installed for 30% of the parking spaces, and the remaining 70% are EV charging-enabling (i.e. with final circuit cables laid for future installation of EV chargers when needed).

18. To meet the demand from carpark users, HA has also been installing SCs at monthly PC parking spaces in its existing carparks on need basis and subject to technical feasibility. In recent years, to complement Government's initiative to further enhance the EV charging network, HA has been providing additional medium chargers (MCs) at hourly PC parking spaces in its existing carparks where there is demand and technically feasible with available electricity loading capacity.

19. The Environmental Protection Department has been coordinating with relevant government departments to update HKPSG and relevant technical guidelines on EV charging facilities, including requirements for the provision of MCs in new developments. Notwithstanding that the relevant updates of HKPSG and government technical guidelines are still under review by relevant bureaux and departments and yet to be issued, the Department will install MCs and its charging-enabling facilities instead of SCs in new public housing projects under planning and in early design stages. For projects at advanced design and tender stages or under construction, the Department will review the feasibility of providing MCs with due diligence on a case by case basis taking into consideration the time and cost implications as well as other technical and spatial requirements. As at the end of March 2023, HA has provided EV charging facilities at about 600 hourly parking spaces and about 1 320 monthly PC parking spaces in about 80 carparks.

20. In May 2022, we endorsed the Department's plan to expand the provision of EV charging facilities in HA's existing carparks in three phases in support of Government's long-term policy objectives and plans to promote the adoption of EVs in Hong Kong. According to the plan, the Department will progressively provide additional medium charging facilities at about 5 000 PC parking spaces in HA's portfolio under Phase 1 of the programme, aiming at increasing the number of PC parking spaces with charging facilities to approximately 33% of HA's total stock of PC parking spaces by 2025. In Phase 2 of the programme, the Department plans to further expand the provision of EV charging facilities, targeting to increase the number of PC parking spaces with charging facilities to about 50% of the total stock of PC parking spaces by 2030. The ultimate target is to gradually provide EV charging facilities for all PC parking spaces in HA's portfolio in Phase 3 of the programme after 2030. The Department had completed the detailed feasibility studies and is working out the implementation details under Phase 1 of the programme.

Factory Estates

21. Under the 2019 Policy Address, HA was invited to explore the feasibility of redeveloping its factory estates for public housing use. Upon completion of the feasibility study, HA announced on 24 May 2021 the arrangements for clearance of four of its 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. HA has successfully completed the clearance of all four factory estates in January 2023 and was commencing the demolition process.

Telecommunications Installations

22. According to established policy, the charges for telecommunications installations at HA's properties are set at market level and reviewed annually. The reviewed charges take effect from 1 April of each year. Having considered the latest market data for the letting of various telecommunications sites in private properties and in view of no significant change in fees charged for such installations in private properties since the last review, we approved to maintain the existing charges for different types of telecommunications installations with effect from 1 April 2023.

Rent Concession Measures for HA's Non-domestic Tenants

23. In line with the Government's relief measures to support enterprises and relieve people's financial burden, HA granted eligible retail and factory tenants rent concessions at 50% from 1 October 2019 to 31 March 2020. The rent concessions for these tenants were 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 concessions 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. For prudent use of HA's resources, the grant of rent concession for supermarkets/superstores was subject to tenants' application and production of proof of sales drop starting from 1 October 2021. And from 1 October 2022 onwards, the grant of rent concession for convenience stores, personal stores and fresh/chilled/frozen food stores was also subject to tenants' application and production of proof of sales drop in view of their similar business nature as supermarkets/superstores. In December 2022, to tie in with the Government's latest relief measures, we approved further extension of the 75% rent concession period up to 30 June 2023. The total rent foregone for rent concessions granted by HA for the 45-month period from 1 October 2019 to 30 June 2023 was estimated to be around \$4,720 million.

Implementation Arrangements under the Temporary Protection Measures for Business Tenants (COVID-19 Pandemic) Ordinance (Cap. 644)

24. The outbreak of the fifth wave of the COVID-19 pandemic and the related tightening of social distancing measures had dealt a severe blow to different sectors and individuals. In view that many small and medium enterprises were facing significant operational and cash flow problems, and that

rental payment constituted a major part of their operating expenses, the Temporary Protection Measures for Business Tenants (COVID-19 Pandemic) Ordinance (the Ordinance) was enacted on 1 May 2022 to impose a moratorium to prohibit landlords from taking certain rental enforcement actions against their business tenants of “specified premises” for failing to settle rent on schedule for a specified short period. The Ordinance provided business tenants in trouble with a short-term relief, so that they were not forced out of business by legal or other actions taken by their landlords if they failed to pay rent on time.

25. To comply with the Ordinance, we had withheld the rental enforcement actions against tenants of “specified premises” for the protection period from 1 May 2022 to 31 July 2022. We also implemented special arrangements upon expiry of the protection period by allowing tenants with genuine difficulties to pay the outstanding rent arrear by instalments upon their request depending on the circumstances of individual cases during the three-month period from August to October 2022.

Rates Concession Exercise for Non-domestic Premises

26. To align with Government’s measures to waive rates for the first two quarters of financial year of 2023/24, we approved the arrangements to pass on the rates concession to eligible non-domestic tenants/licensees on a “no-loss-no-gain” principle subject to a ceiling of \$1,000 per quarter for each rateable non-domestic property.

Conversion of Storerooms and Empty Bays in Public Housing Estates

27. There are pockets of odd spaces in domestic blocks in PHEs completed in earlier years, which are mostly small and narrow and often cannot meet the lighting, ventilation and other requirements for domestic use. Most of them have been used as storerooms or empty bays in the estates. HA has been keeping in view the usage of these storerooms and empty bays and exploring ways for their better utilisation, including conversion to domestic and other uses subject to technical feasibility and compliance with relevant statutory and land administration requirements.

28. Through enhanced provision of natural lighting and ventilation, HA has in recent years successfully identified suitable storerooms and empty bays for conversion to about 170 domestic units to meet the keen demand for public housing flats. Among them, conversion works for about 120 units in 12 estates have already been completed. Meanwhile, the conversion of about 50 units in three estates is underway. In addition, 26 welfare units and eight commercial units have been converted from storerooms and empty bays outside domestic areas in 22 estates according to demand.

29. In the latest round of study, HA identified stacks of empty bays at the end of the corridors (end bays) in Slab Blocks at Kwong Fuk, Sha Kok and Choi Yuen Estates and explored the feasibility of converting them into domestic units as a trial. There are a total of 113 end bays in the blocks concerned at the three estates, which can be converted into a total of 113 domestic units. The works commenced in December 2022 and will span over a period of about two years with phased completion in 2023 and 2024.

30. With reference to the experience in Kwong Fuk, Sha Kok and Choi Yuen Estates, HA will continue to identify similar end bays in similar block types in other PHEs and study the feasibility for converting them into domestic units. HA will also continue to keep in view the usage of storerooms and explore possible ways for better utilisation, including converting them to other uses.

ANTI-EPIDEMIC MEASURES

31. In light of the epidemic situation, the Government adjusted a series of anti-epidemic measures since the end of 2022 to facilitate the resumption of normalcy in an orderly manner. To tie in with the Government's adjustment of anti-epidemic measures, HA had also lifted the requirement of "Vaccine Pass" and mask-wearing for visitors of HA's shopping centres and markets. Nevertheless, the Department will continue to strengthen the daily cleaning and disinfection of the common areas of shopping centres and markets under HA to safeguard public hygiene.

PROMOTION ACTIVITIES

32. In view of the severe situation of the fifth wave of COVID-19 epidemic in early 2022, we had suspended large scale promotional activities for Domain in response to the tightening of social distancing measures of the Government. Following the stabilisation of the epidemic situation since mid-2022 and the gradual relaxation of social distancing measures by the Government, we progressively resumed thematic promotional activities at Domain from summer 2022 onwards.

33. To tie in with Government's launch of the Phase 2 Consumption Voucher Scheme, we arranged Cash Coupon promotion programmes for Domain in August and October 2022 so as to stimulate customer spending. Such promotion programmes by way of offering cash coupons to customers fulfilling specified spending requirement had successfully boosted sales and footfall in Domain.

34. Taking opportunity of the tenth Anniversary of Domain together with the festive season of Christmas and new year, we had launched a series of themed celebration events for Domain including a grand ceremony with stage performance to celebrate its tenth Anniversary, large scale Christmas cum anniversary decorations, grand lucky draw, gift redemption activities and Christmas Market, etc. Shop tenants of Domain also participated in the promotion events and responded positively by offering various promotion discounts to customers. The series of promotional events, coupled with extensive publicity through various press and social media platforms, successfully attracted media and public attention, reinforced Domain's positioning as a regional shopping mall and sustained its popularity, attractiveness and competitiveness. In addition, with the launch of Domain Club Mobile Application in August 2021 to promote customer loyalty, the number of members reached some 51 500 by March 2023, representing an increase of 10.7% in the year.

35. For other shopping centres, we continued to arrange promotional activities and festive decorations centrally during major festivals in order to enhance the shopping ambience in a cost-effective manner.

Community Services

36. We continued the collaboration with various non-governmental organisations (NGOs), government departments and institutions to hold civic, cultural and community building events or activities in Domain and other shopping centres. A number of events such as "Smart Countryside Exhibition", "Smart City Exhibition", "Kwun Tong Police District Anti-Fraud Awareness Programme", "Energy Saving at Home and Office – Roving Roadshows" and "Hong Kong Country Parks Roving Exhibition", "Exhibition of 2022 Meritorious Websites Contest/Healthy Mobile Phone/Tablet Apps Contest" and "Electrical and Mechanical Services Department Roadshow – Energy Saving Tips for Home and Office" were held during the year.

WAY FORWARD

37. In the first half of 2022, Hong Kong has experienced difficult economic conditions due to the impact of the COVID-19 epidemic. The outbreak of the fifth wave of COVID-19 in early 2022, with an unprecedented severity and magnitude, considerably dampened consumption in the traditionally peak season of Chinese New Year and dealt a hard blow to various sectors of the economy. In line with Government's anti-epidemic and relief measures, HA has implemented various measures to fight against the epidemic and assist its commercial tenants to tide over the difficult times. In particular, the rent

concession measures have assisted tenants to maintain their business viability, enabled the continued provision of retail services to meet the needs of our residents, as well as helped maintain a low vacancy rate of our commercial properties.

38. We endorsed the 2023/24 Programme of Activities focusing on the theme of enhancing the attractiveness of commercial properties. In order to fulfill the objective of enhancing the potential of HA's commercial properties, the Department will closely monitor the letting of our retail facilities and continue to adopt flexible marketing and leasing strategies so as to diversify the trade mix. The Department will also continue to keep pace with the market trend and explore more shopping avenues for our residents, such as setting up more parcel lockers to meet community needs arising from the increasing popularity of online shopping.

39. To optimise utilisation and enhance the business potential of HA's retail facilities, we will continue to roll forward the five-year rolling programme for asset enhancement and identify new enhancement opportunities. Given the declining stock available for large scale improvement, we will focus on smaller scale works or enhancement of trade mix for further implementation to meet the needs of the residents. As an ongoing measure, the Department will continue to explore ways to optimise the use of non-domestic premises and other spaces, such as conversion to domestic or other uses.

40. With a view to reinforcing the position of Domain as a regional shopping mall as well as to enhance the business environment of HA's shopping centres, the Department will continue to launch thematic promotional activities in 2023 in order to boost sales and footfall in the shopping centres.

41. We will also continue to support the Government's initiatives in environmental protection such as collaborating with NGOs to launch environmental protection programmes/activities in HA's shopping centres, encouraging tenants to participate in food waste reduction and recycling programmes and avoid the use of disposable plastic tableware, etc. Furthermore, we will continue to implement various green measures for reduction in energy consumption and provide EV charging facilities in HA's new and existing carparks.

CONCLUSION

42. In the last year, the Department continued to implement improvement/conversion programmes, arrange strategic marketing and leasing for new and existing retail facilities, implement asset enhancement studies and works, identify new enhancement opportunities, as well as arrange continuous promotional activities to enhance business environment and boost sales for our tenants. The total retail floor space under HA has increased as a result of new production and improvement works for existing facilities, and the overall vacancy rate of retail premises has been maintained at a low level. We also saw the Department's great efforts in introducing new trades and enhancing tenants' profile, which have maintained Domain's attractiveness, competitiveness and its position as HA's regional shopping centre and entertainment hub.

43. As the Chairman of CPC, I would like to express my sincere gratitude to all Members, including the outgoing ones, for their valuable contributions. I count on all Members for their continued support in the years to come. Finally, my deepest appreciation also goes to the staff of the Department for their contribution and unfailing support to the work of CPC.

Serena LAU Sze-wan
Chairman, Commercial Properties Committee

Report by Chairman of the Finance Committee for 2022/23

INTRODUCTION

The main responsibilities of the Finance Committee (FC) include reviewing the Hong Kong Housing Authority (HA)'s financial performance, annual budgets and forecasts, policies on HA's financial and investment, as well as overseeing the funds management, human resources and information technology (IT) functions.

FINANCE COMMITTEE MEETINGS

2. FC met three times in 2022/23.

SUMMARY

Finance and Funds Management

Financial Planning and Management

3. In June 2022, HA issued an updated Financial Instruction promulgating the main budgetary process and promoting cost consciousness. In January 2023, FC reviewed and supported HA's Budgets and Forecasts for 2022/23 to 2026/27 for submission to HA. The 2023/24 Budget was endorsed by HA and subsequently approved by the Chief Executive in accordance with section 4(3) of the Housing Ordinance (Cap. 283).

Budgets and Forecasts

4. Under HA's latest budgets and forecasts, it is projected that HA will have the necessary financial resources to meet its recurrent expenditure and take forward its public housing construction programme and maintenance works up to 2026/27.
5. The financial resources which HA can utilise to maintain its operation and payments (including non-recurrent expenditure items such as construction cost of HA's public housing programme) is its cash and investment balance. For the budget and forecast period from 2022/23 to 2026/27, HA's cash and investment balance is projected to decrease from

\$58.9 billion at the beginning of April 2022 to around \$49.7 billion by the end of March 2027 as its construction expenditure and the operating expenditure increase over the period.

6. The construction expenditure for public housing development is the largest expenditure item of HA. The latest budgets and forecasts mainly reflects the financial commitments of the planned housing production from 2022/23 to 2026/27 of around 94 000 flats. The Government has identified sufficient land for providing about 360 000 public housing units for the 10-year period from 2023/24 to 2032/33. In order to achieve the public housing supply target in the coming ten years, it is envisaged that HA's construction expenditure for the subsequent five years will be more than double than that of the five-year period up to 2026/27.

7. The Government has earmarked \$82.4 billion in the fiscal reserves for the development of public housing and related infrastructure, thereby demonstrating the Government's commitment in this regard. Under the established mechanism, HA will conduct the annual rolling five-year budgeting exercise to monitor its funding position and will discuss with the Government on funding injection arrangement (such as the quantum and timing of funding injection) when the need arises.

Investment Strategy

8. The aim of HA's investment strategy is to ensure sufficient liquidity to meet the operational needs of HA, and in a prudent and diversified manner, put the rest of HA's funds into longer-term investments to enhance long term returns.

9. According to HA's Statement of Investment Policies and Objectives, an annual health check on the Strategic Asset Allocation (SAA) was completed in July 2022. Taking into account the advice of the Funds Management Sub-Committee (FMSC), FC endorsed the recommendation to maintain the existing SAA, i.e. 76% of HA's funds in principal protection placements with the Exchange Fund, 16% in equities and 8% in HKD deposits. The portfolio comprises mainly investments with relatively stable return.

Human Resources

Staffing Establishment

10. In 2022/23, we secured a total of eight new civil service (CS) posts for delivering estate management services for public rental housing (PRH) estates. The total establishment of HA as at 31 March 2023 includes 9 818 CS posts and 654 HA contract staff.

Recruitment and Promotion

11. HA continued to conduct recruitment and promotion exercises to fill new posts and vacancies. In 2022/23, 68 recruitment and 52 promotion exercises were conducted. Around 710 new colleagues were recruited successfully and 560 serving staff were recommended for promotion/acting in higher ranks in accordance with the established mechanisms.

Supplementary Workforce

12. HA continued to make flexible use of its supplementary workforce, comprising body-shopped personnel, HA term staff and staff employed under the Government's Post-retirement Service Contract (PRSC) Scheme to meet special and temporary operational needs. As of 31 March 2023, 1 509 body-shopped personnel, 198 term staff and 14 PRSC staff were engaged.

2022/23 Annual Salary Review of HA Contract Staff

13. In September 2022, having regard to the latest situation of Hong Kong and views of the staff side, FC approved a normal salary increase between 2.62% and 2.64% for HA contract staff for 2022/23.

Staff Training and Staff Engagement Initiatives

14. HA continued to provide a wide range of training for different grades and levels of staff to build a competent, engaged and motivated workforce. In 2022/23, about 37 600 trainees attended around 980 in-house training programmes. Due to the local epidemic situation, some face-to-face training courses were postponed or converted to webinars. Since early 2020, HA has been making wider use of webinars, video-on-demand and other e-learning resources via the HA e-learning portal (HAELP) as alternative to face-to-face training. Around 430 webinars were arranged involving more than 10 800 participants in 2022/23.

15. In 2022/23, HA continued to adopt a flexible approach in organising staff engagement activities such as holding staff recognition activities through webcasting. In addition, on-line learning resources such as short videos were produced to reinforce HA's core values, viz. caring, customer-focused, creative and committed.

Information Technology

16. Over the years, HA has been taking forward IT initiatives to meet business needs, improve operational efficiency and enhance various services to tenants and the public at large. At present, we have a total of 96 IT systems/services in operation to support the day-to-day business of HA.

Enhancing Public Services

17. HA is implementing a wide range of e-Services under the "Streamlining of Government Services" (SGS) Programme. As of June 2023, e-submission is available for 88 services in HA.

18. Since its launch in 2019, the e-submission service for Subsidised Sale Flats (SSFs) Scheme has been well received by the public. Majority of applications of Home Ownership Scheme (HOS), White Form Secondary Market Scheme (WSM) and Green Form Subsidised Home Ownership Scheme (GSH) are submitted online. Since June 2022, applicants can check their application status online. Starting from September 2022, applicants can also the pay application fee using Faster Payment System (FPS).

19. We continue to enrich HA's iHousing mobile app to bring convenience to our clients. Simplified Chinese version was introduced to this mobile app in December 2022, in addition to Traditional Chinese and English. Additional languages including Hindi, Nepali, Urdu, Bahasa Indonesia, Tagalog, Thai, Punjabi and Vietnamese are also provided by June 2023. In the past year, the overall download rate grew from 210 000 to 270 000 (as at end-May 2023). The utilisation of the mobile app also increases significantly from an average monthly usage rate of 330 000 to about 510 000 recently. This is due partly to the increasing number of PRH tenants using FPS in rent payment and the launching of e-payment service to carpark users in September 2022.

20. In respect of estate management, an e-Survey platform was launched in January 2023 to collect opinions from PRH tenants. A survey to all PRH tenants on “rodent control work in PRH estates” was conducted using the online platform. We received more than 350 responses from tenants through the platform.

21. A new Housing Smart Intake System was launched in June 2022 to support electronic reporting of defects by PRH tenants during mass intake. Tenants can submit defect reports, enquire the progress of defect rectification and receive message notification upon completion of defect rectification. More than 2 200 defect reports were received under the system since its launch. It is planned that the system will be enhanced to cover SSF projects by end-2023.

22. Under Independent Checking Unit, the Housing Electronic Plan Submission System introduced a new function to provide an electronic means for submission of building plans to HA under the Buildings Ordinance (Cap. 123) in December 2022. This service also supported counterparties to use FPS for payment of submission fee and iAM Smart for digital signature.

Improving Operating Efficiency

23. A consultancy study on asset management for Estate Management Division was carried out in June 2023 to provide a holistic view on existing physical assets and works systems to enable management of assets and preventive maintenance including external wall, slope, building services installation, etc. and their predictive maintenance. The recommendations include establishing asset management requirements with standardised asset registry and hierarchy across different disciplines and an implementation roadmap for a new Asset Management System. These can facilitate more effective and efficient asset management and enable predictive maintenance of PRH facilities improving estate maintenance services to tenants.

IT Infrastructure Support

24. HA maintains ISO 27001:2013 certification on information security management and ISO/IEC 27017:2015 certification for code of practice for information security controls for cloud services. Independent security consultants are engaged regularly to conduct security review on IT systems and related controls. In addition, the Office of Government Chief Information Officer conducted the biennial comprehensive IT security compliance audit in 2022 to assess the compliance against the Government’s security requirements. The results have confirmed that HA’s critical IT systems conform to the security requirements.

Publicity and Promotion

25. HA continues to make full use of both traditional and social media to its publicity and promotion. Partnered with TVB, a 10-episode TV series entitled “Show you where I lived” 《回家》 was broadcast from 29 December 2022 to 27 January 2023 to promote the unique neighbourliness of the life in PRH estates. The series was well-received and some episodes reached over one million viewership. We had produced an extra video echoing the TV series which interviewed ex-Ma Tau Wai Estate tenant and a seasoned broadcaster, Ms Candy CHEA Shuk-mui. The video was launched on social media and also achieved record high views. We also engaged a public relations company in late 2021 to assist us in strengthening of HA’s social media publicity as well as planning for the celebratory activities for HA’s 50th anniversary.

FINANCIAL PERFORMANCE

26. The key figures for HA’s 2022/23 financial performance (provisional) are summarised below –

	2022/23 Provisional Result ^{Note} \$M	2022/23 Revised Budget \$M
Operating Surplus		
Rental Housing	1,164	639
Commercial	679	585
Home Ownership Assistance	5,767	4,213
Others	12	15
Total Operating Surplus	7,622	5,452
Funds Management Account Surplus	1,316	253
Agency Account Surplus	29	25
Total Surplus before Appropriation	8,967	5,730
Appropriation to the Government	(340)	(293)
Net Surplus after Appropriation	8,627	5,437
Capital Expenditure	17,307	18,465
Cash and Investment Balance at year-end	61,242	54,813

Note These are provisional figures which may be subject to year-end and audit adjustments upon finalisation of the 2022/23 annual accounts.

27. The operating surplus for the Rental Housing Operations was higher than the Revised Budget by \$525 million, mainly due to the lower than budgeted maintenance and improvements and personal emoluments. The operating surplus for the Commercial Operations was higher than the Revised Budget by \$94 million, mainly due to the higher rental income. The operating surplus for the Home Ownership Assistance Operations was higher than the Revised Budget by \$1,554 million, mainly due to the higher than budgeted number of SSFs sold. Taking into account the surplus for the Funds Management Account, the Agency Account result and the appropriation to the Government, the net surplus of HA in 2022/23 was \$8,627 million.

28. On the other hand, the capital expenditure in 2022/23 was \$17,307 million, which was lower than the Revised Budget of \$18,465 million by \$1,158 million or 6.3%, mainly due to construction programme adjustments under various projects.

29. As at 31 March 2023, HA's cash and investment balance stood at \$61,242 million, which was \$6,429 million or 11.7% higher than the Revised Budget of \$54,813 million. This is due mainly to the higher than budgeted receipts of SSFs sold, higher investment income and lower construction expenditure under various projects.

WAY FORWARD

30. In 2023/24, FC will continue with the ongoing work. FMSC will continue to monitor closely the performance of HA's fund managers and HA's investment strategy.

31. In addition, FC will continue to provide policy steer to enable the Department to maintain and enhance human resources management services, including annual salary review for HA contract staff.

32. It is common practice for government departments to conduct strategic study from time to time to review its IT system development strategy against longer term operational service demands, taking into account latest technology advancement. To ensure we meet the future business needs of HA, we have conducted a consultancy study with an aim to draw up an IT Strategy Plan for HA. The findings and recommendations were presented to FC on 16 May 2023. The study recommended some new IT projects, covering new customer services, enhancing collaboration among stakeholders, improving services in various areas like construction and maintenance works, application

and allocation operation, estate services, compliance enforcement and building control. A detailed implementation plan will be formulated to roll out these initiatives in an orderly manner, taking into account the manpower resources required in the year ahead.

CONCLUSION

33. Finally, I would like to express my gratitude to all Members of FC and FMSC for their hard work and invaluable advice, in particular the previous Chairman, Professor CHAN Ka-lok, as well as my appreciation to staff of HA for their unfailing support during the past year. I am confident that Members of FC will continue to contribute positively and effectively to the mission and goals of HA.

Billy MAK Sui-choi
Chairman, Finance Committee

Report by the Chairman of the Subsidised Housing Committee for 2022/23

INTRODUCTION

The Subsidised Housing operation continues to focus on the allocation, management and maintenance of the public rental housing (PRH) stock of the Hong Kong Housing Authority (HA) to address the needs of the public. On-going measures to optimise and rationalise the use of public resources have been adopted. We also strive to enhance family cohesion and community bonding, put in much efforts in assisting families with limited financial means to achieve their wish to own their homes, as well as striving to meet the home ownership aspirations of PRH tenants. In 2022/23, our work and efforts concentrate mainly on the themes of “Optimising and Rationalising the Use of Public Resources”, “Providing Quality Homes”, and “Promoting Sustainable Living”.

2. In 2022/23, the Subsidised Housing Committee (SHC) met four times and issued 34 papers.

OPTIMISING AND RATIONALISING THE USE OF PUBLIC RESOURCES

2022 Rent Review of Public Rental Housing

3. The Housing Ordinance (Chapter 283) provides that HA shall conduct a rent review every two years and vary the PRH rent according to the change in the income index between the first and second periods covered by the review, with any increase capped at 10%. In the 2022 PRH rent review, the income index for the second period (i.e. 2021) of the review was higher than that for the first period (i.e. 2019) by 1.17%.

4. At its meeting on 15 August 2022, SHC endorsed the outcome of the 2022 PRH rent review and adjusted PRH rents upwards by 1.17% with effect from 1 October 2022 in accordance with section 16A of the Housing Ordinance. Notwithstanding the mild increase, members of SHC were mindful that the impact of the unprecedented COVID-19 pandemic may pose economic difficulties on PRH tenants. Given this special situation, having regard to the extent of the rent increase, impact on the PRH tenants, and the impact on HA’s financial position, SHC endorsed providing a special relief measure to PRH tenants by waiving the extra rent payable each month due to the rent adjustment in the first 12 months following the rent adjustment by virtue of section 17 of the Housing Ordinance.

Implementation of “Well-off Tenants Policies”

5. With a view to allocating PRH resources to those with more pressing housing needs, the revised “Well-off Tenants Policies” (WTP) have been implemented since the declaration cycle in October 2017. In 2022/23, some 250 000 income and assets declarations were vetted. As at 31 March 2023, there were some 30 300 households paying additional rent under WTP. Since the implementation of the latest revised WTP on 1 October 2017, about 3 400 PRH flats have been surrendered or recovered from well-off tenants as at end-March 2023.

Curbing Tenancy Abuse/Investigations Made by Dedicated Central Team/ Publicity Programmes

6. HA has adopted a multi-pronged and targeted approach to conduct rigorous investigations on the declaration cases and occupancy positions to combat tenancy abuse, including daily estate management and routine flat inspections conducted by estate staff to detect tenancy abuse; conducting in-depth investigations by the central dedicated team on randomly selected cases, suspected abuse cases referred by frontline management and those reported by the public; and launching a series of publicity and educational programmes to raise public awareness on the rational use of PRH resources and enlist the public’s support to combat tenancy abuse.

7. Throughout the year, we conducted intensive checking related to tenancy abuse and income and assets declarations. A series of publicity programmes through various channels, such as distribution of aerogrammes and estate newsletters, display of posters/banners in estates, and new animated videos and rolling text broadcast on Housing Channel, outdoor billboard advertisements at various tunnels, online advertisements, online games as well as radio broadcast, were launched throughout the year. Green mini-bus, tram and bus body advertisements and advertisements at MTR were also implemented.

8. Our efforts have resulted in a decent number of PRH flat recovery each year. For example, in 2022/23, over 2 200 flats were recovered from tenants who abused and/or breached tenancy agreement/housing policies.

Facilitating the Flat for Flat Pilot Scheme for Elderly Owners of the Hong Kong Housing Society

9. To facilitate the Hong Kong Housing Society (HKHS)’s Flat for Flat Pilot Scheme for Elderly Owners, SHC approved at its meeting on 21 June 2019 to allow eligible elderly owners of HKHS’s Subsidised Sale Flats (SSFs) who have sold their original flats without payment of premium to buy a smaller one in

the Secondary Market of HA. HKHS has started receiving applications under the Pilot Scheme since 14 October 2019. As at 31 March 2023, HKHS received 25 applications from owners, of which 21 eligible applications were approved with “Trade Down Permit” issued while the other four were ineligible. Among the 21 approved applications, six sales of the original SSFs without payment of premium were recorded and one purchase of a smaller SSF in the Secondary Market of HA was recorded.

E-submission Services for Applications of Public Rental Housing and Subsidised Sale Flats

10. HA launched “Quick Updating of PRH Application” for applicants to submit online requests for updating of application details in June 2020. The e-services enable applicants to submit change in household particulars, choice of district and date of detailed vetting interview in a fast and effective way. Applicants can also check the status of their PRH applications with the e-services. HA will enhance online submission of PRH applications in September 2023 by using digital signing under iAM Smart+, and enabling PRH applicants to online submit application forms, declaration forms and related documents.

11. HA continued to provide e-services for submission of applications for the Sale of Green Form Subsidised Home Ownership Scheme (GSH) Flats 2022 (GSH 2022) in September 2022, to provide applicants with a fast and secure way to submit applications and make payments online via computers or mobile phones. The e-services for the sale exercises ran smoothly. Applicants could complete their application forms within an average of about ten minutes. E-services for submission of applications will be provided for the Sale of Home Ownership Scheme (HOS) Flats 2023 (HOS 2023) which is scheduled to be launched in mid-2023.

Under-occupation Policy cum Trial Scheme on Full Rent Exemption for Elderly Under-occupation Households in Public Rental Housing Estates

12. In December 2020, HA approved the continuation of the current Under-occupation Policy and the regularisation of the Scheme on Full Rent Exemption for Elderly Households (the Scheme) with enhancement measures, viz. (i) extending the coverage of the Scheme to elderly households residing in Housing for Senior Citizens of Type I Design and non-self-contained Converted One-person units; and (ii) widening the district choice from the same District Council district to the same PRH Application District. As at end-March 2023, some 650 applications were approved with 245 households successfully transferred to flats of suitable sizes. After the transfer of these 245 households, we have a net gain of some 4 400 m² of internal floor area in total for allocation.

Clearance of Shek Lei Interim Housing

13. The clearance of Shek Lei Interim Housing involving about 585 persons from 329 households and its related rehousing arrangements were announced on 8 December 2020. The whole clearance project was successfully completed on 1 February 2023.

Arrangement to Relax the Terms and Conditions of the Deeds of Guarantee between HA and Financial Institutions Providing Mortgage Finance to Purchasers of Subsidised Sale Flats Scheme Flats

14. Having regard to the economic conditions amidst the COVID-19 epidemic and the views from participating financial institutions, Members were informed that HA issued a letter in May 2022 to the participating financial institutions confirming and agreeing to a new round of time-limited arrangement, allowing the commencement date of a moratorium period to start no later than 31 December 2022. A moratorium period of a maximum period of 12 months can be provided to all mortgagors irrespective of whether the mortgagors have joined the moratorium plan under the previous rounds of arrangement. The maximum loan period of the mortgage loan can be extended by the total deferred period of the repayment of the principal under the moratorium plan in the previous rounds and the present round.

PROVIDING QUALITY HOMES

Implementation of Hong Kong Interbank Offered Rate-based Mortgage Plan for Subsidised Sale Flats Scheme Flats

15. Taking into account that the mortgage plan that makes reference to the Hong Kong Interbank Offered Rate (HIBOR Plan) has become the most common type of mortgage plan in the market and in response to public requests for the participating financial institutions to provide HIBOR Plan to mortgagors of Subsidised Sale Flats Scheme (SSFS) flats, Members were informed that HA issued a letter in May 2022 to the participating financial institutions, allowing them to offer HIBOR Plan to mortgagors of SSFS flats from a launch date, in addition to the mortgage plan that makes reference to the Best Lending Rate. The new arrangement was launched on 1 November 2022 taking into consideration the time required by the participating financial institutions to undertake the preparatory work.

Green Form Subsidised Home Ownership Scheme

16. SHC regularised GSH in January 2018. GSH flats are sold at a discount which is 10% more than the discount adopted for the preceding HOS sale exercise.

17. On 14 December 2021, the Strategic Planning Committee endorsed converting some PRH developments at Yau Tong, Ma On Shan and Fanling, involving 4 693 flats, for sale as GSH. SHC endorsed the provisional average selling prices (at a provisional discount of 59% from the assessed market values) and the sales arrangements for GSH 2022 at its meeting on 6 January 2022. The average selling prices of the new flats for sale under GSH 2022 were finalised at a 59% discount from the assessed market value in September 2022. Application for GSH 2022 was closed in mid-October 2022. During the application period, HA received a total of around 62 000 applications, comprising around 45 000 carry-over Green Form applications from the Sale of HOS Flats 2022 (HOS 2022) and around 17 000 new applications. Balloting for GSH 2022 was held in December 2022. Flat selection commenced from end-March 2023.

White Form Secondary Market Scheme

18. SHC regularised the White Form Secondary Market Scheme (WSM) in November 2017. In view of the persistently strong response to WSM, SHC endorsed at its meeting on 6 January 2022 to maintain the quota for WSM 2022 at 4 500 (same as WSM 2020). WSM 2022 was launched together with HOS 2022 in February 2022. Balloting was held in June 2022. Approval Letters were issued to successful applicants under WSM 2022 in mid-November 2022. About 3 700 Certificates of Eligibility to Purchase with a validity period of 12 months were issued to successful applicants under WSM 2022. As at end-March 2023, about 1 300 Letter of Nomination were issued to these applicants.

Sale of New Home Ownership Scheme Flats

19. At the meeting on 6 January 2022, Members approved the provisional average selling prices and sales arrangements for HOS 2022. At the same meeting, SHC endorsed the income and asset limits for White Form (WF) family applicants under HOS 2022 and WSM 2022, at \$66,000 per month and \$1,850,000 respectively. According to the established practice, the income and asset limits for WF one-person applicants are set at half of the limits for family applicants, at \$33,000 per month and \$925,000 respectively.

20. A total of 8 926 flats in seven new developments were put up for sale under HOS 2022 in February 2022 with about 252 000 applications received. In accordance with the established pricing mechanism, and based on the median monthly household income of non-owner occupier households for the third quarter of 2021, the average selling prices of the flats for sale under HOS 2022 were finalised at a 49% discount from the assessed market values in June 2022. Balloting was held in June 2022. Flat selection commenced from mid-November 2022 and completed in end-February 2023. All new HOS flats put up for sale were sold.

Sale of Recovered Flats from Estates under the Tenants Purchase Scheme

21. Although no new Tenants Purchase Scheme (TPS) estates were launched after 2005, sitting tenants in TPS estates can still opt to purchase the rental flats in which they reside. As at end-March 2023, around 17% of the TPS flats in the 39 TPS estates (i.e. around 32 100 units) remained unsold. In order to accelerate the sale of unsold TPS flats to further meet the aspirations of PRH tenants to own their homes, SHC endorsed in July 2020 putting up recovered TPS flats for sale to eligible Green Form applicants in the HOS and GSH sale exercises and adopting the existing TPS pricing mechanism and alienation restrictions. Additional incentives would also be provided to encourage sitting TPS tenants to purchase the flats in which they reside. The first batch of about 800 recovered TPS flats was put up for sale under the Sale of GSH Flats 2020/21 (GSH 2020/21). Flat selection commenced in end-October 2021 and was completed in May 2022. All recovered TPS flats put up for sale under GSH 2020/21 were sold. The second batch of about 500 recovered TPS flats was put up for sale under HOS 2022. Flat selection commenced in mid-November 2022 and was completed in late-February 2023. Only six flats remain unsold, representing a sale rate of around 99%. HA will review the sale of recovered TPS flats after these two HOS/GSH sale exercises.

Maintenance for Sustainability – Sustainable Building Index

22. Ten selected PRH estates, which could give a good representation of typical block types, were verified under HA's Building Sustainability Verification System and obtained the Hong Kong Quality Assurance Agency Sustainable Building Index Verified Mark in July 2022. The verifications enabled HA to better gauge the sustainability performance of PRH blocks and to formulate an effective long-term maintenance and improvement (M&I) strategy for its portfolio.

Improvement Works for Fire Safety

23. The Fire Safety (Buildings) Ordinance (FS(B)O) requires the retrofitting of specified fire safety installations and fire safety construction for domestic and composite buildings constructed on or before 1 March 1987. We had submitted fire safety improvement proposals for the related 64 PRH estates to the Enforcement Authorities (EA) for consideration. We are revising the proposals based on the requirements and comments from EA for individual estates. We will implement the required fire safety improvement works after the proposals are accepted. The present fire safety provisions of the estates covered by the FS(B)O is satisfactory through regular maintenance.

Total Maintenance Scheme

24. In 2006, HA launched the Total Maintenance Scheme (TMS) under which HA proactively inspects the in-flat conditions and provides comprehensive repair services for PRH units aged ten years or above. Under this proactive scheme, In-flat Inspection Ambassadors (IIA) carry out inspections in PRH units, arrange one-stop repair services, and promote proper maintenance through education. Minor repairs are arranged by IIA on the spot. For more complicated cases, IIA will issue works orders to maintenance contractors for follow up actions. In view of the epidemic situation, HA has suspended TMS since January 2022 and resumed it progressively from June 2022.

Responsive In-flat Maintenance Services

25. As an on-going service, the Responsive In-flat Maintenance Services have provided quality in-flat maintenance services through prompt response to tenants' requests and close liaison with tenants.

Mandatory Window Inspection Scheme

26. The Mandatory Window Inspection Scheme (MWIS) is one of the Government's initiatives to improve building safety in Hong Kong. With the delegated authority from the Building Authority, the Independent Checking Unit under the Office of the Permanent Secretary for Housing may issue MWIS statutory notices to HA properties over ten years old. HA engaged Qualified Persons registered with the Buildings Department (BD) to carry out the prescribed inspection and supervision of the prescribed repair for windows upon receiving the MWIS statutory notices.

Comprehensive Structural Investigation Programme in Aged Public Rental Housing Estates

27. The second cycle of the Comprehensive Structural Investigation Programme (CSIP) was launched in 2018 to ascertain the structural safety and cost effectiveness of the repair works of aged PRH estates. Up to March 2023, we had completed the investigation of 17 out of the 71 PRH estates included in the second cycle of CSIP and attained satisfactory progress in the investigation programme.

Estate Improvement Programme

28. In order to ensure the sustainability of the PRH estates retained after CSIP assessment, HA continued to implement the Estate Improvement Programme to these estates in phases to upgrade the recreational facilities, renovate the building exteriors and common areas as well as enhancing the landscaping and greening coverage.

Lift Modernisation Programme

29. HA continued to implement the Lift Modernisation Programme in PRH estates, in which conditions of all lifts in operation over 25 years would be evaluated. Modernisation of the lifts will be prioritised based on the result of evaluation, the condition of the lifts and the availability of resources. In 2022/23, 62 lifts were modernised and seven tenders for modernisation of 77 lifts in seven PRH estates were issued.

ISO 45001 – Occupational Health and Safety Management System

30. To enhance HA's occupational health and safety performance and to demonstrate our commitment to caring for our staff and stakeholders, we continued to implement the ISO 45001: 2018 Occupational Health and Safety Management System (OHSMS) for M&I works for public housing. In May 2022, we successfully maintained the certification status of ISO 45001: 2018 OHSMS, which enabled us to assess occupational health and safety risks in our M&I works more systematically and efficiently, and allocate our resources more cost-effectively. The system also enhanced effectively the awareness of frontline staff on various risks associated with their works.

Quality Water Supply Scheme for Buildings – Fresh Water (Management System)

31. To echo the Government's Action Plan for Enhancing Drinking Water Safety in Hong Kong and take further steps to safeguard drinking water quality, HA has been progressively implementing Water Safety Plan for Buildings (WSPB) in PRH estates and participating in the "Quality Water Supply Scheme for Buildings – Fresh Water (Management System)" (QMS) administrated by the Water Supplies Department (WSD) since 2018.

32. As at end of March 2023, 185 estates had implemented WSPB and obtained the QMS certificates from WSD to recognise HA's efforts in the proper maintenance of internal plumbing systems. HA will continue to implement WSPB in the remaining PRH estates.

Drainage Enhancement Programme for PRH Flats

33. In light of the enhanced above-ground drainage design standards promulgated by BD in 2021, HA has implemented the Drainage Enhancement Programme for our existing PRH flats, comprising the following enhancement works –

- (a) improvement to the locations of the open ends of vent pipes on roofs to address any possible building wake effect;
- (b) addition of connecting branch pipes to collect used water from wash hand basins or shower areas to replenish the water inside the traps of floor drains to prevent loss of water seal; and
- (c) addition of independent U-trap to the toilet floor drains in adjacent flats which have been connected to a common U-trap so as to prevent gas and odours from passing from one flat to its adjacent flat.

34. The enhancement works have been commenced in August 2022 and will take about 2.5 years to complete.

Rewiring inside Domestic Flats Programme

35. HA launched the Rewiring inside Domestic Flats (RDF) Programme in 2005 aiming at maintaining a high electrical standard and upgrading the electrical provision for PRH flats of aged buildings. The RDF Programme includes the replacement of aged surface wirings and associated accessories

including consumer units, lighting switches and socket outlets within PRH flats. In 2022/23, RDF works were carried out for PRH flats in 15 PRH/TPS estates.

Provision of Visual Fire Alarm System inside Public Rental Housing Units

36. To further address the needs of hearing-impaired (HI) residents, HA has implemented a new scheme to install the Visual Fire Alarm (VFA) system inside PRH units with HI residents since March 2020, even though the system is not a statutory requirement. VFA system within the domestic unit will flash simultaneously with the communal fire alarm bells to alert the HI residents. The installation of VFA system will be arranged upon tenant's application and is free of charge. As at March 2023, VFA system was installed inside 85 PRH units.

Enhancing Public Services by Information Technology

e-Form Submission of Application for Public Rental Housing Tenants

37. HA launched e-form submission of application for 18 Forms in June 2022 to enable PRH tenants to fill in and submit application electronically via "HA/Housing Department (HD) Website", "e-Services for PRH Tenants", "iHousing mobile application (app)", "iAM Smart mobile app/website" and "GovHK". Applicants have to use "iAM Smart +" or "Hongkong Post e-Cert" for digital signing.

Using Faster Payment System to Make in-app Payment

38. To echo with Government's promulgation of efficient and safe instant payment service on a round-the-clock basis, HA has launched the Faster Payment System (FPS) e-Payment Service in mid-March 2022. PRH tenants just need a mobile phone with FPS service. They can easily pay their domestic rents through the use of FPS via HA's "iHousing" mobile app. Non-domestic tenants can use mobile banking app with FPS QR Code payment function, by scanning the FPS Code printed on the bills for rent payment. Car park users previously had to scan the FPS QR Code at the carpark shroff office to pay their charges. In September 2022, HA enhanced car park payments under the FPS by adding the option for car park users to make payments via the "iHousing" mobile app. FPS enables the public to make payment online easily by transfer of funds across different banks anytime anywhere. As at end-March 2023, the total transaction volumes of FPS had reached about 147 700 and the usage is steadily increasing.

Housing Smart Intake System for Reporting Defects

39. The Housing Smart Intake (HOST) system is a web-based e-submission system for tenants/owners to report deficiencies or defects identified inside the flat units during the mass intake of new public housing estates/courts. The system replaces the hard-copy version of the Defect Report Form and enhances the user experience of tenants/owners in the process of reporting the deficiencies or defects for contractor's follow-up and rectification as necessary.

40. Phase 1 of the HOST system for new PRH projects was rolled out in mid-2022 for the mass intake of Ching Tin Estate and Wo Tin Estate in August 2022. Tenants could access the HOST website from the official website of HA/HD, iHousing – the Mobile App of HA/HD or through the QR code posted at common lobbies of the domestic blocks. More than 2 200 reports were submitted and processed via the HOST system. We have been working on the development of Phase 2 of the HOST system which is for SSFs projects and also for deficiencies or defects reporting in respect of common areas and facilities of new projects by estate management colleagues or property management agents with tentative roll-out in phases by end of 2023 to mid of 2024.

PROMOTING SUSTAINABLE LIVING

Review of Income and Asset Limits for PRH for 2023/24

41. SHC endorsed the income and asset limits for PRH for 2023/24 on 17 March 2023. Review of the income and asset limits for PRH is conducted annually based on the established mechanism. Under the mechanism, the income limits for PRH are derived using a household expenditure approach, which consists of housing costs and non-housing costs, plus a 5% contingency provision; while the asset limits are adjusted with reference to movements in the Consumer Price Index (A) (CPI(A)) over the year. If an adjustment was to be made strictly in accordance with the established formula, the PRH income limits for 2023/24 for households with six persons and above would be adjusted upwards, while those for one-person to five-person households would be adjusted downwards. As the local economy was gradually recovering from the impacts brought about by the unprecedented COVID-19 pandemic, and the livelihood of low-income families, which were target groups of PRH, was still being seriously affected, SHC considered that exceptional treatment continued to be justified in setting the 2023/24 PRH income limits. With reference to past practice, SHC endorsed freezing the income limits for one-person to five-person households, while adjusting upwards the income limits for households with six persons and above in accordance with the established methodology. In addition, SHC also

endorsed adjusting the PRH asset limits upwards 1.9 per cent for all household sizes in accordance with the established mechanism. The revised income and asset limits came into effect on 1 April 2023.

Implementing the Government's Initiative to Assist Lower Income Families

42. To help ease the community burden amid the impact of the COVID-19 epidemic on the overall socio-economic environment, the Government announced to provide rates concession for the four quarters of 2022/23, subject to a ceiling of \$1,500 per quarter in the first two quarters and a ceiling of \$1,000 per quarter in the remaining two quarters for each rateable property. On a no-loss-no-gain principle, HA passed on the amount of the concession to tenants/licensees on a monthly basis by offsetting an equivalent amount from the monthly rent/licence fees payable by them.

Temporary Measure to Withhold Issuance of Departmental Notice-to-quit

43. To help those tenants having financial problems get through the hardship during the epidemic, HA had implemented a temporary relief measure to withhold the issuance of Notice-to-quit (NTQ) between May and October 2020, and consecutively extended the measure six times to June 2023.

44. Under this measure, eligible tenants may submit one-off applications to HA and NTQ against them would be withheld up to June 2023 upon approval of their applications. As at March 2023, about 1 800 applications were approved.

Rent Assistance Scheme

45. HA operates the Rent Assistance Scheme (RAS) to assist PRH tenants with temporary financial difficulties to pay their rent. Under RAS, eligible applicants will be granted a rent reduction of either 25% or 50%. As at end of March 2023, around 22 900 families were receiving assistance under the scheme.

Marking Scheme for Estate Management Enforcement

46. In 2003, HA implemented the Marking Scheme for Estate Management Enforcement in Public Housing Estates (MS) to strengthen control against hygiene-related misconduct in PRH estates, and to promote civic responsibility among PRH households. Currently, MS covers 28 misdeeds affecting environmental hygiene and estate management. Up to December 2022, there were recorded accumulatively some 41 700 point-allotment cases.

47. HA will continue to implement proactive measures to deter the misdeeds through intensified patrols and enforcement actions by staff at estate level and the Special Operation Teams at regional level. Simultaneously, we will continue to enhance the publicity to promote tenants' civic responsibility and to maintain a decent living environment in PRH estates.

Partnering for Better Estate Management/Partnering with Non-Governmental Organisations to Deliver Outreaching Services to Elderly Tenants

48. To promote community building, strengthen mutual care, foster a harmonious living environment and promote awareness of health care, HA has long been partnering with non-governmental organisations (NGOs) to organise various thematic community building activities for participation by tenants from different age groups since 2009. The core themes include –

- (a) Caring for the Elderly;
- (b) To Promote a Green and Healthy Environment;
- (c) Building a Harmonious Community; and
- (d) Preventing and Combating the Abuse of Public Housing Resources.

49. To be in line with Government's social distancing rule, all large-scale estate and community activities had to be suspended due to the local epidemic situation in 2022/23. However, small scale community activities continued to be organised, along with support services provided to needy tenants and their families and in particular to elderly tenants.

50. Moreover, HA collaborated with the Department of Health to promote healthy diet and undertaking regular physical activities and the Fire Services Department to convey messages related to "Fire and Home Safety" for tenants in particular the elderly.

Schemes for Fostering Harmonious Families

51. To strengthen the family-based support network for fostering harmonious families, HA has put in place a series of schemes, namely the Harmonious Families Priority Scheme, Harmonious Families Transfer Scheme, Harmonious Families Amalgamation Scheme and Harmonious Families Addition Scheme, to encourage the younger generation to take care of and live together with their elderly parents/relatives and further establish the concept of "Ageing in Place". HA will continue to implement these schemes for fostering harmonious families.

Municipal Solid Waste Charging Scheme

52. With a view to arousing the awareness of PRH tenants on waste reduction and separation at source and to get them better prepared for the implementation of the Municipal Solid Waste (MSW) charging, HA had collaborated with the Environmental Protection Department (EPD) to carry out various trial projects in PRH estates. The Phase 3 MSW charging trial in 11 PRH estates covering 51 domestic blocks was carried out from January to November 2022. The Phase 4 MSW charging trial then commenced immediately at the end of 2022. PRH tenants were encouraged to participate in the trial to gain first-hand experience and customised on-site advice on the use of free mock designated garbage bags.

53. In collaboration with EPD, food waste collection trial had been launched in 19 shopping centres and wet markets of HA by phases since July 2018. In the year, we further collaborated with EPD to launch the trial scheme of using smart recycling bins to collect food waste from domestic tenants. As at March 2023, smart recycling bins had been set up in five PRH estates covering 40 blocks and further expansion was still going on. Both commercial and domestic tenants' awareness on waste reduction and separation at source could be enhanced through participation in the trial.

54. To support EPD to raise public awareness on recycling, we facilitated the extension of its pilot scheme to set up reverse vending machines in 15 PRH estates since July 2022, and joined the GREEN Collect, which was a one-stop recycling programme in PRH estates in nine districts, to facilitate the collection of various low-value recyclables by EPD's contractors. Moreover, we also facilitated EPD to set up smart recycling bins in seven PRH estates and would continue to do so in another eight PRH estates. We will continue to work in close collaboration with EPD, green groups and relevant stakeholders on promotion of waste reduction and separation at source in order to drive behavioural changes of PRH tenants in waste generation in their daily life.

Waste Reduction Activities

55. To raise the awareness of PRH tenants on waste reduction and recycling, we had carried out publicity and public education through various channels, such as recruiting Estate Ambassadors of Environmental Protection, organising mascot tour, broadcasting videos via social media, displaying of newly designed promotion banners and posters in PRH estates and publication of promotional articles in May and November 2022 estate newsletters. We launched a four-month Recyclable Competition in year of 2022/23 aimed at encouraging PRH tenants to cultivate the good habit of waste reduction.

56. Recycling stations have been set up in public areas of PRH estates to collect different recyclables. In 2022/23, we recovered around 26 880 tonnes of waste paper, 2 170 tonnes of aluminum cans and 2 360 tonnes of plastic bottles in PRH estates. Moreover, some 43 000 moon cakes boxes were collected for recycling after the Mid-Autumn Festival, and about 4 500 potted citrus plants were also recovered for replanting after the Lunar New Year.

ISO 50001 Energy Management System

57. The Estate Management Division (EMD) has been certified to ISO 50001 Energy Management System (EnMS) since 2013 with its scope covering the planning, design, operation, project management and contract administration for facilities management and improvement works at communal areas of PRH domestic blocks. Aiming at achieving energy saving, we will continue to implement EnMS.

Energy Conservation/Carbon Emission Monitoring

58. HA has been constantly looking for new energy-saving initiatives that can be applied effectively in PRH estates, and adopting more energy efficient equipment when carrying out refurbishment works for building services installations. Recent energy saving measures include the use of Light Emitting Diode luminaires to replace malfunctioned compact fluorescent lamp bulkhead light fittings, exit signs and directional signs.

59. We place importance on both energy efficiency enhancement and renewable energy development. In addition to photovoltaic (PV) installations in new PRH estates, EMD also installed PV systems on the rooftops of residential buildings in some existing PRH estates. To address the constraints of existing buildings, we have explored the use of flexible PV panels in 2021 and planned to install flexible type PV systems in 25 PRH estates by the first quarter of 2024. We will continue to explore new technologies and products available in the market to further expand the viability of retrofitting PV systems in existing PRH estates.

60. We continued to conduct Carbon Audits to monitor the carbon emission in selected domestic blocks of 14 typical PRH block types covering the majority of HA block type designs.

ISO 14001 Environmental Management System Certification

61. To upkeep the certificate, a surveillance audit conducted by the certification body for ISO 14001 Environmental Management System on planned maintenance and property management was successfully accomplished in May 2022.

Tree Management/Tree Ambassadors/Planting Days

62. We have established a centralised electronic tree database operated on Geographic Information System to upload and update the latest tree data. We have also introduced a computerised Enterprise Tree Management System since early 2016 by using a web-based platform and mobile device application to assist in keeping tree inventory and conducting tree risk assessment. In 2022/23, we continued to conduct tree inspections and carry out required remedial works. As at March 2023, we have enrolled some 830 Estate Tree Ambassadors from tenants to help in surveillance of trees, and organised tree planting days in ten PRH estates.

Horticulture/Landscape Improvement Works/Community Greening Activities

63. In the year, we enhanced the existing greenery and planted more flowers and trees at 20 PRH estates by introducing more varieties of plants to match the local landscape and conditions. We also organised greening activities for residents at 20 estates to promote community participation in greening of PRH estates.

Efforts in Fighting against COVID-19

64. In the past years, HA persistently stepped up the anti-epidemic measures in all PRH estates to reduce the spread of the virus, including intensifying the cleansing and disinfection work at common areas. Temporary staff were employed to implement anti-epidemic measures in estates such as assisting residents the use of “LeaveHomeSafe” mobile app, implementing Vaccine Pass, etc.

65. We tied in with the Government’s efforts to implement “restriction-testing declaration” (RTD) operations in estates. Between January and September 2022, we coordinated and conducted a total of about 130 RTD operations. We also assisted the Government to coordinate with other departments to carry out joint enforcement operations in estates to verify the testing certifications of persons so as to confirm whether they had undergone testing in compliance with the requirement of the compulsory testing notice. We conducted such enforcement actions at 12 PRH estates from October to mid-December 2022.

66. To align with the Government’s “StayHomeSafe” Scheme, we assisted households under home quarantine/isolation to help them in delivery of daily necessities/food, arranging the collection of their domestic waste at their door or referring their requests to other departments/organisations for assistance

if necessary. We took the initiative to contact households of all elderly members and those in need. In cases of emergency, we took actions to call tenants' emergency contact persons/relatives or NGOs, for rendering necessary assistance.

67. To facilitate elderly residents to get vaccinated early, we coordinated with relevant government departments to facilitate the setting up of mobile vaccination stations (MVS). From December 2021 to May 2022, MVS had been arranged to conduct 58 visits covering 27 PRH estates. Besides, to facilitate the public to get vaccinated, we assisted the Government to set up the Community Vaccination Station at Wong Tai Sin Temple Square in Upper Wong Tai Sin Estate, providing jabbing service for public from October 2022 until May 2023.

68. Following the development of epidemic, the government gradually eased the anti-epidemic measures and finally lifted all in March 2023. We greatly appreciate the concerted efforts and unreserved dedication undertaken by our staff in the past three years. We will keep on maintaining a clean and hygienic living environment to our residents in the estates.

WAY FORWARD

69. We will continue to review relevant measures to ensure equitable allocation of public housing resources. We will also step up investigations and collaboration with other bureaux/departments to identify and establish proof of abuse cases in a targeted and precise manner. We hope the reviews will help us better our work in providing affordable tenancy housing to needy families and people and assisting families and people who aspire to own their home to achieve their dreams at affordable prices. We expect the stepped-up efforts will lift further the effectiveness of measures for preventing abuses of public resources and the rigor of enforcement actions. The deterrent effect of such actions will also raise the awareness of PRH tenants and the public of the importance of safeguarding PRH resources from improper or unlawful exploitations.

70. We are committed to supporting the Government's overall waste reduction policy and will continue to work in close collaboration with EPD to enhance public education, publicity and community engagement in PRH estates. We will review the related management issues to facilitate the implementation of MSW charging in PRH estates. We will monitor non-compliant cases and help our tenants get prepared for complying with the MSW charging upon its full implementation.

71. The Housing Ordinance provides that HA shall conduct a rent review every two years and vary the PRH rent according to the change in the income index between the first and second periods covered by the review, with any increase capped at 10%. The last review was in 2022 and hence the next review will be conducted in 2024. The outcome of the review will be submitted to SHC for endorsement.

CONCLUSION

72. We are committed to improving the quality of homes for our public housing tenants and will continue to collaborate with stakeholders at all levels in delivery of housing management and related services in a proactive and caring manner. We will continue to promote sustainable living and ensure the optimised and rational use of public resources. In carrying out our work, we will strive for innovations and effective use of resources in an environment-friendly manner. I would like to express my gratitude to all Members for their contribution to the work of SHC. I would also like to thank staff of all ranks of HD for their active cooperation and unwavering support for accomplishing the tasks of SHC.

Cleresa WONG Pie-yue
Chairman, Subsidised Housing Committee

Report by the Chairman of the Tender Committee for 2022/23

INTRODUCTION

I have pleasure in presenting this year's report of the Tender Committee (TC).

2. In 2022/23, TC met 11 times and processed 44 discussion papers, 37 presumption papers and six information papers.

ISSUES DISCUSSED

3. The work of TC covers a comprehensive range of activities relating to the Hong Kong Housing Authority (HA)'s procurement, tenders and quotations exceeding the limits of delegated financial authority of the Chairman of the Housing Department Tender Board^{Note 1} as well as HA's list management regime, which is an integrated part of HA's procurement policy. In 2022/23, the following major issues had been discussed by TC –

- (a) scrutinising tender reports being submitted and awarding contracts;
- (b) reviewing and enhancing list management, tendering arrangement and evaluation mechanism, procurement strategies and policies, and contract provisions;
- (c) reviewing regulatory actions against services providers;
- (d) endorsing interim relief measures to support HA's business partners; and
- (e) endorsing Programmes of Activities.

Note 1 The delegated financial authority covers all works and works related services contracts, information technology (IT) and related purchases/services, property services contracts, goods and general services contracts over \$50 million and all Consultancy or Professional Advisory Services Contracts over \$25 million.

4. During the year, Members discussed and endorsed various topics which have substantial impact on the industry, e.g. revised list management requirements of soft landscape contractors, maintaining only one group of the HA List of Soft Landscape Contractors (the “HA List (SL)”), revision of List Capping Limits for piling contractors and Tender Award Restriction for lift and escalator contractors, adoption of Reach-out Tendering as a trial in a building contract, abandonment of application of the discount factors to the rates of Liquidated Damages (LD) in both foundation and building contracts, and extension of interim relief measures to support HA’s business partners.

SCRUTINISING TENDER REPORTS AND AWARDING CONTRACTS

5. In 2022/23, Members approved the award of a total of 76 contracts with a total contract value of \$30.4 billion, including seven building (new works) contracts ^{Note 2}, 14 foundation contracts, 13 building services (new works) contracts, 13 building services (maintenance works) contracts, five building maintenance district term contracts, seven property services/management agency contracts, eight security service contracts, four cleansing service contracts, two carpark management contracts, one civil engineering (maintenance) contract and two works-related consultancy or professional services agreement.

LIST MANAGEMENT, TENDERING ARRANGEMENT AND EVALUATION MECHANISM, PROCUREMENT STRATEGIES AND POLICIES, AND CONTRACT PROVISIONS

6. While adhering to the Agreement on Government Procurement of the World Trade Organization, Government and HA’s procurement policies and instructions, the Department has continued to review and enhance the procurement system to maintain a fair, open and equitable policy to ensure that we can procure products with best value for money. In June 2022, Members were informed of the annual update on HA’s tendering procedures and tender evaluation.

Note 2 Among the seven building (new works) contracts, one was a Design-and-Build (D&B) contract.

Revised List Management Requirements of the HA List of Soft Landscape Contractors

7. To allow more capable soft landscape contractors in the market be included in the HA List (SL) and to enable a more effective list management, Members approved in September 2022 the revised admission, confirmation and promotion requirements for the HA List (SL) and to maintain only one group (i.e. Group 2) of the list.

Quality Maintenance Contractors under the HA List of Building Contractors (Maintenance Works Category)

8. Quality Maintenance Contractor (QMC) is an HA's Quality Initiative for building contractors of Maintenance Works Category (Group M2). In December 2022, Members approved the application of seven maintenance works building contractors for QMC status for the year of 2023.

Revision of List Capping Limits for Piling Contractors and Tender Award Restriction for Lift and Escalator Contractors

9. In May 2022, Members approved the increase in List Capping Limits for piling contractors and the revised Tender Award Restriction for lift and escalator contractors to balance the risk between the availability of sufficient tenderers for competitive tendering and any resultant impact on tender prices.

Reach-out Tendering for HA Building New Works Contracts

10. HA adopted Reach-out Tendering as a trial in a building contract to bring in expertise of contractors participating in non-HA construction projects for the delivery of HA's public housing projects. All building contractors from the industry can express interest to be pre-qualified for the tender. Members approved the procurement arrangements in July 2022.

Review of Liquidated Damages in Foundation and Building Contracts for Capital Works Contracts

11. In November 2022, Members approved to abandon the discount factors applied to the rates of LD and the Additional LD for the income-generating parts for foundation and building contracts for HA's capital works contracts. The revision can ensure the effectiveness of the LD provision.

REVIEWING REGULATORY ACTIONS AGAINST SERVICES PROVIDERS

Appeals on Regulatory Action Lodged by Two Cleansing Service Contractors

12. In December 2021, the Department's Procurement Review and List Management Board placed two Cleansing Service Contractors (CSCs) under "Suspension from Tendering". These two CSCs separately lodged appeals in January 2022 against the regulatory actions imposed. A Review Panel set up by TC on 25 March 2022 decided on 17 June 2022 to uphold the regulatory action imposed against the two CSCs.

ENDORISING INTERIM RELIEF MEASURES TO SUPPORT HA'S BUSINESS PARTNERS

13. HA continued to adopt partnering approach in 2022/23 to help alleviating HA's business partners of their burden on cash flow during difficult economic times since the outbreak of the COVID-19 epidemic.

Interim Measures to Support Small and Medium Sized Contractors in Participating in HA's Works Contracts

14. In October 2022, Members approved to extend the interim measures to support small and medium sized contractors in participating in HA's works contracts by two years up to 31 October 2024. The eligible lower group contractors will be invited to submit tender for higher group of contracts with estimated contract value not exceeding 10% of the tender limit set for the lower group contracts, and unnecessary bundling of projects with similar nature but at distinct locations will be avoided as far as practicable.

Advance Payment under Capital Works New Works Contracts

15. In June 2022, Members approved the extension of interim relief measure on advance payment for capital works new works contracts by two years up to 30 September 2024 and implementation of an additional interim relief measure for on-going contracts awarded on or before 31 December 2021, to improve the cash flow of contractors.

Advance Payment under Works-related Professional Services and Consultancy Agreements

16. In August 2022, Members approved the extension of interim relief measure on advance payment to enhance the cash flow of the HA Works-related Professional Services Providers and Consultants. This interim relief measure will expire after 31 August 2024 for both consultancy agreements remunerated on the basis of lump sum fee and percentage fee.

Advance Payment under Capital Works Term Contracts

17. In January 2023, Members approved to implement interim relief measure on advance payment for capital works term contracts to improve the cash flow of contractors. This interim relief measure is to be implemented when tender-out dates fall within the period from 1 December 2022 to 30 September 2024.

Advance Payment under Maintenance and Improvement Works Term Contracts

18. In March 2023, Members approved the interim relief measure on advance payment for maintenance and improvement works term contracts with tender-out dates falling within the period from 1 April 2023 to 30 September 2024 and on-going contracts with remaining contract period not less than 18 months as at the date of execution of the supplemental agreement on or after 1 April 2023.

SUMMARY OF CONTRACTS AWARDED, SYSTEM ENHANCEMENT, REGULATORY ACTIONS AND RELIEF MEASURES ENDORSED BY THE TENDER COMMITTEE

19. A summary of the number of contracts awarded, system enhancement, regulatory actions and relief measures endorsed by TC for 2022/23 is shown in **Annex**.

ENDORISING PROGRAMME OF ACTIVITIES

20. The 2023/24 Programme of Activities planned to roll out the Key Activities for taking forward the main work directions and themes of HA, which are –

- (a) to leverage private sector expertise by adopting a D&B procurement model and to improve the standard design and material standards to further improve the efficiency of the construction of public housing;
- (b) to review and enhance the quality management system and specifications in respect of assuring quality for all critical site works and installations for capital works new works projects;
- (c) to adopt environmentally responsive planning and design, optimise greening in housing estates to promote a green and healthy environment, and promote and streamline “green procurement”;
- (d) 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;
- (e) to enhance the service standards, strengthen monitoring of our business partners, raise their awareness of corporate social responsibility, and promote partnering with them;
- (f) 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;
- (g) to maintain an open, fair, transparent and cost-effective procurement environment and enhance value-for-money through procurement practices for works, services and goods; and
- (h) to implement or enhance IT systems to support the evolving business requirements, and to improve the overall operational efficiency and IT security.

WAY FORWARD

21. We will continue to uphold the highest standard of integrity for all contractors, sub-contractors, suppliers and services providers for HA. We shall closely monitor their performance so that any necessary actions shall be undertaken in good time to ensure smooth delivery of our service and operation. With the concerted effort of Members and colleagues, we have met all targets and key performance indicators of the Programme of Activities. We shall keep up the momentum in the coming year.

CONCLUSION

22. Finally, I would like to express my sincere thanks to all Members of TC and HA staff for their valuable contributions and uncompromising determination to accomplish the various tasks of TC during the year under review.

Melissa Kaye PANG
Chairman, Tender Committee

Summary of Contracts Awarded, System Enhancement, Regulatory Actions and Relief Measures Endorsed by Tender Committee

(a) Contracts Awarded

	Subject	No. of Contracts Awarded
1.	Building (New Works) Contract	7
2.	Foundation Contract	14
3.	Building Services (New Works) Contract	13
4.	Building Services (Maintenance Works) Contract	13
5.	Building Maintenance District Term Contract	5
6.	Property Services/Management Agency Contract	7
7.	Security Service Contract	8
8.	Cleansing Service Contract	4
9.	Carpark Management Contract	2
10.	Civil Engineering Contract	1
11.	Works-related Consultancy or Professional Services Agreement	2
Total =		76

(b) System Enhancement

1. Proposed Revisions to the Admission, Confirmation and Promotion Requirements and Maintaining of only One Group for the Housing Authority List of Soft Landscape Contractors
2. Quality Maintenance Contractors under the Housing Authority List of Building Contractors (Maintenance Works Category)
3. Revised Capping Limits for Piling Contractors and Revised Tender Award Restriction for Lift and Escalator Contractors
4. Pre-qualification and Tender Arrangement for Reach-out Tendering for Housing Authority Building New Works Contracts
5. Review of Liquidated Damages in Foundation and Building Contracts for Housing Authority's Capital Works Contracts

(c) Regulatory Actions

1. Decision of Review Panel on Appeals against Regulatory Actions Lodged by Two Cleansing Service Contractors

(d) Relief Measures

1. Extension of Interim Measures to Support Small and Medium Sized Contractors in Participating in Housing Authority's Works Contracts
2. Extension/Implementation of Interim Relief Measures to Assist the Construction Industry – Advance Payment under Capital Works New Works Contracts
3. Extension of Interim Relief Measure to Assist the Construction Industry – Advance Payment under Works-related Professional Services and Consultancy Agreements
4. Interim Relief Measure to Assist the Construction Industry – Advance Payment under Capital Works Term Contracts
5. Interim Relief Measure to Assist the Construction Industry – Advance Payment under Maintenance & Improvement Works Term Contracts

(e) Miscellaneous

1. Tendering Procedures and Tender Evaluation (Annual Update)
2. 2023/24 Programme of Activities for Procurement