



Hong Kong Housing Authority

Corporate Plan

2022/23

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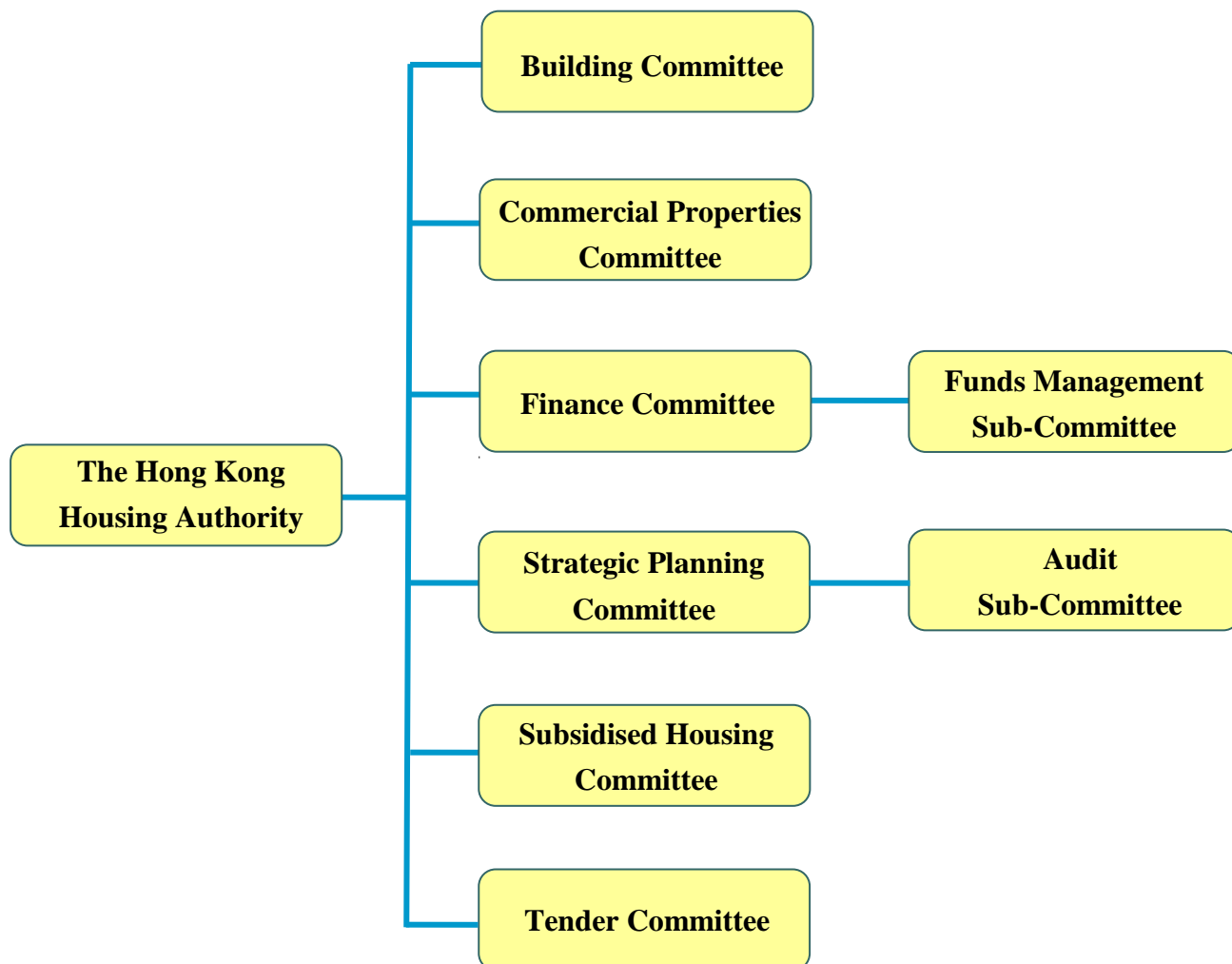
1. CORPORATE PROFILE

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. HA also provides subsidised sale flats (SSFs) to address the home ownership aspirations of low- to middle-income families.
- 1.2 As at September 2021^[1], HA had a stock of 803 000 PRH / interim housing flats, accommodating 2 141 500 persons, or 29% of Hong Kong's total population.
- 1.3 As at December 2021, the membership of HA comprised 19 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 and 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 end-September 2021.

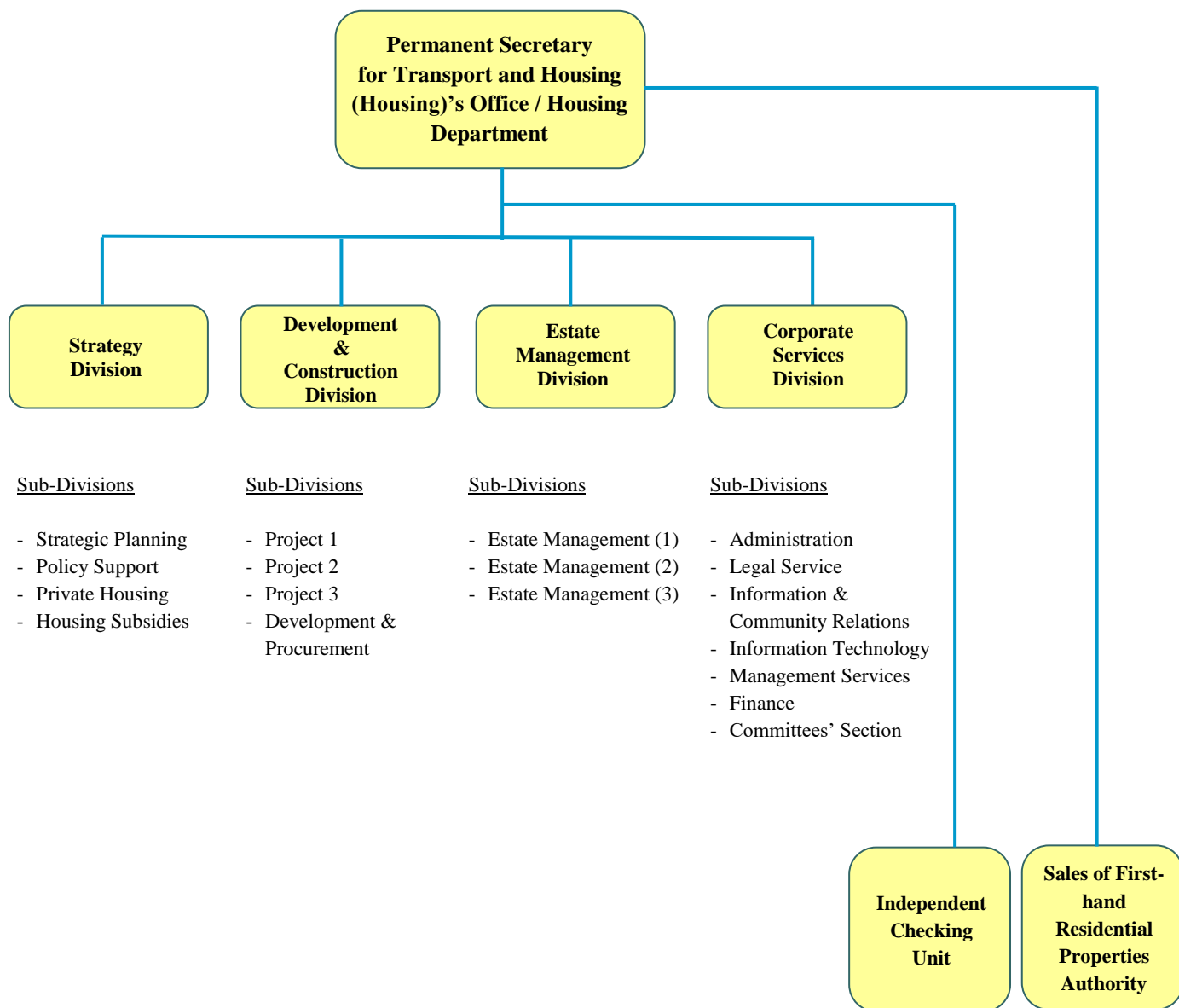
Organisation of the Hong Kong Housing Authority



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 2021, HD had a strength of 9 773 staff, of which 9 190 were civil servants and 583 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 2021/22 CORPORATE PLAN

- 3.1 There were 50 key activities (KAs) in the 2021/22 Corporate Plan. As at end-September 2021, two KAs were completed while 48 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 36/2021 (for subsidised housing), CPC 27/2021 (for commercial properties), BC 56/2021 (for development and construction), BC 51/2021 (for building control), TC 81/2021 (for procurement) and FC 37/2021 (for corporate services) respectively. The overall progress is recapitulated below.

Theme 1: Providing Quality Homes

Construction and development of public housing

- 3.2 The goal for 2021/22 was to construct about 21 700 PRH/Green Form Subsidised Home Ownership Scheme (GSH) flats and about 6 500 Other SSFs. Based on the Public Housing Construction Programme (HCP) as at September 2021, we had completed the construction of about 6 600 PRH/GSH flats and about 3 200 other SSFs in the first half of 2021/22. We anticipated that a total of about 22 600 PRH/GSH flats and 6 500 Other SSFs would be completed by the end of 2021/22.
- 3.3 We continued to hold regular meetings with relevant Government bureaux and departments 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 optimise the development potential of public housing sites through implementing the policy approved by the 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 public housing construction, we

continued to implement different measures, including exploration of further standardised precast elements and the use of Modular Integrated Construction (MiC) in suitable projects. Moreover, we implemented measures such as preparing major excavation and lateral support works plans and using draft pile test reports to expedite foundation works.

- 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 into consideration the views of local community and other stakeholders as well as the requirements of bureaux/departments 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 2021/22.
- 3.6 In the first half of 2021/22, we continued to adopt environmentally responsive planning and design and conducted “micro-climate” studies in 27 on-going projects and Air Ventilation Assessment in 21 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 2021/22, and would implement it in all projects in the design stage.

Management and maintenance of public housing

- 3.7 We continued to implement maintenance and improvement programmes such as the Comprehensive Structural Investigation Programme for PRH estates with age around 40 years to ascertain the state of structural safety, Total Maintenance Scheme for PRH units aged ten years or above as a

Note [3] BEAM Plus is a comprehensive environmental assessment scheme for buildings recognised by HKGBC. The BEAM Plus assessment scheme includes seven aspects of a project (i.e. Integrated Design and Construction Management, Sustainable Site, Material and Waste, Energy Use, Water Use, Health and Wellbeing, Innovations and Additions). A rating would be issued to the project according to the scoring after the assessment.

cyclic programme including the Mandatory Window Inspection Scheme in selected estates and the Responsive In-flat Maintenance Services in all PRH estates, with a view to maintaining a sustainable PRH stock. Under the Lift Modernisation Programme, we have completed the replacement of 26 old lifts against the target of replacing 61 old lifts in the year.

- 3.8 We scheduled to inspect communal above-ground drainage pipes for PRH flats in some 1 000 blocks. As at end-September 2021, communal above-ground drainage pipes of 850 blocks had been inspected. We also participated in the “Quality Water Supply Scheme for Buildings – Fresh Water (Management System)” of the Water Supplies Department in 125 PRH estates. As at end-September 2021, 103 of them had maintained the certifications.
- 3.9 With a view to achieving the highest site safety standards, striving for continuous improvements and committing to promote a safety culture, the ISO 45001 Certificate was maintained with validity till July 2023.

Provision of PRH and SSFs

- 3.10 As at end-September 2021, about 7 100 PRH units were allocated to PRH applicants. The average waiting time (AWT) ^[4] for general applicants (i.e. family and elderly one-person applicants) who were housed to PRH unit in the past 12 months was 5.9 years. Among them, the AWT for elderly one-person applicants was 3.8 years. We will continue with the efforts to increase PRH supply with a view to shortening the waiting time for PRH.
- 3.11 The Sale of Home Ownership Scheme (HOS) Flats 2020 (HOS 2020), involving a total of 7 047 new flats, was launched in September 2020. E-services for submission of application were available. Ballot was held in December 2020 and flat selection for eligible applicants was completed in September 2021. 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. Successful applicants were informed to apply for a Certificate of Eligibility to Purchase with a validity period of 12 months in May 2021.

Note [4] Waiting time basically 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.).

- 3.12 A total of 2 112 new Green Form Subsidised Home Ownership Scheme (GSH) flats were put up for sale under the Sale of GSH Flats 2020/21 (GSH 2020/21) and e-services for submission of application was provided. Application was launched in May 2021 and ballot was held in August 2021. Eligible applicants had been invited for flat selection since late October 2021. In order to accelerate the sale of unsold flats in the 39 estates under the Tenants Purchase Scheme (TPS), around 800 recovered TPS flats have been put up for sale under GSH 2020/21.
- 3.13 Due to the social distancing measures in place, live broadcast of ballot drawing for GSH 2020/21 was arranged in August 2021 via HA's Facebook page. The production of sales pamphlet of each of the 39 TPS estates and around 800 sets of individual video clips and photo albums of recovered TPS flats were completed to facilitate flat selection in October 2021. In addition, we continued our communication with the general public via social media platforms covering messages such as rent waiver for eligible elderly tenants, keeping fit at home for the elderly, environmental protection initiatives, as well as features of newly completed projects such as the award winning On Tai Estate and the long span footbridge connecting Hoi Ying Estate and Hoi Tat Estate.

Theme 2: Promoting Sustainable Living

Relationship management with stakeholders

- 3.14 We strived to enhance community bonding and attend to tenants' needs. The partnering functions with non-governmental organisations to promote neighbourliness in PRH estates were suspended due to COVID-19 pandemic. On the estate management level in enhancing family cohesion, a cumulative total of around 68 000 households had benefited from the Harmonious Families Policies.
- 3.15 We also widely publicised the Rent Assistance Scheme through various channels to raise the awareness of PRH tenants so that those in need could submit applications accordingly. The HA had thrice successively extended the temporary relief measure to March 2022 to withhold the issuance of Notice-to-quit (NTQ) to tenants who could not settle their rent payments on time due to financial hardship. Eligible tenants may submit one-off applications to HA and NTQ against them would be withheld upon approval of their applications. As at end-September 2021, a cumulative total of around 1 600 applications were approved.

- 3.16 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 two projects in the past six months. Due to COVID-19 pandemic, telephone interview instead of face-to-face interview for resident survey has been conducted. We have conducted survey for one project in the past six months.
- 3.17 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. In addition, we have been applying the Performance Assessment Scoring System to our various new works contracts. The Preferential Tender Award System has been applying to Building New Works contracts, Electrical, Fire Services and Water Pump sub-contracts and 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

- 3.18 As at end-September 2021, we had completed the greening activities, tree planting day activities and landscape improvement works in selected estates. Refresher/training courses were organised for Estate Tree Ambassadors in order to provide them with the basic knowledge on identifying suspected problematic trees within the estates. We completed an annual tree assessment exercise in May 2021 and maintained the tree database records for effective tree management through the computerised Enterprise Tree Management System.
- 3.19 Collaborating with the Environment Bureau/Environmental Protection Department, the Phase II trial of Municipal Solid Waste Charging including 50 blocks of nine PRH estates started in May 2021. Three PRH estates had participated in the pilot scheme for placing reverse vending machine since February 2021.

- 3.20 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. The Hong Kong Quality Assurance Agency conducted surveillance visit in May 2021 and no non-conformity was observed. Moreover, the preparation of the Carbon Audit Report for 14 typical domestic block types to monitor energy consumption was in progress.
- 3.21 To minimise the risk of spreading the COVID-19 pandemic, HA continued to step up cleansing and disinfection at all common areas in PRH estates. We employed short-term staff to implement and monitor anti-epidemic measures; provide assistance in using the “LeaveHomeSafe” mobile application; and conduct routine check on environmental hygiene and cleaning work in PRH estates. We also facilitated the Government’s efforts in implementing the Compulsory Testing Notice and “restriction-testing declaration” and provided support to respective operations in PRH estates concerned. Furthermore, we offered assistance to elderly PRH residents to make online booking for vaccination.
- 3.22 To support the Government’s campaigns in 2021, rodent and pest prevention and control work were carried out in all PRH estates continuously. More intensive measures had been implemented in the 50 selected priority estates by two phases from April to October 2021. The Estate Cleaning Campaign was launched to strength the anti-rodent work in all PRH estates from August 2021.
- 3.23 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 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.
- 3.24 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. Based on data up to the second

quarter of 2021, our relentless efforts resulted in a low accident rate of 5.0 and 0.7 per 1 000 workers for new works contracts and maintenance works contracts respectively. Up to September 2021, there were two industrial fatal accidents occurred in HA New Works contracts. HA has grave concern with the site safety performance of works contractors. To raise the safety awareness of contractors, we convened an experience sharing workshop in September 2021 in which key personnel of contractors and industry stakeholders in construction safety were invited to brainstorm, provide their insights, exchange views and lessons learnt from past incidents with a view to preventing mishaps from happening again. We had summarised the good practices of HA contractors and suggestions from construction stakeholders into a list of practical safety enhancement measures and uploaded it on the HA Site Safety Website for contractors' reference.

Theme 3: Optimising and Rationalising the Use of Public Resources

HA's public housing resources

- 3.25 We completed the feasibility study on redeveloping HA's factory estates and HA's Strategic Planning Committee (SPC) endorsed to redevelop four factory estates for public housing. We will proceed with the rezoning process of the sites at Sui Fai, Yip On and Wang Cheong Factory Estates for residential purpose. For the site at Kwai On Factory Estate, we will work out the development programme with relevant Government departments and initiate the rezoning process upon resolution of the judicial review cases pertinent to the draft Kwai Chung Outline Zoning Plan.
- 3.26 With a view to clearing Shek Lei Interim Housing by end-2022 for public housing development of about 1 600 units, rehousing arrangement was explained to the residents in a series of forums. Registration of residents was completed and rehousing was in progress.
- 3.27 We put much effort in safeguarding the rational and efficient use of public housing resources. Vetting of some 250 000 biennial income and assets declarations under the Well-off Tenants Policies was in progress. Intensive checking on some 6 000 income and assets declaration cases and rigorous investigation on some 6 600 randomly selected occupancy-related and suspected tenancy abuse cases were also in progress. 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 and to promote cherishing public housing resources.

- 3.28 Under the scheme to grant lifetime full rent exemption to all-elderly households in under-occupied units, Housing for Senior Citizens of Type I design and non-self-contained Converted-one-person units upon their transfer to suitably-sized flats, we had received and approved 438 applications as at end-September 2021. Among the 466 housing offers made, 122 offers were accepted by the applicants whereas 318 were refused, with the remaining 26 pending the applicants' confirmation of acceptance.
- 3.29 After taking into account the Hong Kong Housing Society's (HKHS) review results and the effectiveness of HA's participation in the enhanced Letting Scheme for Subsidised Sale Developments with Premium Unpaid (Letting Scheme), HA agreed to join the enhanced Letting Scheme on a regular basis in June 2021. As at end-September 2021, HKHS had received around 800 and 1 400 applications from owners and tenants respectively, among which around 670 and 450 applications from owners and tenants respectively were approved. 94 tenancy agreements were signed.
- 3.30 To facilitate HKHS's "Flat for Flat Pilot Scheme for Elderly Owners", the Subsidised Housing Committee (SHC) approved at its meeting on 21 June 2019 to allow eligible elderly owners of HKHS' SSFs who have sold their original flats without payment of premium to buy a smaller one in HA's Secondary Market. As at end-September 2021, HKHS had received 19 applications, among which 14 eligible applications were approved with "Trade Down Permit" issued, four were ineligible and one was being processed. Among the 14 approved applications, four sales of the original SSF were recorded and one purchase of a smaller SSF under the HA's Secondary Market was recorded.

HA's financial, human and IT resources

- 3.31 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 Other 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 SPC will consider factors

contributing to the higher unit cost and make a conscious decision of whether to include the sites in HA's HCP.

- 3.32 In respect of funds management, we had conducted an overall review on HA's Strategic Asset Allocation. Following consultation with the Funds Management Sub-Committee (FMSC), the findings and recommendations were submitted to the Finance Committee (FC) for approval in August 2021. Actions were being taken in accordance with FMSC's advice to implement the recommendations as approved by FC.
- 3.33 We will continue to monitor our 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. HD had been engaging supplementary workforce, viz. body-shopped personnel, term staff and staff employed under the Government's Post-retirement Service Contract (PRSC) Scheme to meet special and/or temporary job needs. As at end-September 2021, we had engaged 1 480 body-shopped personnel, 132 term staff and 16 PRSC staff. We will continue to make greater use of supplementary workforce to cope with periodic peaks of workload.
- 3.34 As one of the measures to support staff development, we had been organising the Development Scheme for Senior Professionals to provide the participants with opportunities to take up responsibilities beyond their professional boundary. Furthermore, management development programmes and internal attachment programmes had been arranged to broaden staff's perspectives. Having regard to the recent local development of the COVID-19 pandemic, face-to-face local training activities had gradually resumed, but Mainland/overseas programmes were still put on hold. Other modes of training such as live webinars, video-on-demand and e-learning resources on HA's e-Learning Portal were provided to facilitate continuous learning.
- 3.35 On the front of information technology (IT) application, the redevelopment of the Cash and Funds Management System and the technical study on IT network to support future growth and business needs were completed in October 2021 and December 2021 respectively. The study on the new data centre and the study on the IT strategy plan commenced in September 2021 and November 2021 respectively.

Theme 4: Enhancing the Attractiveness of Commercial Properties

- 3.36 During the first half of 2021/22, we conducted feasibility studies and Strengths-Weaknesses-Opportunities-Threats analyses for identifying asset enhancement opportunities, and earmarked Shui Pin Wai and Choi Wan (II) estates for further studies under the five-year rolling programme for asset enhancement. To optimise the use of non-domestic premises, we continued to keep in view the utilisation of storerooms and other spaces and to explore feasibility for converting suitable spaces to domestic flats as well as welfare, retail or other non-domestic uses when opportunities arise. Furthermore, we continued to implement various measures to maximise the usage of HA's car parking facilities.
- 3.37 We announced the study result of necessary fire safety improvement works for HA's factory estates to meet the requirements of the Fire Safety (Industrial Buildings) Ordinance and the feasibility to redevelop HA's factory estate sites for public housing use, as well as the arrangements for clearance of HA's four factory estates (i.e. Yip On, Sui Fai, Wang Cheong and Kwai On Factory Estates) on 24 May 2021. According to the prevailing enforcement policy of the Buildings Department and the Fire Services Department, no immediate improvement works are required at this stage. Nevertheless, we will continue to carry out routine maintenance works for all the six factory estates. Excluding the four estates under clearance, the overall vacancy rate of factory estates was 1.4% as at end-September 2021, which met the Key Performance Indicator of below 4.0%. Through well-planned leasing arrangements and promotion strategies together with the rent concession measures, the vacancy rate of retail premises (excluding ward offices) as at end-September 2021 was maintained at a low rate of 2.1%.
- 3.38 In view of the growing popularity of online shopping and the associated demand for logistics services, we continued to arrange letting of retail premises for express delivery services and spaces for setting up parcel lockers. We also continued to collaborate with the Hong Kong Monetary Authority and major banks to extend various forms of banking services in PRH estates. As at end-September 2021, a total of 81 parcel lockers had been set up in various estates while mobile banking services had covered 30 PRH estates. The Faster Payment System for collecting rent and other charges for non-domestic premises and carparks was expected to launch in March 2022. Furthermore, we continued to provide free Wi-Fi services to the public in our shopping centres and major retail facilities.

- 3.39 To combat the COVID-19 epidemic, we continued to strengthen anti-epidemic measures in our shopping centres and markets. In view of the need for social distancing amidst the epidemic, we had suspended major promotional events and continued to arrange small scale promotional events. In the first six months of 2021/22, we had launched 15 community events with a total of 430 hours. To complement Government's initiative in encouraging COVID-19 vaccination, we had implemented the Reward Programme on promotion of vaccination from 28 June 2021 to 31 August 2021. During the period, around 2 800 gifts were redeemed by vaccinated customers. In addition, the Government launched a subsidy scheme under the Anti-epidemic Fund to provide a one-off subsidy of \$5,000 to stall tenants of markets and cooked food stalls under the Food and Environmental Hygiene Department and HA, with a view to encouraging stall tenants to use contactless payment to safeguard public health. As at end-September 2021, HA had received a total of about 640 applications under the two rounds of the subsidy scheme and around 500 applications had been approved.
- 3.40 In line with the Government's helping measures to support enterprises and to relieve people's financial burden, HA granted 50% rent concession to eligible retail and factory tenants from 1 October 2019 to 31 March 2020, and the rent concession was subsequently extended to end-September 2021 and increased to 75%. In support of Government's further measures, HA approved in September 2021 to further extend the 75% rent concession for six months to end-March 2022. In the case of tenants of supermarkets/superstores, the rent concession is subject to application and production of proof of sales drop. In addition, to support the Government's initiatives to promote the development of fifth generation (5G) mobile communications technology in Hong Kong, a reduced charging rate at 50% for telecommunications installations at HA's properties is offered.
- 3.41 To maintain the popularity of Domain and to reinforce its market positioning as a regional mall, we continued to adopt strategic planning and flexible strategies in renewing tenancies with a view to enhancing its trade and tenant mix. We had launched a mobile app for Domain Club in end August 2021 to facilitate the recording of spending points earned by members for gift redemption. Up to end-September 2021, over 10 000 new members had been recruited through our Domain Club Mobile App promotion scheme and around 2 600 existing Domain Club members switched to use the mobile app. The contents of Domain website, Facebook and Instagram had also been enriched to be more appealing to

target customers. To enhance facilities management, the toilet improvement programme had been implemented. The mock-up toilet was completed in April 2021 and opened for public use. Tendering was being arranged for appointment of contractor to execute the works under the programme.

- 3.42 To implement green measures in operating HA’s retail facilities, we continued to join the Energy Saving Charter ^[5] and Charter on External Lighting ^[6] for some of our shopping centres. With a view to minimizing the use of disposable plastic tableware, we had launched the “Plastic-Free” promotional programme in nine shopping centres ^[7]. We invited tenants of our 18 shopping centres/markets ^[8] to join the Government’s Food Waste Collection Pilot Scheme. Having signed up the “Hong Kong Green Shop Alliance” for 20 of our shopping centres ^[9], we continued to encourage our shop tenants to incorporate sustainable green measures in their daily operations.
- 3.43 HA had collaborated with the power companies to install electric vehicle (EV) charging facilities at hourly private car parking spaces in some existing HA carparks. We had also been installing EV chargers at monthly private car parking spaces in existing carparks subject to demand and technical feasibility. To support the Government’s initiatives to further enhance the charging network for EVs, we had also been installing

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 as well as 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. Ching Long, Choi Tak, Hung Fuk, Kwai Chung, Nam Shan, Yau Lai and Wah Fu (II) Shopping Centres as well as Cheung Lung Wai, 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.

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

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, as well as Shui Chuen O Plaza and Siu Hong Commercial Centre).

Note [9] The 20 shopping centres/estates with retail facilities joining the Hong Kong Green Shop Alliance comprise Ching Long, Choi Tak, Hung Fuk, Lower Ngau Tau Kok, Lung Poon Court, Mei Tin, Pok Hong, Shek Kip Mei, Shek Pai Wan, Tin Ching, Tin Yan, Upper Ngau Tau Kok, Wah Fu (I) and (II), Yau Lai and Yue Tin Court shopping centres as well as Choi Ying Place, Domain, Shui Chuen O Plaza and Siu Hong Commercial Centre. Shop tenants concerned were encouraged to incorporate sustainable green measures in their daily operations.

additional medium chargers at hourly private car parking spaces in existing carparks. We had completed the installation of 24 medium chargers at hourly parking spaces in Tak Long, On Tat, Lower Ngau Tau Kok, Po Heung and Shui Chuen O Estates as well as Domain. As at end-September 2021, we had provided EV charging facilities at about 400 hourly parking spaces and about 1 100 monthly parking spaces in some 50 estates, out of which 53 were quick and medium chargers. For new public housing projects under planning and in early design stages, we will install medium chargers and its charging-enabling facilities instead of standard chargers.

4. THEMES, OBJECTIVES, AND KEY ACTIVITIES IN 2022/23

4.1 This chapter sets out the themes, objectives, and KAs of HA in 2022/23.

Themes

4.2 HA will continue to focus its efforts in 2022/23 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 2022/23. 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^[10] for general applicants (i.e. family and elderly one-person applicants) who were housed to PRH in the past 12 months 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 TPS.

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[10] Waiting time basically 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.).

7. To leverage private sector expertise to speed up public housing construction by adopting a Design-and-Build procurement model and to improve the standard design and material standards to further improve the efficiency of the construction of public housing.
8. To adopt more widely MiC and other innovative construction technology to speed up public housing construction.
9. To review and update as necessary the 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

10. 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.
11. To adopt environmentally responsive planning and design, optimise greening in housing estates to promote a green and healthy environment, and promote “green procurement”.

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

12. 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

13. To implement building control in the design, construction, completion and post-occupation stages for the buildings developed by HA.
14. 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

15. 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.
16. To maintain a structured Occupational Health and Safety Management System of planned maintenance and improvement work.

Theme 2: Promoting Sustainable Living

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

17. 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.
18. 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 enhance safety, accessibility and spatial equity in the community.
19. 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

20. To implement the Marking Scheme for Estate Management Enforcement and strengthen the prevention and control of pest and rodents in PRH estates.
21. To raise the awareness of PRH tenants on the Government's upcoming implementation of Municipal Solid Waste Charging.
22. To enhance environmental protection through the acquisition of ISO 50001^[11] certification for Energy Management System and ISO 14001^[12] certification for the Environmental Management System, as well as the implementation of various energy saving initiatives in PRH estates.
23. To enhance tree management and implement landscape improvement programmes.

Note [11] 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 [12] 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

24. To foster engagement and building of the community while caring for the tenants' needs through functions with partners such as Non-governmental Organisations, as well as various forms of assistance and housing schemes.

Objective 10: Promoting HA's work

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

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

26. 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.
27. To enhance staff's awareness and knowledge of environmental protection issues and their 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

28. To provide transfer opportunities for sitting tenants through various transfer exercises.
29. To conduct the biennial PRH rent review.
30. To incentivise all-elderly households in under-occupied units, Housing for Senior Citizens of Type I design and non-self-contained Converted-one-person units to transfer to PRH units of suitable size.
31. 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

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

Objective 14: Optimising the use of HA's factory buildings

34. To redevelop four factory estates for public housing development.

Objective 15: Optimising the use of HA's Interim Housing

35. To redevelop Shek Lei Interim Housing for public housing development.

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

36. 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

37. To review the feasibility of redeveloping individual aged PRH estates and to review the opportunities for additional developments within or near existing PRH estates.
38. To monitor construction cost and improve the cost-effectiveness of construction.

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

39. To achieve a lean, flexible and dynamic organisation with the capacity to respond to changes in service requirements.
40. To enhance staff engagement to nurture a committed and motivated workforce.
41. 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

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

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, promotion and management strategies for HA's new and existing commercial 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) ^[13] for 2021/22. We have reviewed these KPIs and retained them in the 2022/23 CP (except for item 15). The target for 2021/22 and 2022/23 of the KPIs are set out below –

KPI	Target for 2021/22	Target for 2022/23
(1) No. of new flats to be provided		
- PRH/GSH flats	21 700 ^[14]	11 300 ^[14]
- Other SSFs	6 500 ^[14]	3 600 ^[14]
(2) AWT for PRH applications (years)		
- General applicants	3	3 ^[15]
- <i>Among which, elderly one-person applicants</i>	2	2
(3) Annual average cost per PRH unit under the management of the HD (\$)		
- Direct management cost ^[16]	7,260	7,300 ^[17]
- Maintenance cost ^[18]	5,240	5,590 ^[19]

Note [13] Applicable to both in-house services and services provided by property services agents/contractors.

Note [14] Rounded to the nearest hundred.

Note [15] While the latest AWT for general applicants who were housed to PRH in the past 12 months 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 [16] Direct management cost comprises direct personal emoluments for property management only and other recurrent expenditure incurred at estate level.

Note [17] The increase in the target for 2022/23 is mainly due to assumed price level adjustment and higher expenditure for property management services expense.

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 increase in the target for 2022/23 is mainly due to assumed price level adjustment, higher expenditure for minor maintenance works and lift and escalator maintenance.

KPI	Target for 2021/22	Target for 2022/23
(4) Rent arrears rate (%)		
- Domestic	below 3.0	below 3.0
- Commercial Properties	below 2.5	below 2.5
(5) Percentage of overcrowded families ^[20] against total PRH families (%)	below 0.55	below 0.55
(6) Vacancy rate (%)		
- PRH	below 1.3	below 1.3
- Commercial Properties (shops)	below 2.5	below 2.5
(7) Average turnaround time for vacant flat refurbishment (days)	not exceeding 44	not exceeding 44
(8) Average development lead time for typical Public Housing Construction Programme projects with site formation by other departments (months)	60	60
(9) Average number of defects per flat at handover	not exceeding 0.7	not exceeding 0.7
(10) Accident rate in HA construction sites ^[21] (Average No. of accidents per 1 000 workers)		
-for new works contract	not exceeding 9.0	not exceeding 9.0
-for maintenance and improvement works contract	not exceeding 9.0	not exceeding 9.0
(11) Media enquiries handled (%):		
- General enquiries (within 48 hours)	95	95
- Enquiries requiring the collection of detailed information (within 10 days)	100	100
(12) Training investment per staff member (\$)	2,100	2,100

Note [20] Overcrowded families are families with living density below 5.5 m² internal floor area per person.

Note [21] 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.

KPI	Target for 2021/22	Target for 2022/23
(13) Overall evaluation of training course effectiveness (rating of very effective or above) (%)	85	85
(14) Paper consumption (reams) ^[22]	4% lower than the consumption in 2013/14 under comparable operating conditions ^[23]	Maintain consumption per staff comparable to 2021/22 level ^[23]
(15) Quantity of items collected for recycling (tonnes)		KPI to be replaced by Domestic waste production (kg per person per day)
- Waste paper	not less than 27 000	Not exceeding 0.7
- Aluminium cans	not less than 1 400	
- Plastics bottles	not less than 1 800	
(16) Water consumption in the HA Headquarters (m ³)	2.75% lower than the consumption in 2015/16 under comparable operating conditions ^[24]	Maintain consumption per staff comparable to 2021/22 level ^[24]
(17) Electricity consumption for office premises (kWh)	0.5% lower than the consumption in 2018/19 under comparable operating conditions ^[25]	1.5% lower than the consumption in 2018/19 under comparable operating conditions ^[25]

Note [22] There are 500 pieces of paper in one ream.

Note [23] At present, there is no service-wide saving target for paper consumption in office. We have been using 2013/14 as the baseline year for setting our target on paper consumption for the past six years. To demonstrate a stronger commitment towards protecting the environment, we propose to adopt a year-by-year target approach for this KPI starting from 2022/23, and review and revise our target on an annual basis. In 2022/23, we target to maintain paper consumption per staff comparable to 2021/22 level.

Note [24] At present, there is no service-wide saving target for water consumption in office. We have been using 2015/16 as the baseline year for setting our target on water consumption for the past four years. To demonstrate a stronger commitment towards protecting the environment, we propose to adopt a year-by-year target approach for this KPI starting from 2022/23, and review and revise our targets on an annual basis. In 2022/23, we target to maintain water consumption per staff comparable to 2021/22 level.

Note [25] 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. While we also aim to align with the government target, it is more prudent to set progressive targets to allow electricity saving measures to take effect. We target to achieve 0.5% and 1.5% reductions in the electricity consumption in 2021/22 and 2022/23 respectively as compared with 2018/19 under comparable operating conditions.

KPI	Target for 2021/22	Target for 2022/23
(18) Average energy consumption of building services installations in communal areas of domestic blocks designed within the year (kWh/m ² /Annum)	not exceeding 23.5	not exceeding 23.5
(19) Holding of bi-monthly Estate Management Advisory Committee meetings (number of meetings)	960	960

6. MAIN OPERATIONS

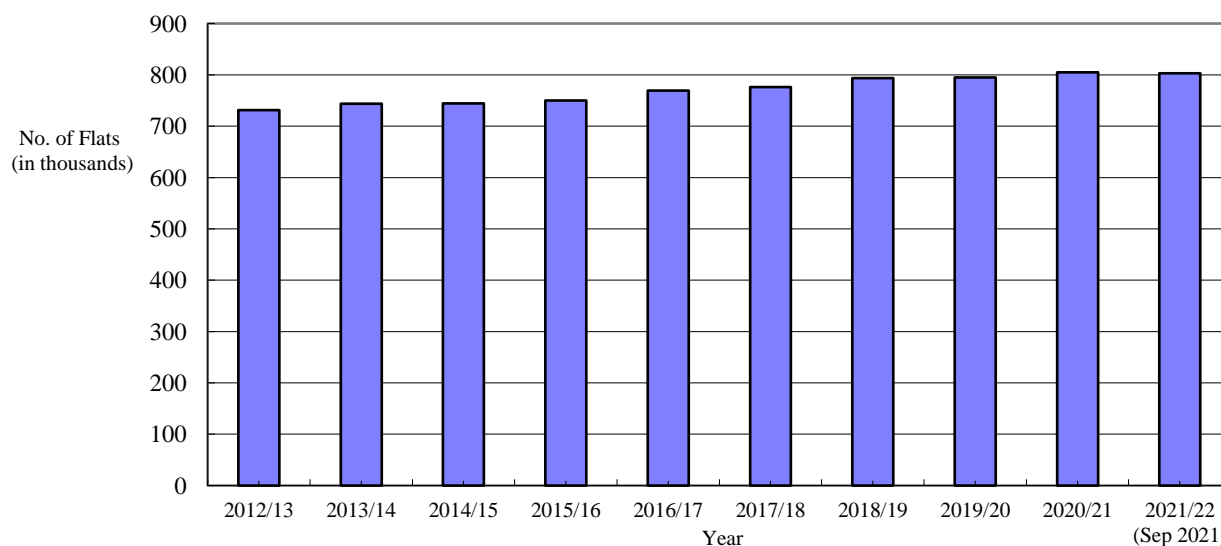
6.1 The operations and activities of HA lie in six main areas, namely development and construction, subsidised housing, commercial properties, building control, procurement, and corporate services. In the coming year, different operations of HA will continue to focus their efforts to achieve the objectives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

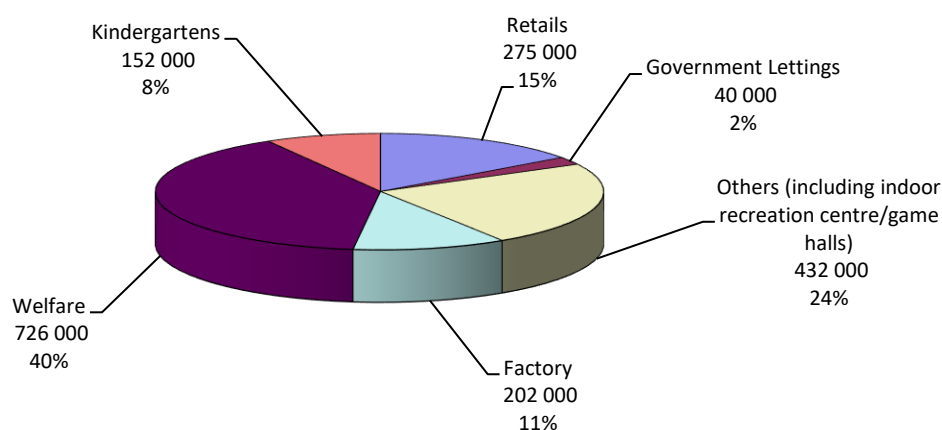
Home Ownership Assistance Operating Account

- 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.

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 2021/22 Revised Budget and 2022/23 Proposed Budget is set out below –

	2021/22 Revised Budget \$M	2022/23 Proposed Budget \$M
Operating income	33,290	37,889
Operating expenditure	(26,508)	(30,143)
Consolidated Operating Surplus	<u>6,782</u>	<u>7,746</u>
Capital expenditure	<u>21,090</u>	<u>23,012</u>

CONSOLIDATED OPERATING ACCOUNT

- 7.2 The Consolidated Operating Account in the 2022/23 Proposed Budget is projected at a surplus of \$7,746 million which is higher than the 2021/22 Revised Budget of \$6,782 million by \$964 million. The higher surplus is attributable to –

- (a) the slight surplus in the Rental Housing Operating Account mainly due 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; and
- (b) the higher surplus in the Commercial Operating Account 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; partly offset by
- (c) the lower surplus in the Home Ownership Assistance Operating Account mainly due to less estimated number of TPS flats sold and less alienation premium cases.

7.3 A summary by business operation is set out below –

	2021/22 Revised Budget	2022/23 Proposed Budget
	\$M	\$M
Rental Housing	(400)	193
Commercial	199	1,319
Home Ownership Assistance	6,983	6,234
Consolidated Operating Surplus	<u>6,782</u>	<u>7,746</u>

CASH AND INVESTMENT BALANCE

7.4 The projected cash and investment balance at the end of March 2022 and 2023 are summarised below –

	2021/22 Revised Budget	2022/23 Proposed Budget
	\$M	\$M
Cash and Investment Balance at year-end	<u>57,076</u>	<u>55,314</u>

7.5 The cash and investment balance in the 2022/23 Proposed Budget is projected to decrease to \$55,314 million, mainly due to higher construction expenditures.

CAPITAL EXPENDITURE

7.6 The capital expenditure in the 2022/23 Proposed Budget is \$23,012 million. The details are summarised below –

	2021/22 Revised Budget	2022/23 Proposed Budget
	\$M	\$M
Construction expenditure	20,367	22,100
Improvement works	495	689
Computer systems and equipment, other equipment and motor vehicles	228	223
Total	<u>21,090</u>	<u>23,012</u>

7.7 Compared with the 2021/22 Revised Budget, the capital expenditure in the 2022/23 Proposed Budget is projected to increase by \$1,922 million, mainly due to higher construction expenditure in the year.

LIST OF ABBREVIATIONS

AWT	average waiting time
BEAM Plus	Building Environment Assessment Method Plus
BO	Buildings Ordinance
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
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”
NTQ	Notice-to-quit
HCP	Housing Construction Programme
PRSC	Post-retirement Service Contract

PRH	public rental housing
SHC	Subsidised Housing Committee
SSF	subsidised sale flat
WSM	White Form Secondary Market Scheme
TPS	Tenants Purchase Scheme
SPC	Strategic Planning Committee
MiC	Modular Integrated Construction