

## 2. CORPORATE STRATEGIES

- 2.1 The core function of the HA is to assist low-income families who cannot afford private rental accommodation through the provision of PRH flats, with the target of maintaining the average waiting time (AWT)<sup>[2]</sup> at around three years for general applicants<sup>[3]</sup>, and meeting the home ownership aspirations of the lower to middle-income families by building subsidised sale flats.

### The Latest Situation in Hong Kong and its Impact on the HA's Work

- 2.2 Housing is one of the major concerns for the community and the HA is the major provider of public housing in Hong Kong. The 2015/16 Corporate Plan (CP) is the platform through which the HA will direct its work and concentrate its efforts in face of multiple challenges as set out below.
- 2.3 The Government and the HA's key objective is to provide PRH to those low-income families who cannot afford private rental accommodation, with the target to maintain the AWT for general applicants at about three years. On this, the HA is faced with a soaring number of applicants for PRH. As at end-September 2014, there were about 130 200 general applications and about 133 600 non-elderly one-person applicants under the Quota and Points System. The AWT for general applicants stood at 3.1 years as at end-September 2014<sup>[4]</sup>.

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Note [2] : Waiting time refers to the time taken between registration for PRH and first flat offer, excluding any frozen period during the application period (e.g. when the applicant has not yet fulfilled the residence requirement; the applicant has requested to put his/her application on hold pending arrival of family members for family reunion; the applicant is imprisoned, etc). The AWT for general applicants refers to the average of the waiting time of those general applicants who were housed to PRH in the past 12 months.

Note [3] : Refer to family and elderly on-person applicants.

Note [4] : The AWT target for general applicants does not apply to non-elderly one-person applicants under the Quota and Points System.

- 2.4 The HA will strive to maintain the AWT target for PRH general applicants at about three years, despite the possibility of occasional departure from the target. It has been closely monitoring the number of PRH applications and, where possible, expediting the development and construction of PRH flats. It will continue its efforts.
- 2.5 Apart from PRH, the HA is also tasked to provide HOS flats to address the home ownership aspirations of the lower to middle-income families. On the demand side, the Government has already implemented a series of demand management measures in light of the hikes in property prices. As for supply, the Government is leaving no stones unturned in identifying sites and streamlining procedures and processes for housing development. The HA is making good progress in constructing the first batch of 2 160 new HOS flats, which is expected to be completed in 2016/17. The pre-sale exercise for these HOS flats has already started at end of last year. The HA has also made a further effort by introducing an interim scheme in 2013, allowing 5 000 White Form buyers to purchase flats with premium not yet paid on the HOS Secondary Market, with the aim to addressing the home ownership aspirations of those with White Form status before the newly built HOS flats come on-stream.
- 2.6 A major development that will impact on the HA's work is the formulation of the Long Term Housing Strategy (LTHS) by the Government. To recap, the Government set up the LTHS Steering Committee in September 2012 to study and to consider recommendations in response to Hong Kong's housing problems and to map out a long term strategy in terms of housing. The Steering Committee issued a consultation document to set out its recommendations and commenced public consultation in September 2013 that ended in December 2013. Taking into account the public's views, the LTHS Steering Committee issued its report on public consultation in February 2014. The Government announced its LTHS in December 2014. The new LTHS has adopted a supply-led strategy to meet the Hong Kong's housing challenges. Specifically, the Government updated the long term housing supply target to 480 000 units for the ten year period from 2015/16 to 2024/25. Among them, the target for PRH is 200 000 flats while that for subsidised sale flats (mainly HOS flats) is 90 000 units. The HA is the major supplier of public housing in Hong Kong, and will gear up to meet this challenge. The HA also requires the community's support in making available land for housing development.

- 2.7 The recommendations of the LTHS Steering Committee in respect of the rationalization of the public housing resources have been passed to the HA for consideration. On this, the HA has already completed the review of the Quota and Points System and the new measures will be implemented in February 2015. The HA has also scrutinized the under-occupation policy and the next review of the policy will be due in 2016. As regards “Well-off Tenants Policies”, the HA has explored whether the policies should be refined and discussed various preliminary options. Since every option has its own merit and downside, no decision has been taken yet. Further studies based on the previous discussion will be conducted. Furthermore, the HA has considered the LTHS Steering Committee’s recommendations on HOS-related policies as well. With the announcement of the LTHS by the Government, the HA will take steps to assist in the implementation. This would form an important part of the work of the HA in 2015/16 and in the years beyond.
- 2.8 It should also be noted that Director of Audit issued his Report No. 61 on the allocation and utilization of PRH flats in October 2013 and Report 62 on the planning and construction side in April 2014. The Legislative Council’s Public Accounts Committee (PAC) examined the reports, and called on the HA to consider the recommendations of the Audit Commission and that of the PAC. On the PAC and Audit Commission’s recommendations regarding the optimization of PRH resources, the HA has considered them together with the LTHS Steering Committee’s recommendations.
- 2.9 Given the mounting challenges, the HA must ensure that it has the capacity to respond and to take forward its PRH and HOS programmes. The HA will continue to manage its funds prudently, make the best use of its human capital, deploy information technology and other technologies to adapt to the latest circumstances, and insist on achieving sustainability targets. In particular, the HA has started discussion with the Government on ways to ensure its long-term financial sustainability.
- 2.10 Overall, the HA faces major challenges from various fronts in the coming years. It needs to assist in implementing the LTHS, deliver the production targets and optimize the use of its existing housing stock, while at the same time enhance its capacity and ensure its sustainability. The 2015/16 CP sets out the plan on how the HA will tackle these challenges, in which focus areas and key activities would be set out. It will guide the HA’s efforts in 2015/16, and help the HA fulfill its vision and mission.

## Strategic Objectives

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

- To facilitate the cost-effective provision of quality PRH<sup>[5]</sup>.
- To maximize the rational allocation and to eliminate abuse of housing resources with a view to enhancing the turnover of PRH.
- To work in partnership with customers and other stakeholders to enhance service quality.
- To address the aspiration of lower to middle-income families for home ownership by planning for a sustainable HOS programme.
- To manage and maintain our assets with a view to maximizing their economic life and contribution.
- To make effective use of private sector resources.
- To make the fullest use of human and financial resources and of information technology (IT) to meet corporate goals.
- To contribute actively and positively towards sustainable development.
- To be innovative in enhancing operational efficiency.
- To promote the core values of the HA among staff members.
- To optimize the use of commercial properties.

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Note [5] : “Quality” PRH, in a broad sense, refers to (a) safe and healthy accommodation for the low-income household / persons suitable for the formation of a harmonious and sustainable community, with estate facilities and domestic flats well-matched to the essential needs of modern living, and with estate designs serving the purpose of aging in place and socio-spatial equity for people of all ages and abilities; and (b) building and maintaining the PRH in accordance with the principles of environmental protection and greening, with the application of green construction materials and energy-saving installations to minimize the burden on the environment; and the procurement of value-for-money and durable construction materials, coupled with comprehensive maintenance services, to maintain a decent living environment for the residents.

2.12 To achieve the above strategic objectives, we have drawn up 44 key activities (KAs) under four main themes, and one KA for implementing the Government's LTHS for the 2015/16 CP, making a total of 45 KAs. Among these KAs, one is a new initiative while 44 are on-going initiatives. Details are set out in Chapter 4.