



Hong Kong Housing Authority

Corporate Plan

2021/22

CONTENTS

	Pages
1. Corporate Profile	1 - 4
2. Corporate Vision, Mission, Core Values and Strategic Objectives	5 – 6
3. Mid-Year Performance Review of the 2020/21 Corporate Plan	7 - 17
4. Themes, Objectives, and Key Activities in 2021/22	18 - 25
5. Key Performance Indicators	26 - 29
6. Main Operations	30 - 34
7. Consolidated Budgets	35 - 37
<i>List of Abbreviations</i>	38 - 39

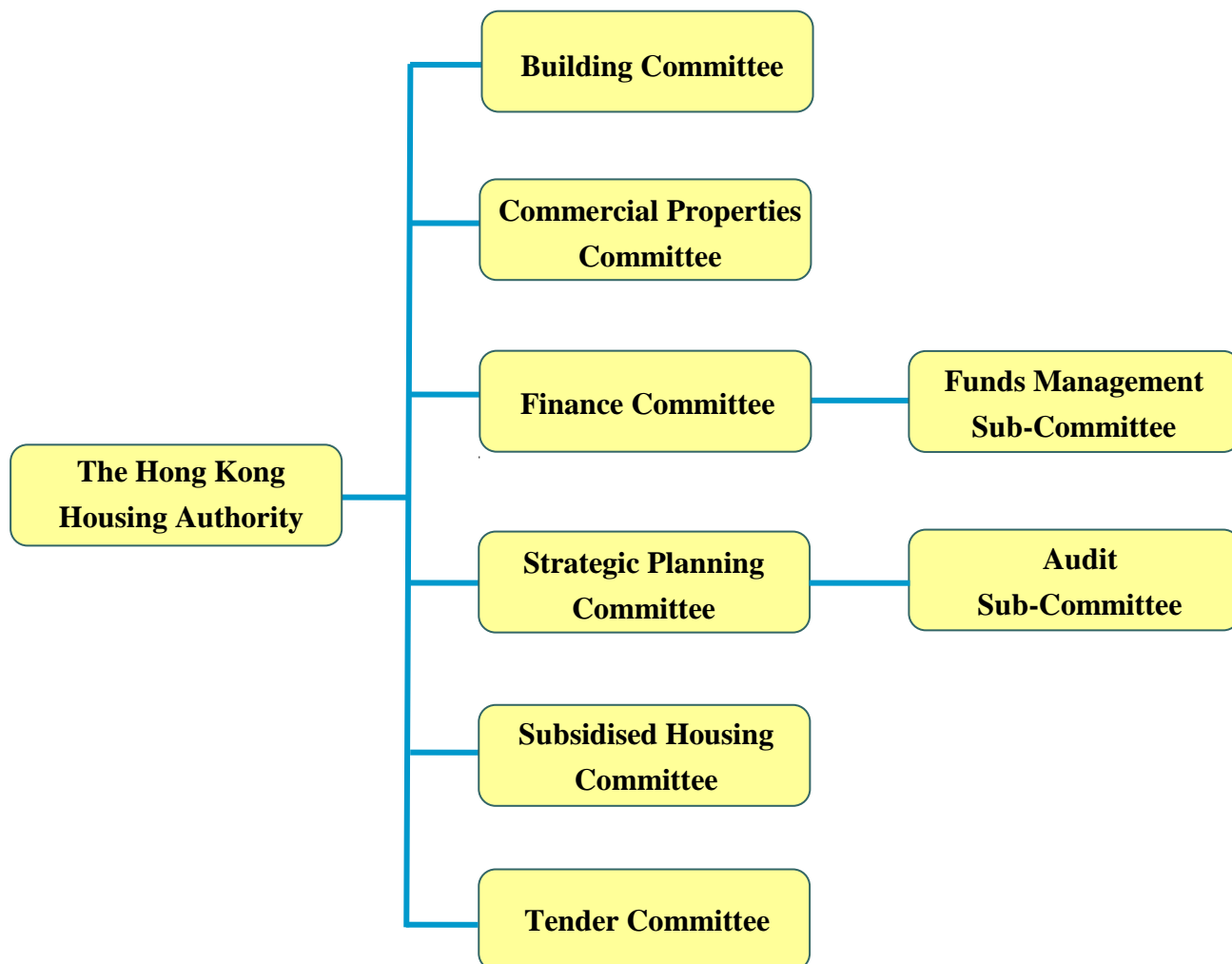
1. CORPORATE PROFILE

The Hong Kong Housing Authority

- 1.1 The Hong Kong Housing Authority (HA) provides public rental housing (PRH) to low-income families who cannot afford private rental accommodation. Also, HA provides subsidised sale flats (SSFs) to address the home ownership aspirations of low- to middle-income families.
- 1.2 As at September 2020^[1], HA had a stock of 805 900 PRH / interim housing flats, accommodating 2 114 300 persons, or 29% of Hong Kong's total population.
- 1.3 As at December 2020, the membership of HA comprised 25 non-official members and four official members. Appointments are made by the Chief Executive. To help forge closer collaboration between HA and the Government in the provision of public housing services, the Secretary for Transport and Housing and the Director of Housing have respectively assumed the positions of the Chairman and Vice-Chairman of HA.
- 1.4 There are six standing committees together with two sub-committees under HA to formulate and oversee policies in specified areas.

Note [1] Unless otherwise stated, all figures quoted in this Corporate Plan refer to the position as at 30 September 2020.

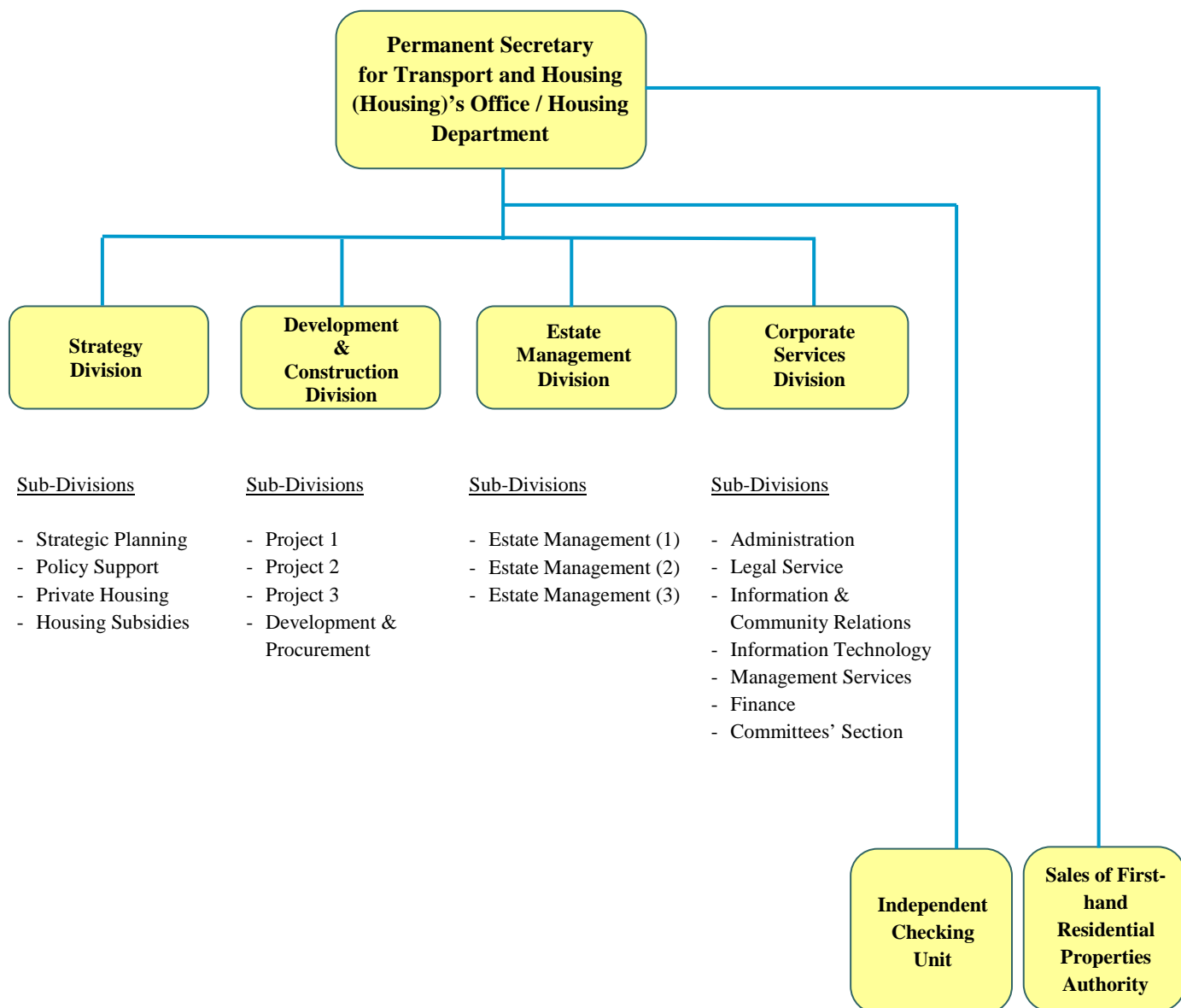
Organisation of the Hong Kong Housing Authority



Housing Department

- 1.5 The Housing Department (HD) acts as the executive arm of HA to implement its policies and those set by its standing committees. HD is headed by the Permanent Secretary for Transport and Housing (Housing), who also assumes the office of the Director of Housing. As at 1 December 2020, HD had a strength of 9 721 staff, of which 9 103 were civil servants and 618 were contract staff.

Organisation of the Housing Department



2. CORPORATE VISION, MISSION, CORE VALUES AND STRATEGIC OBJECTIVES

2.1 The Vision, Mission, Core Values, and Strategic Objectives of HA are set out below: -

Vision

2.2 To provide affordable rental housing to low-income families with housing needs, and to help low- to middle-income families gain access to subsidised home ownership.

Mission

- 2.3
- (a) To provide affordable quality housing, management, maintenance and other housing related services to meet the needs of our customers in a proactive and caring manner.
 - (b) To provide an age-friendly and barrier-free estate environment to address the needs of residents of different ages and physical ability.
 - (c) To ensure cost-effective and rational use of public resources in service delivery and allocation of housing assistance in an open and equitable manner.
 - (d) To maintain a competent, dedicated and performance-oriented team.

Core Values

2.4 Caring, Customer-focused, Creative, Committed.

Strategic Objectives

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

- (a) To facilitate the cost-effective provision of quality PRH^[2].
- (b) To address the aspiration of low- to middle-income families for home ownership through the provision of SSFs.
- (c) To make efficient and effective use of public housing (including PRH and SSFs) resources.
- (d) To maximise the rational allocation and eliminate abuse of PRH resources with a view to enhancing the turnover of PRH units.
- (e) To work in partnership with customers and other stakeholders to enhance service quality.
- (f) To adopt universal design for planning and design of new housing estates, and improve facilities in existing estates in accordance with the same principle.
- (g) To manage and maintain assets with a view to maximising their economic life and contribution.
- (h) To make effective use of private sector resources.
- (i) To make the fullest use of human and financial resources and of information technology (IT) to meet corporate goals.
- (j) To contribute actively and positively towards sustainable development.
- (k) To be innovative in enhancing operational efficiency.
- (l) To promote the core values of HA among staff members.
- (m) To optimise the use of commercial properties.

Note [2] “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; (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 minimise the burden on the environment; and (c) the procurement of value-for-money and durable construction materials, coupled with comprehensive maintenance services, to maintain a decent living environment for the residents.

3. MID-YEAR PERFORMANCE REVIEW OF THE 2020/21 CORPORATE PLAN

- 3.1 There were 52 key activities (KAs) in the 2020/21 Corporate Plan. As at 30 September 2020, one KA was completed and 51 KAs were on schedule, on-going or partially completed. The mid-year performance review of each of the Programmes of Activities of HA's main operations was reported to HA via Paper No. SHC 60/2020 (for subsidised housing), CPC 31/2020 (for commercial properties), BC 72/2020 (for development and construction), BC 73/2020 (for building control), TC 116/2020 (for procurement) and FC 46/2020 (for corporate services) respectively. The overall progress is recapitulated below.

Theme 1: Providing Quality Homes

Construction and development of public housing

- 3.2 Our goal was to construct about 6 100 PRH/Green Form Subsidised Home Ownership Scheme (GSH) flats and about 6 800 Other SSFs in 2020/21. Based on the Housing Construction Programme (HCP) as at September 2020, we completed the construction of about 1 700 PRH/GSH flats and about 5 000 Other SSFs in the first half of 2020/21. We anticipated that a total of about 8 000 PRH/GSH flats and 5 000 Other SSFs would be completed in 2020/21.
- 3.3 We continued to hold regular meetings with Government bureaux and departments concerned to identify and endorse potential sites for public housing development; agree on the programme of comprehensive studies for selected sites; and facilitate and advance site availability for public housing development. We also continued to endeavour to optimise the development potential of public housing sites through implementing the policy approved by Executive Council in December 2018 allowing the domestic plot ratio at the selected zones to increase by 10% (i.e. up to maximum 30% increase in total), and relaxing building height and non-building areas where technically feasible. In order to expedite the public housing construction, we continued to implement different measures, including the use of different types of standardised precast elements etc. Moreover, we have implemented measures like streamlining joint survey at foundation / building interface, and standardising falsework details in

our current projects.

- 3.4 We continued to strive to optimise site potential and maximise the supply of flats, and 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 other stakeholders and the requirements of bureaux/ departments into consideration in project planning and design stage, so as to provide various non-domestic facilities while optimising the development potential.
- 3.5 In order to promote a green and healthy environment, as well as to gain gross floor area concessions for some projects, we registered four 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^[3] in the first half of 2020/21.
- 3.6 In the first half of 2020/21, we continued to adopt environmentally responsive planning and design and conducted “micro-climate” studies in 31 on-going projects and Air Ventilation Assessment in 22 on-going projects. The findings were applied in the design. We continued to use acoustic windows, balconies, fins and noise barriers in suitable projects in accordance with site-specific characteristics to mitigate noise. Furthermore, we conducted Carbon Emission Estimation for six projects in the first half of 2020/21, and would implement it in all projects in the design stage.

Management and maintenance of public housing

- 3.7 We continued to maintain building sustainability and meet statutory requirements by implementing various maintenance and improvement programmes. To ensure building safety in aged PRH estates, we scheduled to complete plan submission under the Fire Safety (Buildings) Ordinance for 94 blocks of PRH estates. Plan submissions proceeded as scheduled. We also planned to participate in the “Quality Water Supply Scheme for Buildings – Fresh Water (Management System)” of the Water Authority in 75 PRH estates. As at 30 September 2020, 41 of them had participated in the scheme and maintained the certifications.
- 3.8 We continued to implement the Comprehensive Structural Investigation

Note [3] BEAM Plus is a comprehensive environmental assessment scheme for buildings recognised by HKGBC. The BEAM Plus assessment scheme includes 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.

Programme for PRH estates with age around 40 years as scheduled to ascertain the state of structural safety. We continued to implement the Total Maintenance Scheme in 31 estates including implementation of the Mandatory Window Inspection Scheme in four estates and the Responsive In-flat Maintenance Services in all PRH estates. Under the Lift Modernisation Programme, replacement of old lifts was implemented as scheduled.

- 3.9 We continued to conduct annual internal audits to maintain the respective certification on ISO 14001 for Environmental Management System and ISO 50001 for Energy Management System. Moreover, the preparation of the eighth Carbon Audit Report for 14 typical domestic block types to monitor energy consumption was in progress.

Provision of PRH and SSFs

- 3.10 From 1 April to 30 September 2020, about 5 900 PRH units were allocated to PRH applicants. The average waiting time (AWT)^[4] for general applicants (i.e. family and elderly one-person applicants) was 5.6 years as at 30 September 2020. While the latest AWT for general applicants has exceeded three years, we will continue to strive to achieve the target of providing the first offer to general applicants at around three years on average in the long run.
- 3.11 We addressed the home ownership aspiration of low- to middle-income families through various subsidised housing schemes. Owing to the COVID-19 pandemic, the launch of Home Ownership Scheme (HOS) 2020 involving a total of 7 047 new flats, originally scheduled for late July 2020, was postponed to September 2020. Ballot was conducted in December 2020 and flat selection was tentatively scheduled for May/June 2021.
- 3.12 The annual quota of White Form Secondary Market Scheme (WSM) was increased from 3 000 in 2019 to 4 500 in 2020. WSM 2020 was launched in September 2020 together with HOS 2020 and e-services for submission of application was available. Successful applicants would be informed to apply for a Certificate of Eligibility to Purchase with a validity period of 12 months tentatively in June 2021. Around 4 700 GSH flats will be put up for sale in phases in 2021, with the first batch of

Note [4] Waiting time refers to the time taken between registration for PRH and the 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.). AWT refers to the average of the waiting time of those general applicants who were housed to PRH in the past 12 months.

about 2 100 flats expected to be launched in May 2021 and e-Submission for GSH would continuously be provided.

- 3.13 To make active preparation with a view to accelerating the sale of unsold flats in the 39 estates under the Tenants Purchase Scheme (TPS), Subsidised Housing Committee (SHC) endorsed at its meeting on 28 July 2020 the sale arrangements for the sale of recovered TPS flats and the additional initiatives to encourage sitting TPS tenants to purchase the flats in which they reside.
- 3.14 A number of corresponding publicity arrangements were adopted in the face of the COVID-19 pandemic. To comply with social distancing requirements under the COVID-19 pandemic, live broadcast of ballot drawing for GSH 2019 was arranged in April 2020 via HA's Facebook page and responses received were very positive. A full range of publicity was organised at the launch of HOS/WSM 2020 in September 2020. To provide the public with online access to view the building models and doll houses of the HOS courts due to closure of the Exhibition Area at HA Customer Service Centre, a video was produced and uploaded to the designated website for HOS 2020 in addition to a wide range of sales information. In addition, we continued our communication with the general public via social media platforms covering messages such as stepped-up cleaning actions and infection control measures in PRH estates as well as HA's commercial premises in view of the situation arising from the COVID-19 pandemic.

Theme 2: Promoting Sustainable Living

Relationship management with stakeholders

- 3.15 We continued to enhance community bonding and attend to tenants' needs. The Estate Management Advisory Committees (EMACs) partnering with non-governmental organisations (NGOs) used to hold functions to promote neighbourliness in PRH estates and deliver caring and outreaching services for elderly tenants but these were temporary suspended due to COVID-19 pandemic so as to minimise the risk of spreading infections in the community. On the estate management level in enhancing family cohesion, a cumulative total of 62 620 households had benefited from the Harmonious Families Policies.
- 3.16 We also continued to publicise the Rent Assistance Scheme (RAS) to raise the awareness among PRH tenants so that those in need would apply accordingly. The messages were disseminated through various channels such as radio and HA's Housing Channel, posters, leaflets, estate

newsletters, YouTube, “iHousing” Mobile App and promotion via HA/HD website and EMAC meetings. Estate staff also solicited support from NGOs, District Council members and EMAC members to refer tenants in need to estate office for rent assistance. Starting from May 2020, the HA had further implemented a temporary relief measure to withhold the issuance of Notice-to-quit (NTQ) against tenants who failed to settle their rent payments on time. Eligible tenants may submit one-off applications to HA and NTQ against them would be withheld up to October 2020 upon approval of their applications. In view of the recent difficult economic environment, this measure has been extended for a further period of five months from November 2020 to March 2021 in a bid to assist the tenants in need to overcome their short-term financial difficulties. As at 30 September 2020, 431 applications were approved.

- 3.17 We continued to value the views and feedback from tenants on the planning and design of housing estates. We continued to conduct 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, and surveys to gauge the residents’ views in every newly completed estate. We have conducted post-completion review workshop for Tung Chung Area 56 (Ying Tung Estate) in September 2020. No face-to-face interview for resident survey has been conducted in first half of the year due to the COVID-19 pandemic. We keep in view and get prepared to resume the resident survey once the COVID-19 situation has improved.
- 3.18 In order to secure competent and reliable business partners, we continued to strive to improve our procurement practices and raise service standards, by implementing tendering scoring measures for tender assessments and ensuring a competent workforce. We continued to employ a two-envelope tendering system for complex building and foundation contracts. Moreover, we had been applying the Performance Assessment Scoring System to our various new works contracts. The Preferential Tender Award System had been implemented for District Term Contracts. We also continued to require every works contractor to submit statutory declaration when applying for admission to or annual retention on HA Lists of Works Contractors.

Promotion of greening, social inclusion and safety

- 3.19 In order to promote greening in PRH estates, we organised activities to raise the environmental awareness of PRH residents. Due to the COVID- 19 pandemic, we only completed tree planting day activities in two targeted estates and arranged landscape improvement works in six

estates. The tree planting day activities of the remaining eight estates and the landscape improvement works of the remaining 14 estates were under planning or in progress. Two refresher/ training courses to provide Estate Tree Ambassadors with the basic knowledge on identifying suspected problematic trees within the estates originally scheduled in June and September 2020 were cancelled due to the COVID-19 pandemic while the two remaining courses are scheduled to be held in December 2020 and March 2021 respectively. We continued to conduct an annual tree risk assessment exercise and updated the tree database records for effective tree management through a computerised Enterprise Tree Management System. We also held greening activities for community participation in one estate with target completion of the other 19 estates within December 2020.

- 3.20 To collaborate with the Environment Bureau/Environmental Protection Department, the trial project on collection of plastic recyclable materials, first implemented in 15 PRH estates in Eastern District in late 2018, had been further extended to 46 PRH estates in Kwun Tong and Sha Tin Districts in late September 2020. Posters on waste electrical and electronic equipment, recovery of fluorescent lamp, rechargeable battery, etc., were also delivered to estate offices for display continuously.
- 3.21 In developing new PRH estates, we had been 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 continued to provide Integrated Community Play Areas for all ages and abilities, and implement barrier free access to block entrances, strategic estate facilities and transportation nodes.
- 3.22 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, issue safety and health alerts, organise award ceremony and support territory wide safety campaigns regularly to engage stakeholders and promote the best safety practices. Our relentless efforts resulted in a record of zero fatal accident up to 30 September 2020 and an accident rate of 4.4 and 0 per 1 000 workers for new works contracts and maintenance works contracts respectively based on data up to the second quarter of 2020. Furthermore, in order to achieve the highest site safety standards, strive for continuous improvements and promote a safety culture, recertification audit had been successfully conducted in May 2020 and new ISO 45001:2018 Occupational Health and Safety Management System

Certificate was received on 3 September 2020.

Theme 3: Optimising and Rationalising the Use of Public Resources

HA's public housing resources

- 3.23 In light of the increasing demand for PRH, we put much effort in safeguarding the rational and efficient use of public housing resources. As at 30 September 2020, we completed Biennial Inspection (BI) on some 468 000 PRH flats in the current BI cycle which started in November 2018. Intensive checking on some 6 000 income and assets declaration cases (declaration forms) and rigorous investigation on some 6 600 randomly selected occupancy-related and suspected tenancy abuse cases (households) by the Public Housing Resources Management Sub-section were in progress.
- 3.24 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. Outreaching visits to EMACs to promote the cherishing of public housing resources were carried out on a regular basis.
- 3.25 For the 2020 PRH rent review, SHC endorsed the outcome of the rent review in accordance with the Housing Ordinance (Chapter 283) at its meeting on 28 July 2020. PRH rent was adjusted upward by 9.66% with effect from 1 September 2020. At the same meeting, SHC also endorsed providing a two-month rent waiver for PRH tenants in accordance with the Housing Ordinance (Chapter 283) in September 2020 and September 2021 respectively.
- 3.26 In order to provide housing to applicants with genuine housing needs, SHC endorsed at its meeting on 21 June 2019 the implementation of a trial for a new initiative whereby under-occupation households with all family members aged 70 or above would be given an option to enjoy full rent exemption upon their transfer to PRH units of suitable sizes. The trial scheme was implemented on 16 December 2019. It would be reviewed in December 2020. As at end-September 2020, we had approved about 270 applications. Among 159 housing offers made, 35 households accepted the offers.
- 3.27 Taking into account the outcome of the Hong Kong Housing Society's (HKHS) "Letting Scheme for Subsidised Sale Developments with Premium Unpaid" (Letting Scheme), SHC agreed at its meeting on 29 July 2019 for HA to join HKHS's Letting Scheme on a trial basis,

allowing eligible owners of HA's SSFs to let their flats with premium unpaid to eligible PRH applicants. As at 30 September 2020, HKHS received around 420 and 510 applications from owners and tenants respectively, among which around 330 and 260 applications from owners and tenants respectively had been approved and more than 40 tenancy agreements had been signed.

- 3.28 To facilitate 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 SSFs who have sold their original flats without payment of premium to buy a smaller one in HA's Secondary Market. As at 30 September 2020, HKHS had received 13 applications from owners, among which nine eligible applications were approved with "Trade Down Permit" issued and four were ineligible. Among the nine approved applications with "Trade Down Permit" issued, one sale had been recorded.

HA's financial, human and IT resources

- 3.29 We continued to benchmark the average construction cost of HA's residential buildings against those in the private sector. We continued to closely monitor the construction cost per flat in PRH/GSH and SSF 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 HCP.
- 3.30 In respect of funds management, an annual health check 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 August 2020. Actions were taken in accordance with the FMSC's advice to implement the recommendations as approved by the FC.
- 3.31 In 2020/21, we further secured 49 additional civil service posts to meet the public housing supply target. We will continue to monitor the manpower situation and seek additional staff resources as and when necessary, as well as making flexible use of supplementary workforce, e.g. body-shopped personnel, to cope with periodic peaks of workload.
- 3.32 For supporting staff development, we had organised programmes, such as the Development Scheme for Senior Professionals, Housing Department Development Programme and internal attachment programmes to broaden

staff's perspectives. Due to the outbreak of the COVID-19 pandemic, we had also turned classroom training into webinars, video-on-demand and other e-learning resources as appropriate.

- 3.33 On the IT front, the upgrade projects of Identity Management software and Enterprise Resource Planning System were completed in May and June 2020 respectively. The upgrade of Office Application Suite for personal computers was completed in October 2020. The storage encryption of restricted data in application systems and personal computers was also completed in October 2020.

Theme 4: Enhancing the Attractiveness of Commercial Properties

- 3.34 During the first half of 2020/21, we conducted feasibility studies and Strengths-Weaknesses-Opportunities-Threats analyses for identifying asset enhancement opportunities, and earmarked the retail facilities in Upper Ngau Tau Kok and Mei Tin Estates for further studies under the five-year rolling programme for asset enhancement. The improvement works for downsizing of the Chinese restaurant to create new shops for Lei Muk Shue Shopping Centre was completed. To optimise the usage of non-domestic premises, we had continued to review the utilisation of storerooms and other spaces and undertake studies and conversion works to change them into domestic flats, welfare or retail uses where feasible and when opportunities arise. Furthermore, we continued to implement various measures to maximize the usage of HA's car parking facilities and meet the needs of residents and the local communities.
- 3.35 In the light of studies on necessary fire safety improvement works to meet the requirements under the Fire Safety (Industrial Buildings) Ordinance, letting of vacant factory units had been frozen. As at end-September 2020, the vacancy rate of factory estates had increased to 2.6%. The Department has also taken the opportunity to explore the feasibility of redeveloping individual HA's factory estate sites for public housing. Through enhancing the potential of HA's commercial properties and improving business environment, the overall vacancy rate was maintained at a low rate of 2.0% for shops and 0.6% for shopstalls and cooked food stalls as at the end of September 2020.
- 3.36 Having regard to the rapid development of the COVID-19 pandemic, we had progressively implemented a series of strengthened anti-epidemic measures in HA's shopping centres and markets since mid-July 2020. Due to the need for social distancing as a preventive measure against the spread of COVID-19, we had been suspending major promotional events

and activities at HA's shopping Centres since February 2020. During the first six months of 2020/21, two civic, education and community building activities were held in HA's shopping centres.

- 3.37 In line with the Government's measures to help individuals and businesses, HA had provided a 50% rent concession for the period from 1 October 2019 to 31 March 2020, and a 75% rent concession from 1 April to 30 September 2020 for eligible retail and factory tenants. The total estimated rent foregone amounted to around \$1,004.7M. In line with Government's further measures, HA approved in September 2020 to extend the 75% rent concession under the same coverage and arrangements for another six months from 1 October 2020 up to 31 March 2021, resulting in an estimated total rent foregone of around \$1,629.5M.
- 3.38 In view of the popularity of online shopping and growing demand for logistics services, especially amidst the COVID-19 pandemic, we continued to arrange letting of shops for express delivery services and sites for parcel lockers. As at end-September 2020, 57 sets of parcel lockers had been set up in 44 estates. We continued to maintain close communication with the Hong Kong Monetary Authority and banks. The mobile banking services had been extended to cover 30 estates. Besides, we had enhanced the provision of Wi-Fi service in HA's major shopping centres and retail facilities.
- 3.39 In order to maintaining Domain's market positioning and competitiveness as HA's regional shopping mall, we continued to adopt strategic and flexible approach during the tenancy renewal exercise with a view to widening the trade and tenant mix. We had extended the Domain Club Scheme to the adjoining Yau Lai Shopping Centre on a trial basis with effect from 1 August 2020. In addition, we kick-started the toilet improvement programme and the mock-up design was expected to be completed in end 2020/ early 2021.
- 3.40 To promote environmental protection initiatives in HA's commercial facilities, we continued to join the Energy Saving Charter^[5] and Charter on External Lighting^[6] for some of our shopping centres. To minimise the use of disposable plastic tableware, the promotional campaign titled

Note [5] 11 shopping centres have joined the Energy Saving Charter, i.e. Choi Tak, Hoi Lai, Kwai Chung, Lei Muk Shue, Mei Tin, On Kay, Shek Mun, 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 [6] 10 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.

“Plastic-Free” was launched in seven shopping centres ^[7]. We further joined Phase 2 of the Government’s Food Waste Collection Pilot Scheme ^[8] with effect from July 2020 in addition to Phase 1.

- 3.41 In addition to the standard electric vehicle (EV) charging facilities provided in new car parks, we had been providing standard EV charging facilities at monthly parking spaces in existing car parks in response to demand and subject to technical feasibility. Moreover, 12 medium chargers at hourly parking spaces in the car parks at Domain, Tak Long Estate and On Tat Estate had been installed. As at end-September 2020, we had provided EV chargers at some 290 hourly parking spaces and some 880 monthly parking spaces in 50 estates, out of which about 40 were quick and medium chargers. Another 12 medium chargers were anticipated to be completed by early 2021. We will keep in view the usage of these medium chargers and gradually install more of them in other suitable car parks as appropriate.

Note [7] Seven shopping Centres have joined “Plastic-Free”, i.e. Ching Long, On Tai, Shek Mun, Ying Tung and Yau Lai Shopping Centres as well as Domain and Shui Chuen O Plaza.

Note [8] 18 shopping centres/markets have joined the two phases of the Food Waste Collection Pilot Scheme. (Phase 1: Cheung Ching, Ching Long, Kwai Chung, Kwai Shing West, Lai Yiu, Lei Muk Shue, Nam Shan and Wah Fu (I) and (II) Shopping Centres. Phase 2: Hung Fuk, On Tai, Ping Yan, Shek Mun, Tin Yan, Yan Tin and Ying Tung Shopping Centres, Siu Hong Commercial Centre as well as Shui Chuen O Plaza).

4. THEMES, OBJECTIVES, AND KEY ACTIVITIES IN 2021/22

4.1 This chapter sets out the themes, objectives, and KAs of HA in 2021/22

Themes

4.2 HA will continue to focus its efforts in 2021/22 under the following four themes –

Theme 1:Providing Quality Homes;

Theme 2:Promoting Sustainable Living;

Theme 3:Optimising and Rationalising the Use of Public Resources; and

Theme 4:Enhancing the Attractiveness of Commercial Properties

Key Activities

4.3 Under the above four themes, we have drawn up 50 KAs for 2021/22. In this Chapter, the KAs are presented under the relevant themes in order to achieve the respective objectives.

Theme 1: Providing Quality Homes

Objective 1: Providing PRH to low-income families and addressing the home ownership aspirations of low-to middle-income families.

1. To provide PRH to low-income families who cannot afford private rental accommodation. While the latest AWT ^[9] for general applicants (i.e. family and elderly one-person applicants) has exceeded three years, we will continue to strive to achieve the target of providing the first flat offer to general applicants at around three years on average in the long run.
2. To put up HOS and GSH flats for sale.
3. To allocate WSM quota.
4. To accelerate the sale of unsold flats in the 39 estates under the Tenants Purchase Scheme.

Objective 2: Seeking Government's provision of sites suitable for development, monitoring their timely availability for construction, optimising site development potential and maximising supply of domestic flats, and managing external risks affecting the progress of construction works

5. To seek Government's provision of sites in a suitable condition to expedite the development of housing units, conduct detailed studies on selected sites in order to achieve the production targets of domestic flats and facilities as planned in the Public Housing Construction Programme, and optimise the development potential of the sites and maximise the supply of domestic flats.
6. To monitor town planning, associated processes, and public objection affecting housing development, mitigate any adverse impact on site availability for construction, and take measures to avoid interruption to site works and mitigate any effect on progress.

Note [9] Waiting time refers to the time taken between registration for PRH and the 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.). 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.

7. To explore and implement initiatives to expedite construction of new works projects.
8. To review and update as necessary the range of modular flats for public housing developments.

Objective 3: Planning and designing new development for a green and healthy environment, conserving resources, and promoting green procurement

9. 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.
10. 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”.

Objective 4: Enhancing building standards through research, management system and liaison with stakeholders

11. 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.

Objective 5: Maintaining compliance with statutory requirements in new development projects and existing properties

12. To implement building control in the design, construction, completion and post-occupation stages for the buildings developed by HA.
13. To monitor the use and operation of the lifts and escalators managed by HA.

Objective 6: Maintaining a sustainable PRH stock through proactive improvement work programmes and verification systems

14. To implement maintenance and improvement programmes (including regular preventive repairs) and upgrading works to enhance existing PRH stock, and meet the latest statutory requirements and other enhancement initiatives.
15. To maintain a structured Occupational Health and Safety Management System of planned maintenance and improvement works.

Theme 2: Promoting Sustainable Living

Objective 7: Enhancing community engagement throughout the delivery of development projects and promoting partnering with business partners

16. To promote partnering with stakeholders, such as engaging the community in the development process, as well as promoting social cohesion through the planning and design of estates.
17. To adopt universal design for all ages and abilities in modular flats, communal facilities and integrated community play areas, and implement barrier-free access to domestic block entrances, strategic estate facilities and transportation nodes to enhance safety, accessibility and spatial equity in the community.
18. To enhance the service standards, strengthen monitoring of our business partners, raise their awareness of corporate social responsibility, and promote partnering with them.

Objective 8: Maintaining estate cleanliness and environmental hygiene for a healthy and harmonious living environment, and promoting greening and energy conservation in PRH estates

19. To implement the Marking Scheme for Estate Management Enforcement and strengthen the prevention and control of pest in PRH estates.
20. To raise the awareness of PRH tenants on the Government's proposed municipal solid waste charging.
21. To enhance environmental protection through the acquisition of ISO 50001^[10] certification for Energy Management System and ISO 14001^[11] certification for the Environmental Management System, as well as the implementation of various energy saving initiatives in PRH estates.
22. To enhance tree management and implement landscape improvement programmes.

Note [10] ISO 50001 is an international standard which aims to reduce green-house gas emissions by enabling organisations to establish an energy management system and process to improve energy performance (including energy efficiency, use and consumption).

Note [11] 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.

Objective 9: Enhancing community bonding and attending to tenants' needs

23. To foster engagement and building of the community while caring for the tenants' needs through the partnering functions of EMACs with NGOs, as well as various forms of assistance and housing schemes.

Objective 10: Promoting understanding of HA's work

24. To build a proactive and caring corporate image of HA and strengthen communication with our staff, tenants, partners and the general public.

Objective 11: Enhancing awareness on health, environment and safety, and promoting relevant practices in HA's workplace

25. 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.
26. To promote staff awareness of environmental protection issues and enhance their awareness of and capacity to foster occupational safety and health in HA's workplace.

Theme 3: Optimising and Rationalising the Use of Public Resources

Objective 12: Optimising and rationalising the use of PRH resources

27. To provide transfer opportunities for sitting tenants through various transfer exercises.
28. To incentivise under-occupied all-elderly PRH households to transfer to right-sized flats.
29. To strengthen tenancy management and prevent abuse of public housing resources through income and assets declarations by PRH tenants, occupancy-related inspections by estate staff, as well as risk-based intensive investigation and overall monitoring by a central team.

Objective 13: Optimising the use of SSF resources

30. To allow eligible owners of HA's SSFs to join HKHS' enhanced Letting Scheme.
31. To allow eligible elderly owners participating in the "Flat for Flat Pilot Scheme for Elderly Owners" of HKHS to purchase a smaller SSF in HA's Secondary Market.

Objective 14: Optimising the use of HA's Interim Housing

32. To clear Shek Lei Interim Housing for public housing development.

Objective 15: Optimising the use of HA's factory buildings

33. To explore the feasibility of redeveloping HA's factory estates for public housing use, particularly to increase the supply of PRH units.

Objective 16: Maintaining a healthy procurement environment and enhancing value-for-money through procurement practices

34. To maintain an open, fair, transparent and cost-effective procurement environment and enhance value-for-money through procurement practices for works, services and goods.

Objective 17: Monitoring the construction cost of new housing development, enhancing the sustainability of older estates and reviewing the feasibility of redeveloping individual aged estates

35. To review the feasibility of redeveloping individual aged PRH estates in accordance with established policies under the Long Term Housing Strategy and make better use of land within or near existing PRH estates for additional

developments to increase flat production and enhance facilities.

36. To prolong the useful life of some aged estates, enhance the provision of housing development and facilitate the maintenance of older estates.
37. To monitor construction cost and improve the cost-effectiveness of construction.

Objective 18: Making the best use of human resources to meet corporate goals

38. To achieve a lean, flexible and dynamic organisation with the capacity to respond to changes in service requirements.
39. To enhance staff engagement to nurture a committed and motivated workforce.
40. To enhance staff competencies to support business objectives and needs.

Objective 19: Making effective and wider application of IT to support business initiatives and enhance efficiency

41. To implement or enhance IT systems to support the evolving business requirements, and to improve the overall operational efficiency and IT security.
42. To implement IT infrastructure and centralised IT services to meet HA's future business needs.
43. To implement e-services for submission of applications for PRH and SSFs (including HOS, GSH and WSM) and explore possible enhancements.
44. To explore alternative e-payment methods for rent collection.

Objective 20: Maintaining sound financial and funds management

45. To review HA's investment strategy and manage HA's funds in accordance with the approved strategies and guidelines.
46. To manage HA's finance in a prudent manner.

Theme 4: Enhancing the Attractiveness of Commercial Properties

Objective 21: Enhancing the potential of HA's commercial properties through exploring asset enhancement opportunities and optimising usage

47. To explore opportunities to enhance HA's commercial properties and optimise the use of resources.

Objective 22: Enhancing business strategies in leasing, marketing and managing HA's commercial properties

48. To enhance the leasing and promotion strategies for HA's new and existing retail facilities.

49. To maintain Domain's market positioning, attractiveness and competitiveness as a regional shopping mall and entertainment hub.

Objective 23: Promoting environmental protection in HA's commercial facilities

50. To enhance awareness of environmental protection and implement green measures in the operation of HA's commercial facilities.

5. KEY PERFORMANCE INDICATORS

5.1 In order to help evaluate and monitor our performance in implementing the KAs, we have adopted 19 Key Performance Indicators (KPIs) ^[12] for 2020/21. We have reviewed these KPIs and retained them in the 2021/22 CP. The past performance and the 2021/22 targets of the KPIs are set out below –

KPI	2019/20 Target (Year-end performance as at 31 March 2020)	2020/21 Target (Mid-year performance as at 30 September 2020)	2021/22 Target
(1) No. of new flats to be provided			
- PRH/GSH flats	13 800 ^[13] (10 100) ^[13]	6 100 ^[13] (1 700) ^[13]	21 700 ^[13]
- Other SSFs	4 400 ^[13] (3 000) ^[13]	6 800 ^[13] (5 000)	6 500 ^[13]
(2) AWT for PRH applications (years)			
- General applicants	3 (5.4)	3 (5.6)	3 ^[14]
- <i>Among which, elderly one-person applicants</i>	2 (3)	2 (3.3)	2
(3) Annual average cost per PRH unit under the management of the HD (\$)			
- Direct management cost ^[15]	6,250 (6,108)	6,620 (6,354) ^[16]	7,260 ^[17]
- Maintenance cost ^[18]	5,070 (4,751)	5,040 (4,870) ^[19]	5,240 ^[20]

Note [12] Applicable to both in-house services and services provided by property services agents/contractors.

Note [13] Rounded to the nearest hundred.

Note [14] While the latest AWT for general applicants has exceeded three years, HA will continue to strive to achieve the target of providing the first flat offer to general applicants at around three years on average in the long run.

Note [15] Direct management cost comprises direct personal emoluments for property management only and other recurrent expenditure incurred at estate level.

Note [16] The lower annualised year-to-date actual cost compared with the target was mainly due to lower spending on property management services expenses and personal emoluments.

Note [17] The increase in the target for 2021/22 is mainly due to assumed price level adjustment and higher expenditure for property management services.

Note [18] Maintenance cost comprises costs of maintenance works incurred at estate level and the costs attributed to PRH maintenance allocated from indirect cost centres.

Note [19] The lower annualised year-to-date actual cost compared with the target was mainly due to re-scheduling of works programme under the Total Maintenance Scheme.

Note [20] The increase in the target for 2021/22 is mainly due to assumed price level adjustment, higher expenditure for lift and escalator maintenance and programme adjustment to external wall finishes repairs.

Key Performance Indicators

KPI	2019/20 Target (Year-end performance as at 31 March 2020)	2020/21 Target (Mid-year performance as at 30 September 2020)	2021/22 Target
(4) Rent arrears rate (%)			
- Domestic	below 3.0 (2.02)	below 3.0 (0.76)	below 3.0
- Commercial Properties	below 2.5 (2.3)	below 2.5 (1.7)	below 2.5
(5) Percentage of overcrowded families ^[21] against total PRH families (%)	below 0.55 (0.61)	below 0.55 (0.54)	below 0.55
(6) Vacancy rate (%)			
- PRH	below 1.5 (0.7)	below 1.5 (0.9)	below 1.3
- Commercial Properties (shops)	below 2.5 (2.2)	below 2.5 (2.0)	below 2.5
(7) Average turnaround time for vacant flat refurbishment (days)	not exceeding 44 (42)	not exceeding 44 (36.21)	not exceeding 44
(8) Average development lead time for housing projects (months)	60 (59.5)	60 (58.6)	60
(9) Average number of defects per flat at handover	not exceeding 0.7 (less than 0.1)	not exceeding 0.7 (less than 0.1)	not exceeding 0.7
(10) Accident rate in HA construction sites ^[22] - for new works contract (No. of accidents per 1 000 workers)	not exceeding 9.0 (5.2) ^[23]	not exceeding 9.0 (4.4) ^[24]	not exceeding 9.0
(11) Media enquiries handled (%):			
- General enquiries (within 48 hours)	95 (99.5)	95 (99.7)	95
- Enquiries requiring the collection of detailed information (within 10 days)	100 (100)	100 (100)	100
(12) Training investment per staff member (\$)	2,100 (1,779)	2,300 (692) ^[25]	2,100 ^[26]

Note [21] Overcrowded families are families with living density below 5.5 m² internal floor area per person.

Note [22] Reportable accident as defined under the Factories and Industrial Undertakings Ordinance (Chapter 59) refers to fatal accidents, or accidents causing sick leave of over three days. It has all along been HA's objective to keep fatal accidents at zero.

Note [23] Based on statistical data of 2019 from the Labour Department.

Note [24] Based on statistical data up to 2nd quarter of 2020 from the Labour Department.

Note [25] The achievement of KPI (12) is lagging behind, mainly because most of the face-to-face training programmes were cancelled/postponed due to the COVID-19 pandemic and social distancing measures in 2020/21.

Note [26] Arrangements for Mainland/overseas training and face-to-face training programmes may still be affected by the COVID-19 pandemic in 2021/22. The target for 2021/22 is revised downwards by around 10%.

Key Performance Indicators

KPI	2019/20 Target (Year-end performance as at 31 March 2020)	2020/21 Target (Mid-year performance as at 30 September 2020)	2021/22 Target
(13) Overall evaluation of training course effectiveness (rating of very effective or above) (%)	85 (96)	85 (93)	85
(14) Paper consumption (reams) ^[27]	3% lower than the consumption in 2013/14 under comparable operating conditions ^[28] [13.6% lower than the consumption in 2013/14 under comparable operating conditions]	3.5% lower than the consumption in 2013/14 under comparable operating conditions ^[28] (5.62 reams per staff (i.e. 39.1% of the target consumption of 14.38 reams per staff))	4% lower than the consumption in 2013/14 under comparable operating conditions ^[28]
(15) Quantity of items collected from estates for recycling (tonnes)			
- Waste paper	not less than 26 500 (29 908)	not less than 27 000 (12 576)	not less than 27 000
- Aluminium cans	not less than 1 350 (2 130)	not less than 1 400 (1 013)	not less than 1 400
- Plastics bottles	not less than 1 750 (2 282)	not less than 1 800 (1 069)	not less than 1 800
(16) Water consumption in the HA Headquarters (m ³)	2% lower than the consumption in 2015/16 under comparable operating conditions ^[29] [14.6% lower than the consumption in 2015/16 under comparable operating conditions]	2.5% lower than the consumption in 2015/16 under comparable operating conditions ^[29] (1.38 m ³ per staff in HAHQ (i.e. 43.1% of the target consumption of 3.2 m ³ per staff in HAHQ))	2.75% lower than the consumption in 2015/16 under comparable operating conditions ^[29]

Note [27] There are 500 pieces of paper in one ream.

Note [28] At present, there is no service-wide saving target for paper consumption in office. To demonstrate our commitment towards protecting the environment, we have set our own target on paper consumption. We target to achieve 3%, 3.5% and 4% reductions in the consumption in 2019/20, 2020/21 and 2021/22 respectively as compared with 2013/14 under comparable operating conditions (having regard to the manpower expansion) through various measures such as wider use of e-reports and e-operations.

Note [29] At present, there is no service-wide saving target for water consumption in office. To demonstrate our commitment towards protecting the environment, we have set our own target on water consumption at 2%, 2.5% and 2.75% reductions in the consumption in 2019/20, 2020/21 and 2021/22 respectively as compared with 2015/16 under comparable operating conditions through various measures such as regular inspection to minimise pipe bursting and leakage, installation of water flow controller and shower tap in toilets and pantries, as well as promotion of water saving tips to raise staff's awareness.

KPI	2019/20 Target (Year-end performance as at 31 March 2020)	2020/21 Target (Mid-year performance as at 30 September 2020)	2021/22 Target
(17) Electricity consumption for office premises (kWh)	5% lower than the consumption in 2013/14 under comparable operating conditions ^[30]	5.5% lower than the consumption in 2013/14 under comparable operating conditions ^[30]	0.5% lower than the consumption in 2018/19 under comparable operating conditions ^[31]
	[12.8% lower than the consumption in 2013/14 under comparable operating conditions]	(2,009.91 kWh per staff (i.e. 53% of the target consumption of 3,790.11 kWh per staff))	
(18) Average energy consumption of building services installations in communal areas of domestic blocks designed within the year (kWh/m ² /Annum)	not exceeding 24 (21.39)	not exceeding 23.5 (20.86)	not exceeding 23.5
(19) Holding of bi-monthly EMAC meetings (number of meetings)	940 (829)	950 (282) ^[32]	960 ^[33]

Note [30] In March 2015, the Government promulgated its electricity saving target of achieving a 5% saving on the total electricity consumption in government buildings from 2015/16 to 2019/20 under comparable operating conditions, using 2013/14 as the baseline. Similarly, we have aligned with the Government target on electricity consumption to achieve a 5% saving from 2015/16 to 2019/20. For 2019/20 and 2020/21, we have set the electricity saving target at 5% and 5.5% reductions in the consumption in 2019/20 and 2020/21 respectively as compared with 2013/14 under comparable operating conditions having regard to the manpower expansion.

Note [31] In June 2020, the Government promulgated its new “Green Energy Target” of achieving a 6% saving on energy consumption for the period from 2020/21 to 2024/25 under comparable operating conditions in 2018/19 as the baseline. Upon review of the electricity consumption of HA office premises, we have set the new electricity saving target at a 0.5% reduction in the consumption in 2021/22 as compared with 2018/19 under comparable operating conditions having regard to the manpower expansion.

Note [32] Slippage was due to cancellation of meetings amid COVID-19 pandemic.

Note [33] Assume slow-down of the COVID-19 pandemic and social activities resume normal.

6. MAIN OPERATIONS

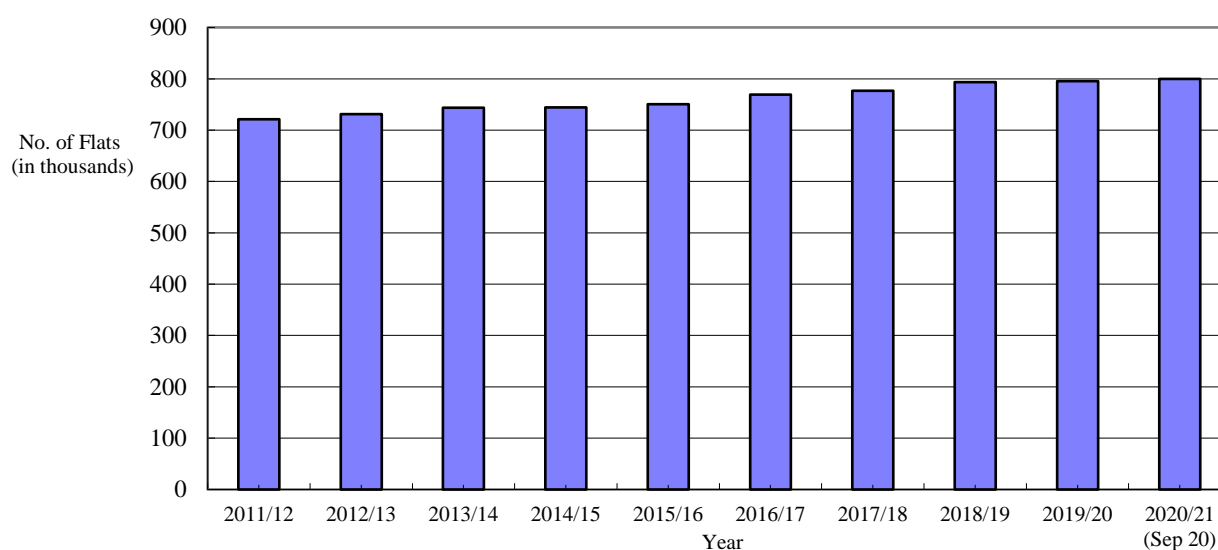
6.1 The operations and activities of HA lie in six main areas, namely development and construction, subsidised housing, commercial properties, building control, procurement, and corporate services. In the coming year, different operations of HA will continue to focus their efforts to achieve the objectives under the four themes for 2021/22.

DEVELOPMENT AND CONSTRUCTION

6.2 The main functions of the development and construction operation are to plan, design and construct HA's public housing developments as well as associated facilities.

6.3 The following chart shows the changes in PRH stock from 2011/12 to 2020/21 –

Stock of PRH Flats ^[34]



Note [34] The chart shows the PRH flat stocks from 2011/12 to 2020/21. The position from 2011/12 to 2019/20 is as at end-March of the respective years, while that for 2020/21 is as at end-September 2020.

Budget

- 6.4 The construction expenditure (including the relevant direct costs and overheads) in the 2021/22 Proposed Budget is projected at \$22,084 million, which is higher than the 2020/21 Revised Budget of \$19,668 million by \$2,416 million. The increase in construction expenditure is mainly due to the number of flat production according to the HCP.

SUBSIDISED HOUSING

- 6.5 The main functions of the subsidised housing operation are to allocate, manage and maintain HA's domestic rental properties, and to handle the sale of HA's SSFs.

Budget**Rental Housing Operating Account**

- 6.6 The income and expenditure of the Rental Housing Operating Account in the 2021/22 Proposed Budget are projected at \$20,505 million and \$21,691 million respectively. An operating deficit of \$1,186 million is projected in 2021/22, which is higher than the 2020/21 Revised Budget of \$780 million by \$406 million. The increase in operating deficit in 2021/22 is mainly due to the rent waiver for September 2021 granted by HA (partly offset by the full year effect of the rent adjustment which took effect from September 2020) and projected increase in various expenditure items.

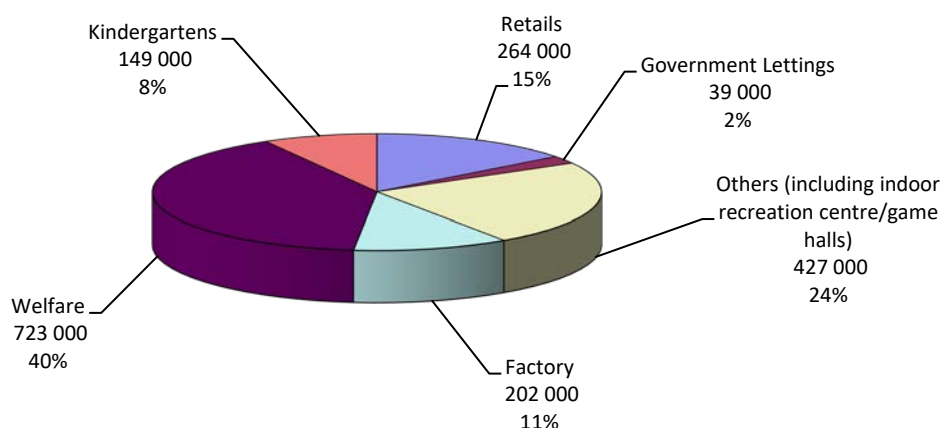
Home Ownership Assistance Operating Account

- 6.7 The income and expenditure of the Home Ownership Assistance Operating Account in the 2021/22 Proposed Budget are projected at \$12,393 million and \$5,956 million respectively. An operating surplus of \$6,437 million is projected in 2021/22, which is lower than the 2020/21 Revised Budget of \$9,465 million by \$3,028 million. The decrease in operating surplus in 2021/22 is mainly due to comparatively less number of completion of assignment of SSFs in the year.

COMMERCIAL PROPERTIES

- 6.8 The main function of the commercial properties operation is to manage HA's commercial and non-domestic properties (including retail, Government lettings, welfare, kindergarten and flatted factories) as well as car parks.
- 6.9 As at 30 September 2020, HA ran approximately 1 804 000 m² internal floor area of commercial and other non-domestic properties (excluding schools) and 31 900 car parking spaces. Breakdown of the commercial and non-domestic properties portfolio by space is as follows –

**Commercial and Non-domestic Properties Portfolio by Space (internal floor area m²)
As at 30 September 2020
(Total Space 1 804 000 m²)**



Budget

- 6.10 The income and expenditure of the Commercial Operating Account in the 2021/22 Proposed Budget are projected at \$3,208 million and \$2,068 million respectively. An operating surplus (before exceptional items) of \$1,140 million is projected in 2021/22, which is higher than the 2020/21 Revised Budget of \$945 million by \$195 million. The increase in operating surplus in 2021/22 is mainly due to the rent concession by HA to the eligible non-domestic tenants / licensees in 2020/21, and the projected addition of new premises in 2021/22.

BUILDING CONTROL

- 6.11 The Independent Checking Unit (ICU) established directly under the Office of the Permanent Secretary for Transport and Housing (Housing) exercises dual control functions including the statutory building control to buildings subject to the Buildings Ordinance (Chapter 123) (BO) under the delegated authority from the Building Authority, i.e. the Director of Buildings, as well as the administrative building control to buildings and works not subject to the BO by way of HA's administrative arrangements. ICU's statutory control function is funded by the Government, whilst its administrative control function including the processing of submissions for new housing development, alteration and addition works in existing buildings is funded by HA.
- 6.12 The Lift Inspection Focus Team is responsible for monitoring the use and operation of HA's lifts and escalators for risk management and enhancing the compliance with the Lifts and Escalators Ordinance (Chapter 618).

Budget

- 6.13 The expenditure for building control in the 2021/22 Proposed Budget is projected at \$236 million, which is higher than the 2020/21 Revised Budget of \$228 million by \$8 million. The increase in expenditure in 2021/22 is mainly due to increase in personal emoluments.

PROCUREMENT

- 6.14 The main operations of procurement are to secure competent and reliable business partners through equitable procurement principles^[35], achieving efficiency, effectiveness and value for money at all times.

Budget

- 6.15 The expenditure for procurement in the 2021/22 Proposed Budget is projected at \$125 million, which is higher than the 2020/21 Revised Budget of \$119 million by \$6 million. The increase in expenditure in 2021/22 is mainly due to increase in personal emoluments and

Note [35] The basis of HA's procurement principles are as follows -

- (a) Obtain Value for Money;
- (b) Incorporate Risk Management in a holistic manner;
- (c) Maintain a focus on continuous improvement at all levels;
- (d) Provide effective governance which is accountable and transparent;
- (e) Provide for open and fair competition in the market place; and
- (f) Procure in a fair, reasonable and ethical manner with due regard to probity.

capital expenditure.

CORPORATE SERVICES

6.16 Corporate services operation comprises a wide range of supporting services that facilitate the efficient operation of HA. These include general administration, human resources management, finance and accounting services, IT, information and community relations, legal advice services and management consultancy services.

Budget

6.17 The expenditure for corporate services in the 2021/22 Proposed Budget is projected at \$1,062 million, which is higher than the 2020/21 Revised Budget of \$1,005 million by \$57 million. The increase in expenditure in 2021/22 is mainly due to increase in personal emoluments and other recurrent expenditure.

7. CONSOLIDATED BUDGETS

- 7.1 As a financially autonomous public body, HA funds its public housing programmes with its own resources. A summary of the income and expenditure of HA's 2020/21 Revised Budget and 2021/22 Proposed Budget is set out below –

	2020/21 Revised Budget \$M	2021/22 Proposed Budget \$M
Operating income	37,063	36,106
Operating expenditure	(27,482)	(29,757)
Net non-operating income	23	15
Consolidated Operating Surplus	<u>9,604</u>	<u>6,364</u>
Capital expenditure	<u>20,340</u>	<u>22,912</u>

CONSOLIDATED OPERATING ACCOUNT

- 7.2 The Consolidated Operating Account in the 2021/22 Proposed Budget is projected at a surplus of \$6,364 million which is lower than the 2020/21 Revised Budget of \$9,604 million by \$3,240 million. The lower surplus is attributable to –
- (a) the higher deficit in the Rental Housing Operating Account mainly due to the rent waiver for September 2021 granted by HA (partly offset by the full year effect of the rent adjustment which took effect from September 2020) and projected increase in various expenditure items as a result of assumed price level adjustments and increase in rental flats; and
 - (b) the lower surplus in the Home Ownership Assistance Operating Account mainly due to comparatively less number of completion of assignment of SSFs in the year; partly offset by
 - (c) the higher surplus in the Commercial Operating Account mainly due to the rent concession by HA to the eligible non-domestic tenants / licensees in 2020/21, and the projected addition of new premises in 2021/22.

7.3 A summary by business operation is set out below –

	2020/21 Revised Budget	2021/22 Proposed Budget
	\$M	\$M
Rental Housing	(780)	(1,186)
Commercial ^[36]	896	1,098
Home Ownership Assistance	9,465	6,437
Net non-operating income ^[37]	23	15
Consolidated Operating Surplus	<u>9,604</u>	<u>6,364</u>

CASH AND INVESTMENT BALANCE

7.4 The projected cash and investment balance at the end of March 2021 and 2022 are summarised below –

	2020/21 Revised Budget	2021/22 Proposed Budget
	\$M	\$M
Cash and Investment Balance at year-end	<u>56,816</u>	<u>52,679</u>

7.5 The cash and investment balance in the 2021/22 Proposed Budget is projected to decrease to \$52,679 million, mainly due to higher construction and operating expenditures, and lower SSF receipts.

Note [36] Operating surplus after exceptional items.

Note [37] The net non-operating income is mainly income from the Urban Renewal Authority for the rental flats allocated to affected tenants.

CAPITAL EXPENDITURE

7.6 The capital expenditure in the 2021/22 Proposed Budget is \$22,912 million. The details are summarised below –

	2020/21 Revised Budget	2021/22 Proposed Budget
	\$M	\$M
Construction expenditure	17,045	19,389
Improvement works	398	476
Computer systems and equipment, other equipment and motor vehicles	210	283
Direct costs and overheads	2,687	2,764
Total	20,340	22,912

7.7 Compared with the 2020/21 Revised Budget, the capital expenditure in the 2021/22 Proposed Budget is projected to increase by \$2,572 million, mainly due to higher construction expenditure in the year.

LIST OF ABBREVIATIONS

AWT	average waiting time
BEAM Plus	Building Environment Assessment Method Plus
BI	Biennial Inspection
BO	Buildings Ordinance
EMAC	Estate Management Advisory Committee
EV	electric vehicle
FC	Finance Committee
FMSC	Funds Management Sub-Committee
GSH	Green Form Subsidised Home Ownership Scheme
HA	Hong Kong Housing Authority
HD	Housing Department
HKGBC	Hong Kong Green Building Council
HKHS	Hong Kong Housing Society
HKQAA	Hong Kong Quality Assurance Agency
HOS	Home Ownership Scheme
ICU	Independent Checking Unit
IT	information technology
KAs	key activities
KPI	key performance indicator
Letting Scheme	“Letting Scheme for Subsidised Sale Developments with Premium Unpaid”

NGOs	non-governmental organisations
NTQ	Notice-to-quit
HCP	Housing Construction Programme
PRSC	Post-retirement Service Contract
PRH	public rental housing
SBI	Sustainable Building Index
SHC	Subsidised Housing Committee
SSF	subsidised sale flat
WSM	White Form Secondary Market Scheme