

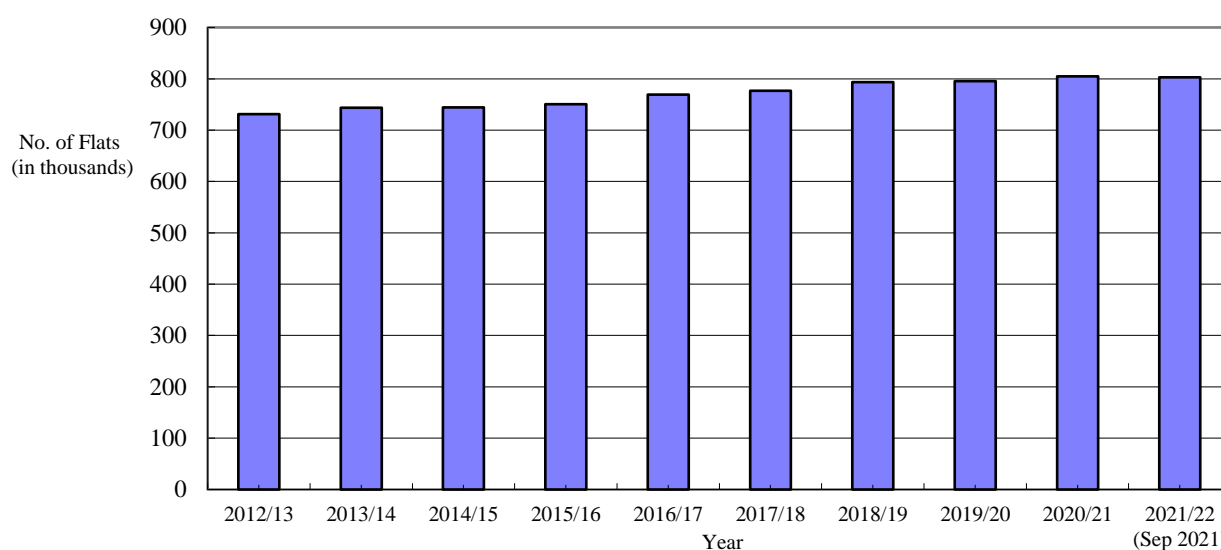
6. MAIN OPERATIONS

- 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 2022/23.

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 2012/13 to 2021/22 –

Stock of PRH Flats ^[26]



Note [26] The chart shows the PRH flat stocks from 2012/13 to 2021/22. The position from 2012/13 to 2020/21 is as at end-March of the respective years, while that for 2021/22 is as at end-September 2021.

Budget

- 6.4 The construction expenditure (including the related in-house supervision and administration costs) in the 2022/23 Proposed Budget is projected at \$22,100 million, which is higher than the 2021/22 Revised Budget of \$20,367 million by \$1,733 million. The increase in construction expenditure is mainly due to increase in construction activities for projects in that year.

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 2022/23 Proposed Budget are projected at \$22,359 million and \$22,166 million respectively. An operating surplus of \$193 million is projected in 2022/23, as compared to a deficit of \$400M in the 2021/22 Revised Budget, mainly attributable to rent waiver for September 2021 granted by HA, partly offset by projected increase in various expenditure items as a result of the addition of new rental flats and assumed price level adjustments.

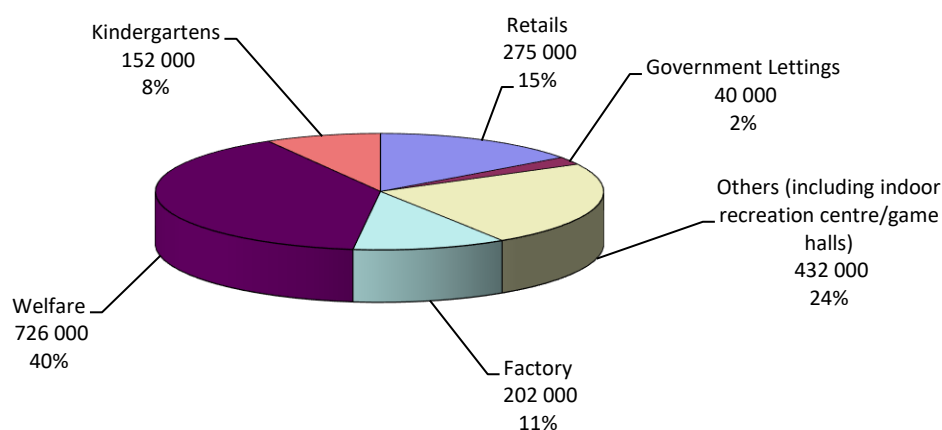
Home Ownership Assistance Operating Account

- 6.7 The income and expenditure of the Home Ownership Assistance Operating Account in the 2022/23 Proposed Budget are projected at \$11,976 million and \$5,742 million respectively. An operating surplus of \$6,234 million is projected in 2022/23, which is lower than the 2021/22 Revised Budget of \$6,983 million by \$749 million. The decrease in operating surplus in 2022/23 is mainly due to less estimated number of TPS flats sold and less alienation premium cases.

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 end-September 2021, HA ran approximately 1 827 000 m² internal floor area of commercial and other non-domestic properties (excluding schools) and 32 800 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 end-September 2021
(Total Space 1 827 000 m²)



Budget

- 6.10 The income and expenditure of the Commercial Operating Account in the 2022/23 Proposed Budget are projected at \$3,554 million and \$2,235 million respectively. An operating surplus of \$1,319 million is projected in 2022/23, which is higher than the 2021/22 Revised Budget of \$199 million by \$1,120 million. The increase in operating surplus in 2022/23 is mainly due to the rent concession by HA to eligible non-domestic tenants / licensees in 2021/22, and the projected addition of new premises in 2022/23.

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. 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 2022/23 Proposed Budget is projected at \$248 million, which is higher than the 2021/22 Revised Budget of \$219 million by \$29 million. The increase in expenditure in 2022/23 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^[27], achieving efficiency, effectiveness and value for money at all times.

Budget

- 6.15 The expenditure for procurement in the 2022/23 Proposed Budget is projected at \$125 million, which is higher than the 2021/22 Revised Budget of \$114 million by \$11 million. The increase in expenditure in 2022/23 is mainly due to increase in personal emoluments and other recurrent expenditure.

Note [27] 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.

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 2022/23 Proposed Budget is projected at \$1,083 million, which is higher than the 2021/22 Revised Budget of \$1,018 million by \$65 million. The increase in expenditure in 2022/23 is mainly due to higher other recurrent expenditure, and higher capital expenditure on improvement works and computer systems.