

3. MID-YEAR PERFORMANCE REVIEW OF THE 2015/16 CORPORATE PLAN

3.1 The 2015/16 CP contained 45 KAs, one of which is a new initiative while the other 44 are on-going initiatives. As at 30 September 2015, one KA was completed while 44 KAs were on schedule, on-going or partially completed. The progress is highlighted below.

Provision of Public Housing

3.2 The goal for 2015/16 is to construct 23 200 PRH units, 8 200 m² gross floor area (GFA) of retail facilities and 860 car/lorry parking spaces. As at 30 September 2015, the construction of about 2 300 PRH units was completed. Construction of the remaining domestic units and facilities was in progress. Regular meetings with Government bureaux and departments concerned have been held to identify and endorse potential sites for public housing development, as well as to increase the densities and plot ratios of suitable sites. To expedite the construction of housing units, we continued to implement a series of measures, including streamlining joint survey at foundation / building interface, vetting base drawings from suppliers by Control Vetting Team, treating non-essential items as outstanding for the purpose of Occupation Permit, standardising falsework details, etc. To address the issue of shortage of labour in the building industry, we continued to implement the streamlined Supplementary Labour Scheme to HA new works contracts, and were successful in two applications in the first half of 2015/16.

3.3 Up to 30 September 2015, 9 180 PRH units were allocated to PRH applicants. The average waiting time (AWT)^[4] was 3.6 years for

Note [4]: 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 (i.e. family and elderly one-person applicants) refers to the average of the waiting time of those general applicants who were housed to PRH in the past 12 months.

general applicants (i.e. family and elderly one-person applicants) as at 30 September 2015, among which the AWT for elderly one-person applicants was 2.0 years.

Implementing the Government's Long Term Housing Strategy (LTHS)

- 3.4 In December 2014, the Government promulgated the LTHS with a supply-led strategy to address the housing problem. HA has been taking forward public housing initiatives under the LTHS, including constructing more PRH and HOS units, ensuring rational use of PRH resources, facilitating circulation of existing stock of subsidised sale flats and expanding forms of subsidised home ownership.
- 3.5 In line with the framework of the LTHS to expand the forms of subsidised home ownership and to further improve the housing ladder, the Chief Executive in his 2015 Policy Address proposed to HA that suitable flats among its PRH developments under construction be identified for sale to eligible green form applicants in the form of a pilot scheme, with prices set at a level lower than those of the HOS. Relevant implementation details of the "Green Form Subsidised Home Ownership Pilot Scheme" were endorsed by the Subsidised Housing Committee of HA in May 2015, and the San Po Kong PRH development project was selected as the site for the pilot scheme. Pre-sale is expected to be launched in the second half of 2016, and the project is scheduled for completion in mid-2017. HA will closely monitor the effect of the pilot scheme to facilitate review.

Providing Quality Homes

- 3.6 We strive to optimise site potential and maximise the supply of flats. We have adopted comprehensive planning and site-specific design for all domestic blocks in new projects to best respond to site conditions, utilise plot ratio and maximise flat production. We have taken the views of the local community and the requirements of the Government departments into consideration, with the aim of providing the essential welfare facilities while optimising the development potential.
- 3.7 Excess lead was found in fresh water of Kai Ching Estate in July 2015, and subsequently in 10 other public housing estates. Soldering material in pipe joints was the source of lead. In the wake of the incident, we

immediately formulated improvement measures to safeguard the quality of fresh water inside service. These include enhancements to our specification and site inspection procedures. We will continuously explore and implement further enhancements as the needs arise subject to the recommendations of HA's Review Committee on Quality Assurance Issues Relating to Fresh Water Supply of Public Housing Estates.

- 3.8 To promote a green and healthy environment, as well as to gain GFA concessions for some projects, we continued to register new works projects with the Hong Kong Green Building Council (HKGBC) for assessment and rating under the Building Environment Assessment Method Plus (BEAM Plus) Scheme^[5]. In the first half of 2015/16, we completed the Provisional Assessment for two new works projects. In pursuit of quality homes and to respond to the rising public aspirations for environmental conservation, we incorporated green concepts into the design and construction of new estates. A greening ratio of 20%-30% and a tree planting ratio of not less than one tree per 15 flats was adopted for new projects to enhance greening.
- 3.9 We continued to adopt environmentally responsive planning and design. In the first half of 2015/16, we conducted "micro-climate" studies in 35 on-going projects and Air Ventilation Assessment in the planning and design stages of 23 on-going projects. To mitigate noise, we used acoustic windows, balconies, fins and noise barriers in suitable projects in accordance with site-specific characteristics. Furthermore, we continued to apply Carbon Emission Estimation at the design stage of seven new development projects.
- 3.10 To promote "green" construction, we continued using precast elements in permanent works and timber from sustainable sources for temporary works during construction; specifying the use of Ground Granulated Blast-furnace Slag in building contracts to replace 35% of the cement in concrete for precast facades in all new projects; as well as exploring the use of Ground Granulated Blast-furnace Slag in more precast components, such as precast semi-slabs, precast beams, precast staircases, and precast refuse chutes.

Note [5]: BEAM Plus is a comprehensive environmental assessment scheme for buildings recognised by HKGBC. The BEAM Plus assessment scheme includes the six aspects of a project (i.e. Site Aspects, Energy Use, Indoor Environmental Quality, Materials Aspect, Water Use, Innovations and Additions). A rating would be issued to the project according to the scoring after the assessment.

- 3.11 To enhance safety and health practices for planned maintenance and improvement works, we obtained and kept maintaining OHSAS 18001^[6] certification for Occupational Health and Safety Management System of planned maintenance and improvement works.
- 3.12 For improving environmental protection in existing PRH estates, we acquired the ISO 50001^[7] certification for Energy Management System in 540 PRH blocks in April 2015. For enhancing energy efficiency and effectiveness, we have started a programme in April 2012 in which electromagnetic ballasts for light fittings in all estates would be replaced with electronic ballasts in 42 months. We completed the programme with replacement works done in the remaining 140 PRH blocks during the first half of 2015/16.
- 3.13 With a view to maintaining building sustainability of the PRH, we implemented proactive improvement works programmes. For meeting the requirements under the Fire Safety (Buildings) Ordinance (Cap. 572), we scheduled a survey for improvement works to 30 PRH estates. The appointed consultant has completed survey for 19 estates as at 30 September 2015. In addition, we have implemented the Laundry Rack Enhancement Programme for replacing laundry pole holders for 140 000 PRH units. We also completed replacement of 52 old lifts under the Lift Modernisation Programme with the target completion of replacing 94 old lifts in the year. The replacement works of the remaining 42 old lifts were in progress.
- 3.14 We endeavour to improve building safety in aged PRH estates. We continued implementation of the Total Maintenance Scheme, Estate Improvement Programme, Comprehensive Structural Investigation Programme and Responsive In-flat Maintenance Services. As at 30 September 2015, we have commenced the Total Maintenance Scheme in nine estates, including implementation of Mandatory Window Inspection Scheme in two estates. Moreover, we conducted the

Note [6] : OHSAS 18001 is an internationally recognisable occupational health and safety management system standard which is certifiable. OHSAS 18001 takes a structured approach to occupational health and safety management with process model consisting of elements including planning, implementation, checking, and continual improvement.

Note [7] : ISO 50001 is an international standard which aims to enable organisations to establish an energy management system and process to improve energy performance (including energy efficiency, use and consumption) which would lead to reduction of green-house gas emissions.

Comprehensive Structural Investigation Programme for estates of around 40 years of age to ascertain the structural safety as scheduled. We also implemented the Responsive In-flat Maintenance Services in 214 PRH estates.

- 3.15 To address the home ownership aspiration of low to middle-income families, a new round of Interim Scheme of Extending the HOS Secondary Market to White Form Buyers was launched on 26 August 2015. Preparation work for sale of the second batch of new HOS flats was also in progress.

Promoting Sustainable Living

- 3.16 We widely publicised the Rent Assistance Scheme through HA channel, radio broadcast, posters, HA / HD website, Estate Management Advisory Committee (EMAC) meetings and the estate newsletters issued in May 2015. Estate staff also solicited assistance from non-governmental organisations (NGOs), local District Councils and EMACs to refer tenants in need to the estate office for rent assistance.
- 3.17 We treasure the views of and feedback from tenants on the planning and design of housing estates since their opinions are important for cultivating harmonious and sustainable living in the community. We conducted community engagement activities to present development proposals and obtain feedback on the planning and design of projects. These activities included engagement workshops, as well as forums and meetings for project proposals. We also conducted surveys to gauge the residents' views in two newly completed estates. At mid-year, we recorded an overall Customer Satisfaction Index of 93% for newly completed estates.
- 3.18 To promote green environment and greening in existing PRH estates, we organised tree planting day activities in ten estates and completed landscape improvement works in eight estates. The landscape improvement works of the remaining 12 estates were under planning or in progress. Moreover, we organised two refresher / training courses for Estate Tree Ambassadors. We also completed the annual tree risk assessment exercise and updated the tree database records for effective tree management. Furthermore, we have held greening activities for

community participation in five estates with target completion of the other 15 estates in the year. In Phase 8 of the “Green Delight in Estates” programme^[8] ended in the third quarter of 2015, we organised the estate-wide campaign “All About Waste” in which we held a photographic competition on waste reduction. We also held in-depth educational programmes on waste reduction and recycling in 30 estates. A total of about 4 400 volunteers were recruited as Green Estate Ambassadors. With Phase 8 coming to an end, we commenced Phase 9, continuing our partnership with green groups to raise environmental awareness. In addition, we arranged a pilot trial and achieved the Platinum Rating of Provisional Assessment under the BEAM Plus Existing Buildings in June 2014. Final Assessment was submitted in March 2015.

- 3.19 To secure competent and reliable business partners, we strive to improve our procurement practices and to raise service standards, by implementing tendering scoring measures and ensuring a competent workforce. We continued to employ a two-envelope tendering system for complex building and piling contracts. Moreover, we have been applying the Performance Assessment Scoring System to our various contracts and implementing the Preferential Tender Award System for District Term Contracts. We also continued to require every works contractor to apply for admission to or retention on HA Lists of Works Contractors to submit a statutory declaration to the effect that –
- (a) the Company was not insolvent or had not been wound up or dissolved;
 - (b) no winding-up petition or order had been made against the Company;
 - (c) no receiver had been appointed to realise or take control of the Company’s assets or business; and
 - (d) the Company had not received any demand letter or notice for payment of debt before a winding-up petition would be made against the Company.

Note [8]: “Green Delight in Estates” programme is a community environmental education programme organised by HA in partnership with green groups to raise environmental awareness among PRH residents and to instill a culture of protecting and improving the environment.

- 3.20 In developing new PRH estates, we are mindful of socio-spatial equity for users of all abilities, as well as elements of social cohesion and sustainability. We have adopted the universal design principles in the design and planning of community facilities and domestic flats. We have also provided Integrated Community Play Areas for all ages and abilities, and have implemented Barrier Free Access to block entrances, strategic estate facilities and transportation nodes.
- 3.21 We continued to monitor the safety management system for construction sites to ensure its effectiveness in the prevention of accidents. We devised and implemented improvement measures for the system as necessary. We also continued to conduct safety training, forum and seminars, and issue circulars regularly to engage stakeholders and promote the best safety practices. Our relentless efforts resulted in a low accident rate of 7.3 and 2.3 per 1 000 workers for New Works contracts and Maintenance contracts respectively up to the second quarter of 2015. To further enhance the effectiveness of our safety and health management at construction sites, we were in the process of developing the web-based Occupational Injury and Disease Surveillance System and were conducting user acceptance tests for parts of the system with the aim of launching the system in early 2016.

Optimising and Rationalising the Use of Public Resources

- 3.22 Intensive checking of some 5 000 income and assets declarations and rigorous investigation of some 6 000 randomly selected occupancy-related and suspected tenancy abuse cases by HD's Public Housing Resources Management Sub-section was in progress. Apart from intensified investigation measures, we launched various publicity and outreaching activities to enhance public awareness of the need to provide PRH flats to those with the most pressing needs.
- 3.23 To ensure the effective management of service providers, HD's Contractors Review Committee (Services) reviewed the performance of service contractors on quarterly basis. Under the current assessment mechanism, service contractors given "Adverse" reports on performance would be placed under "Restriction from Tendering" for a three-month period or barred from at least one service tender. We also maintained close liaison with labour unions and conducted surprise checks to prevent

exploitation of non-skilled workers. Meanwhile, a seminar with the Labour Department and Independent Commission Against Corruption was arranged to increase non-skilled workers' awareness of the Minimum Wage Ordinance (Cap. 608), Employees' Compensation Ordinance (Cap. 282) and other employment-related rights, as well as the Prevention of Bribery Ordinance (Cap. 201).

- 3.24 With a view to revitalising aged PRH estates and reviewing the site development potential for optimisation, we have continued to carry out detailed studies for the redevelopment of individual aged estates by considering the structural conditions and economic viability of repair works, build-back potential and availability of adequate and suitable rehousing resources on an estate-by-estate basis.
- 3.25 We have continued to benchmark the average construction cost of HA's residential buildings against those in the private sector. We closely monitored the construction cost per flat in PRH and subsidised sale flats developments against the respective alert levels at feasibility study stage in order to achieve cost effectiveness. For projects with construction cost per flat exceeding the alert level, HA's Strategic Planning Committee will consider factors contributing to the higher unit cost and make a conscious decision of whether to include the sites in HA's Public Housing Construction Programme.
- 3.26 For the implementation of the new public housing production target, we created a total of 616 additional civil service posts, comprising 194, 133, 135 and 154 posts in 2012/13, 2013/14, 2014/15 and 2015/16 respectively. We will continue to seek additional staffing resources as appropriate to cope with the growing workload arising from the increase in public housing production target and other housing initiatives.
- 3.27 To implement the Long-term Manpower Strategy of HA, we converted a total of 499 HA contract posts in grades to be staffed by civil servants in the long run into civil service posts by end 2014/15. In 2015/16, we have secured 38 additional civil service post quotas for conversion purpose. Given that the same number of HA contract posts will be deleted to offset the creation of corresponding civil service posts, there is no change in the overall establishment of HD. We will continue to bid for civil service post quotas from the Government in the coming years.

- 3.28 On the IT front, we completed the migration of the existing Internet Services to the Public to the new e-Services platform in June 2015. We also completed the implementation of the new Human Resource Management System in August 2015. In addition, the upgrade of the aged network at the Data Centre to enhance the capacity in bandwidth, scalability, availability and maintainability of HA network was on schedule, targeted to complete by the first quarter of 2016.
- 3.29 We continued to apply the Radio Frequency Identification technology in both new works and maintenance and improvement works, including the delivery tracking of concrete cubes and selected building components, such as precast concrete facade, timber door, aluminium window and metal gateset, as well as monitoring the proper disposal of inert construction and demolition materials in all demolition, foundation and building sites with weighbridge. We were also exploring the application of the Radio Frequency Identification technology to track the delivery of steel bar samples. We continued to apply Building Information Modelling in all disciplines and aspects of planning, design and construction of new projects. We were using Building Information Modelling in more than 40 projects at various stages.
- 3.30 In respect of funds management, HD conducted an overall review on HA's Strategic Asset Allocation. After taking into account the advice of the Funds Management Sub-committee, the findings and recommendations were reported to the Finance Committee in May 2015. Actions were taken in accordance with the Funds Management Sub-committee's advice to implement the recommendations as approved by the Finance Committee.

Enhancing the Attractiveness of Commercial Properties

- 3.31 During the first half of 2015/16, we continued to keep track with the market to enhance the trade mix and provision of retail service whenever opportunities arise. We accorded priority to address the basic daily needs of our residents through meticulous planning of leasing programme in the new shopping centres, such as Cheung Lung Lane and Hung Fuk Shopping Centre. Through the implementation of asset enhancement programme and promoting a more balanced mix of trade and tenants, we were able to maximise the utilisation of resources and achieve a low vacancy rate of 1.5% for retail facilities.

- 3.32 Under the five-year rolling programme for asset enhancement, we completed improvement works for retail facilities in Lung Poon Court while those in On Kay Commercial Centre and Kwai Shing West Estate were in good progress. We will conduct financial re-assessment and review the effectiveness of major enhancement works upon completion.
- 3.33 We continued to launch centrally planned promotion programmes of different types and scales in HA's neighbourhood shopping centres to maintain their attractiveness and competitiveness. Packaged seasonal decorations were also provided for these shopping centres to strengthen their shopping atmosphere and boost retail sales, while achieving economy of scale. In addition, we held a celebrating ceremony to mark the completion of the revitalisation programme for the retail facilities at Ping Shek Estate and to enhance its publicity and shopping ambience.
- 3.34 Domain, HA's largest integrated shopping mall located in Kowloon East District, has been attaining its popularity in terms of footfall and business turnover. We rolled out tailor-made promotion activities and special theme events continuously to strengthen Domain's market positioning and enhance its popularity. We also lined up NGOs and other institutions to arrange entertaining, cultural and environmental protection events in Domain for community building. Special redemption programmes for Domain Club members were arranged regularly to encourage repeated purchases. By end-September 2015, Domain Club had recruited a total of around 17 600 members. To further sustain its business growth, there had been improvement in tenants' profile, trade mix and sales revenue through implementing strategic leasing and tenancy renewal programme. Furthermore, we had regularly arranged short-term kiosk-lettings, roadshows and festive trade fairs to widen the offering of products and services for local and cross district shoppers, bringing them new and relaxing shopping experience.
- 3.35 To support green living and environmental protection, HA had joined the Energy Saving Charter to reduce the electricity consumption for air-conditioning in nine shopping centres^[9] and had set timers for advertising panels and decorative lightings in various shopping centres to

Note [9] : Nine shopping centres, i.e. Choi Tak, Hoi Lai, Kwai Chung, Lei Muk Shue, Mei Tin, On Kay, Tin Yan and Yau Lai Shopping Centres and Domain maintained an average indoor temperature between 24 °C to 26 °C in the summer months from June to September 2015.

reduce electricity consumption. Apart from collaborating with green groups and other NGOs to organise promotion activities in HA's shopping centres to promulgate the message of green living, we encouraged major tenants to participate in food waste reduction and food recycling activities organised by NGOs and Government departments from time to time.