

3. MID-YEAR PERFORMANCE REVIEW OF THE 2018/19 CORPORATE PLAN

- 3.1 The 2018/19 CP contained 50 KAs, three of which are new initiatives while the other 47 are on-going initiatives. As at 30 September 2018, one KA was completed and 49 KAs were on schedule, on-going or partially completed. The progress is highlighted below.

Provision of Public Housing

- 3.2 The goal for 2018/19 is to construct 15 100 PRH flats and 6 600 SSFs. Based on the Public Housing Construction Programme (PHCP) as at September 2018, we completed the construction of about 10 600 PRH/ Green Form Subsidised Home Ownership Scheme (GSH) flats and 3 900 other SSFs in the first half of 2018/19. We anticipate that a total of 20 500 PRH/GSH flats and 6 600 other SSFs will be completed in 2018/19.
- 3.3 Regular meetings with Government bureaux and departments concerned were held to identify and endorse potential sites for public housing development, facilitate and advance site availability for public housing development, agree on the programme of comprehensive studies for selected sites, as well as to maximise the potential of public housing sites, for example, by increasing the plot ratios and relaxing building height and non-building areas. To expedite the construction of housing units, we continued to implement a series of measures, including the use of standardised precast elements in suitable projects, streamlining joint survey at foundation / building interface, and standardising falsework details, etc.
- 3.4 Up to 30 September 2018, about 12 000 PRH units were allocated to PRH applicants. The average waiting time (AWT)^[4] was 5.5 years for general applicants (i.e. family and elderly one-person applicants) as at

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.

30 September 2018, among which the AWT for elderly one-person applicants was 2.9 years. This shows that demand for PRH has persistently been higher than supply. HA will continue to work closely with relevant government departments to identify sites for PRH development and focus efforts in allocating limited PRH resources to those with more pressing needs.

- 3.5 To address the home ownership aspirations of low to middle-income families, pre-sale of the fourth batch of 4 431 new HOS flats was launched in March 2018 and the response was overwhelming. Following the Chief Executive's announcement of the new pricing mechanism for HOS in June 2018, the Subsidised Housing Committee (SHC) approved in July 2018 the revised selling prices and sales arrangements for Sale of HOS Flats 2018. As a continuation of the same exercise, applications had been re-opened in October 2018.
- 3.6 Taking into account the outcome of the review of the pilot schemes, SHC endorsed regularising both the Interim Scheme of Extending the HOS Secondary Market to White Form Buyers (as the White Form Secondary Market Scheme (WSM)) and the GSH in November 2017 and January 2018 respectively. The WSM 2018, with an annual quota of 2 500, was launched in March 2018. The ballot was conducted on 30 July 2018 and Approval Letters were issued to successful applicants in October 2018. On the other hand, the SPC endorsed in April 2018 to convert the PRH development at Lai Chi Kok Road-Tonkin Street Phase 1 (i.e. Blocks 1 to 4) to a GSH project. Pre-sale was launched in December 2018.

Providing Quality Homes

- 3.7 We strive to optimise site potential and maximise the supply of flats. We continued to adopt 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 had taken the views of the local community and the requirements of the Government departments into consideration in project planning and design stage, with the aim of providing the essential welfare facilities while optimising the development potential.
- 3.8 We continued to explore and implement enhancements to our specification and inspection procedures in respect of quality assurance of fresh water inside service. We have completed plumbing rectification works in common areas and more than 85% of the works inside flats in the 11 affected estates.

- 3.9 To promote a green and healthy environment, as well as to gain gross floor area concessions for some projects, we registered three 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 2018/19.
- 3.10 We continued to adopt environmentally responsive planning and design. In the first half of 2018/19, we conducted “micro-climate” studies in 22 on-going projects and Air Ventilation Assessment in 13 on-going projects. The findings were applied in the design. To mitigate noise, we used acoustic windows, balconies, fins and noise barriers in suitable projects in accordance with site-specific characteristics. Furthermore, we conducted Carbon Emission Estimation for six projects in the first half of 2018/19, and would implement it in all projects in the design stage.
- 3.11 With a view to maintaining building sustainability and meeting statutory requirements, we implemented various maintenance and improvement programmes. To ensure building safety in aged PRH estates, we scheduled to complete the Fire Safety Improvement Reports for necessary improvement works to 12 PRH estates for meeting the requirements under the Fire Safety (Buildings) Ordinance (Chapter 572). As at 30 September 2018, seven of them have been completed. We also replaced 28 old lifts under the Lift Modernisation Programme against the target of replacing 52 old lifts in the year. For the Collapsible Gate Enhancement Programme, replacement works for the 25 000 units were in progress. Moreover, we have rolled out the Laundry Rod Addition Programme to install laundry rods outside living rooms in specified PRH block types. We continued to implement the Responsive In-flat Maintenance Services in all PRH estates, the Total Maintenance Scheme in 22 estates (including implementation of the Mandatory Window Inspection Scheme in three estates), and the Comprehensive Structural Investigation Programme for PRH estates around 40 years old as scheduled.

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.

- 3.12 For enhancing environmental protection in existing PRH estates, we maintained the ISO 14001^[6] certification for the Environmental Management System of property management and ISO 50001^[7] certification for Energy Management System. Moreover, the preparation of the sixth Carbon Audit Report for 14 typical domestic block types to monitor energy consumption was in progress. With a view to achieving the highest site safety standards, we also continued to implement the Occupational Health and Safety Assessment Series (OHSAS) 18001^[8] under the Occupational Health and Safety Management System for planned maintenance and improvement works.

Promoting Sustainable Living

- 3.13 We strive to enhance community bonding and attend to tenants' needs. The Estate Management Advisory Committees (EMACs) partnered with non-governmental organisations (NGOs) to hold functions to promote neighbourliness and deliver caring and outreach services for elderly tenants. We also continued to enhance family cohesion through Harmonious Families Policies.
- 3.14 To raise tenants' awareness of the Rent Assistance Scheme (RAS), we widely publicised the RAS through HA / HD website, radio broadcast, Housing Channel, poster, leaflet, estate newsletters, YouTube, "i-Housing" Mobile App and EMAC meetings. Estate staff also solicited assistance from NGOs, local District Councillors and EMAC members to refer tenants in need to estate office for rent assistance.
- 3.15 We continued to raise the environmental awareness of PRH residents through inviting community's participation in green activities, such as tree planting day and training / refresher courses for Estate Tree Ambassadors. "Green Delight in Estates" programme^[9] Phase 11 and

Note [6] ISO 14001 is an international standard which specifies the requirements for an environmental management system to enable an organisation to identify its environmental policy and objectives, to manage the risks of environmental impact from its activities and to improve its environmental performance continually.

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.

Note [8] 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 [9] "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.

the post-programme resident environmental survey were also completed in the third quarter of 2018. For improving the environment, we continued to conduct landscape improvement works in target estates. We also completed the annual tree risk assessment exercise and updated the tree database records for effective tree management through a computerised Enterprise Tree Management System.

- 3.16 We treasure the views of and feedback from tenants on the planning and design of housing estates. We conducted community engagement activities, including engagement workshops, as well as forums and meetings, to present development proposals and obtain feedback on the planning and design of projects. We also conducted surveys to gauge the residents' views in one newly completed estate. As at September 2018, we recorded an overall Customer Satisfaction Index of 91.8% for newly completed estates.
- 3.17 To secure competent and reliable business partners, we strive to improve our procurement practices and 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 submit statutory declaration when applying for admission to or retention on HA Lists of Works Contractors.
- 3.18 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 continued to adopt universal design principles in the design and planning of community facilities and domestic flats. We also provided Integrated Community Play Areas for all ages and abilities, and implemented barrier free access to block entrances, strategic estate facilities and transportation nodes.
- 3.19 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 6.8 and 5.0 per 1 000 workers for new works contracts and maintenance contracts respectively up to the second quarter of 2018.

Optimising and Rationalising the Use of Public Resources

- 3.20 We 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 SSFs 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 PHCP.
- 3.21 We continued to devote our efforts in safeguarding the rational allocation of PRH resources. Intensive checking of some 6 000 income and assets declaration cases and rigorous investigation of some 6 600 randomly selected occupancy-related and suspected tenancy abuse cases by the Public Housing Resources Management Sub-section were in good progress. As at 30 September 2018, we completed Biennial Inspection (BI) on some 646 000 PRH flats under the current BI cycle commenced from November 2016. In addition to the intensified investigation measures, we launched various publicity and outreaching activities to enhance public awareness of providing PRH flats to those with pressing needs. We conducted outreaching visits to EMACs of six estates to promote the cherishing of public housing resources. Road Shows by means of a promotion truck with exhibition panels and games to 35 PRH estates in various districts to reinforce the deterrence and encourage reporting of abuse was launched in October - November 2018.
- 3.22 To ensure effective management of service providers, the performance of the services/maintenance contractors was under review by relevant Contractors Review Committees on a quarterly basis. Under the current assessment mechanism, service/maintenance contractors allotted with "Adverse" reports would be placed under "Restriction from Tendering" for three months or barred from tendering at least one service tender. We also conducted surprise checks on 14 service contracts to prevent exploitation of non-skilled workers. Meanwhile, a seminar with the Labour Department and Mandatory Provident Fund (MPF) Schemes Authority was scheduled for November 2018 to promote non-skilled workers' awareness of the Employment Ordinance (Chapter 57), Employees' Compensation Ordinance (Chapter 282), MPF Schemes and other employment protection rights.

- 3.23 For the 2018 PRH rent review, SHC considered the report compiled by the Commissioner for Census and Statistics and endorsed the outcome of the review in accordance with the Housing Ordinance (Chapter 283). PRH rent was adjusted upward by 10% with effect from 1 September 2018.
- 3.24 To meet the public housing supply target, further to the creation of 767 additional civil service posts between 2012/13 and 2017/18, another 53 posts had been secured in 2018/19. We will continue to monitor the manpower situation and make the most effective use of human resources through re-engineering of work processes, redeployment of staff and re-prioritisation of tasks, and to bid for additional manpower where necessary.
- 3.25 We engaged supplementary workforce, viz. body-shopped personnel, term staff and staff employed under the Government's Post-retirement Service Contract Scheme to meet special and/or temporary job needs. As at 30 September 2018, we have engaged 1 284 body-shopped personnel and 71 term staff. We will continue to make flexible use of supplementary workforce to cope with periodic peaks of workload.
- 3.26 As one of the measures to support staff development, we had organised the Development Scheme for Senior Professionals to provide the participants with opportunities to take up responsibilities beyond their professional boundary. National studies courses and familiarisation visits to the Mainland were arranged to broaden staff's perspectives. We also implemented other measures to enhance succession management, including two five-day internal attachment programmes.
- 3.27 On the IT front, the upgrade of Personal Computer (PC) operating system to Microsoft Windows 10 commenced in April 2018 while the SSF system (formerly the New HOS system) was enhanced in July 2018 to support the sale of HOS flats in the same year. The implementation of the pilot Application Control Solution was in progress and planned to complete by Q1 2019. The setup of HA Cloud Computing Infrastructure was in progress and scheduled to complete by December 2018.

- 3.28 In respect of funds management, an overall review on HA's Strategic Asset Allocation had been conducted. Having consulted and taken into account the advice of the Funds Management Sub-Committee (FMSC), the findings and recommendations were reported to the Finance Committee (FC) in May 2018. Actions were taken in accordance with the FMSC's advice to implement the recommendations as approved by the FC.
- 3.29 A full range of publicity materials for balloting and flat selection was promptly arranged to cater for the re-opening of applications for Sale of HOS Flats 2018 in October 2018. A territory-wide short video contest was launched in November 2018 to promote harmonious living in public housing.

Enhancing the Attractiveness of Commercial Properties

- 3.30 During the first half of 2018/19, we continued to conduct feasibility studies and Strengths-Weaknesses-Opportunities-Threats (SWOT) analyses for identifying asset enhancement opportunities. Projects earmarked for asset enhancement of retail and carparking facilities under the five-year rolling programme were implemented as scheduled. The improvement works for Hoi Lai, Shek Pai Wan and Lei Muk Shue Shopping Centres as well as Shek Kip Mei and Pok Hong Markets were in good progress. We will conduct post-implementation review to assess the effectiveness of major projects upon their completion.
- 3.31 Through meticulous planning and strategic leasing strategy, we maintained a balanced and diversified trade mix according to market trend and provided more shopping choices and variety of services to our residents and the local community. To meet community needs, we have arranged mobile banking branches in 25 estates and set up 33 sets of parcel lockers in various estates. We continued to launch promotional activities and seasonal decorations in a coordinated manner during major festivals or special days. A celebration ceremony was also held to mark the opening of Shui Chuen O Plaza, enhancing its shopping ambience, attracting shoppers and increasing footfall. Through well-planned leasing arrangements, we have been able to enhance the utilisation of resources and maintain the vacancy rates at a low level of 1.7% for retail facilities and 1.2% for shopstalls and cooked food stalls as at end September 2018.

- 3.32 To maintain the popularity and attractiveness of Domain as a regional mall and entertaining hub, a full range of special themed events, tailor-made promotional activities and dynamic events were held. Short-term lettings of kiosks, roadshows and festive trade fairs were also arranged to enrich the choice of products and services. By adopting strategic planning during the tenancy renewal exercise, we requested the tenants of large eatery shops to carry out renovation works in a coordinated manner, bringing fresh look to the shopping centre while minimising disturbance. We continued to line up various mass media, renowned brands, Government departments and non-government organisations (NGOs) for holding entertaining and community events in Domain. Besides, an escalator modernisation programme is underway for the installation of safety devices to enhance safety standards. Installation works for one escalator had recently been completed.
- 3.33 To promote environmental protection initiatives, we continued to implement green measures in operating HA's retail facilities by joining the Energy Saving Charter^{Note 10} and Charter on External Lighting^{Note 11}. To show our support in food waste reduction, nine of our shopping centres / markets have joined the Government's Food Waste Collection Pilot Scheme for daily separation and collection of food waste. Moreover, some major tenants have participated in food donation schemes. Target NGOs and institutions were also lined up for holding recycling and educational programmes. We continued to encourage our shop tenants to incorporate sustainable green measures in their daily operations. In addition to the electric vehicle (EV) charging facilities already provided for use by hourly users in the new and existing carparks, standard EV charging facilities at existing carparks were also installed for monthly users on need basis.

Note [10] Ten shopping centres have joined the Energy Saving Charter, i.e. Choi Tak, Hoi Lai, Kwai Chung, Lei Muk Shue, Mei Tin, On Kay, Tin Yan and Yau Lai Shopping Centres, Shui Chuen O Plaza and Domain, maintaining an average indoor temperature between 24 to 26 degrees Celsius in the summer months.

Note [11] Ten shopping centres have joined the Charter on External Lighting, i.e. Cheung Lung Wai, Ching Long, Choi Tak, Hung Fuk, Kwai Chung, Nam Shan, Yau Lai and Wah Fu (II) Shopping Centres, Choi Ying Place and Domain, to switch off lighting installations for decorative, promotional or advertising purposes from 11 p.m. to 7 a.m. of the following day.