

Corporate Plan 2023/24



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1

CORPORATE PROFILE

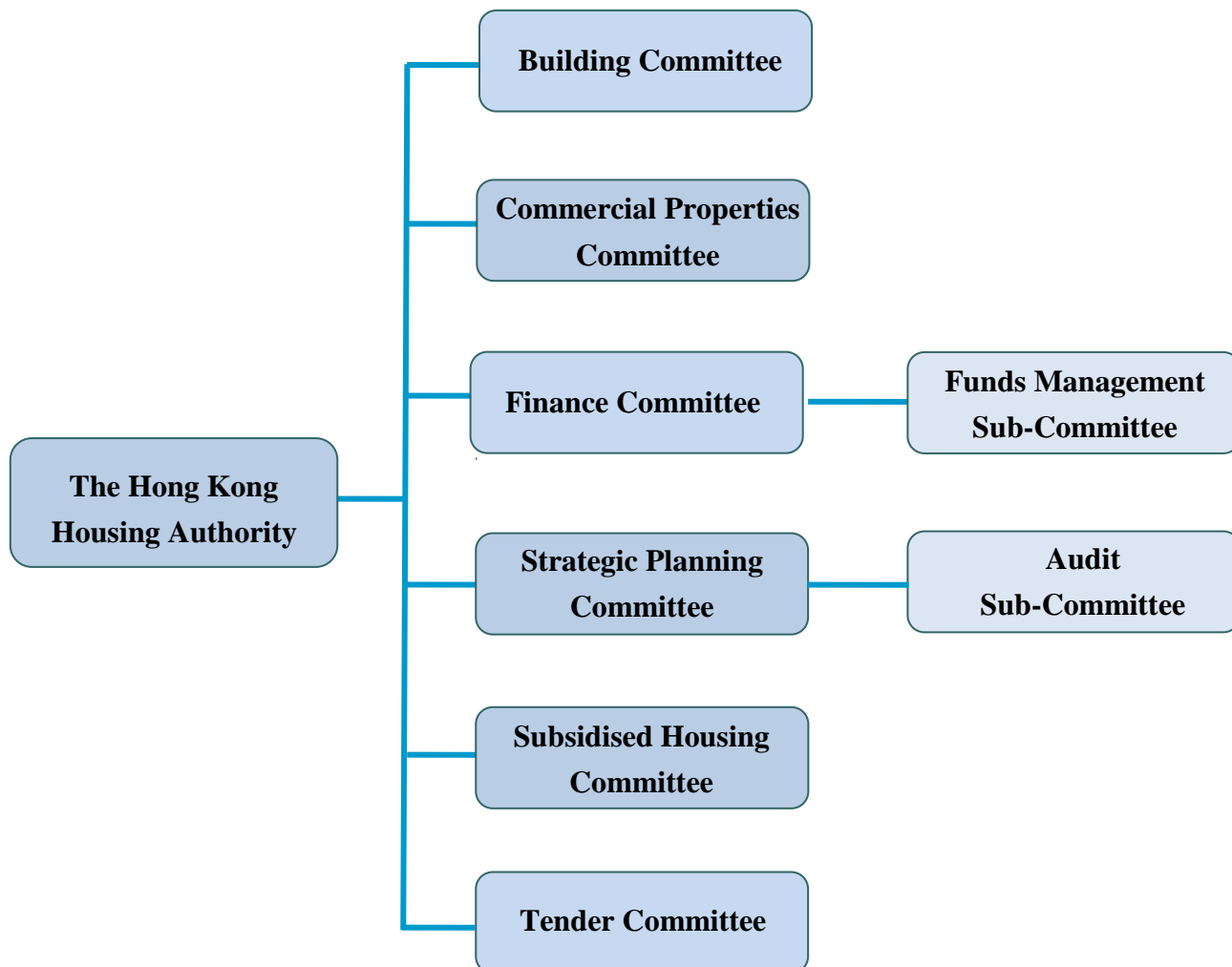


1. CORPORATE PROFILE

The Hong Kong Housing Authority

- 1.1 The Hong Kong Housing Authority (HA) is the major organisation formulating the public housing policies in Hong Kong. HA's vision has long been to provide public rental housing (PRH) to low-income families who cannot afford private rental accommodation, and provide subsidised sale flats (SSFs) to address the home ownership aspirations of low- to middle-income families.
- 1.2 As at December 2022, 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, the Secretary for Housing and the Director of Housing have respectively assumed the positions of the Chairman and Vice-Chairman of HA.
- 1.3 There are six standing committees and two sub-committees under HA to formulate and oversee policies in specified areas.

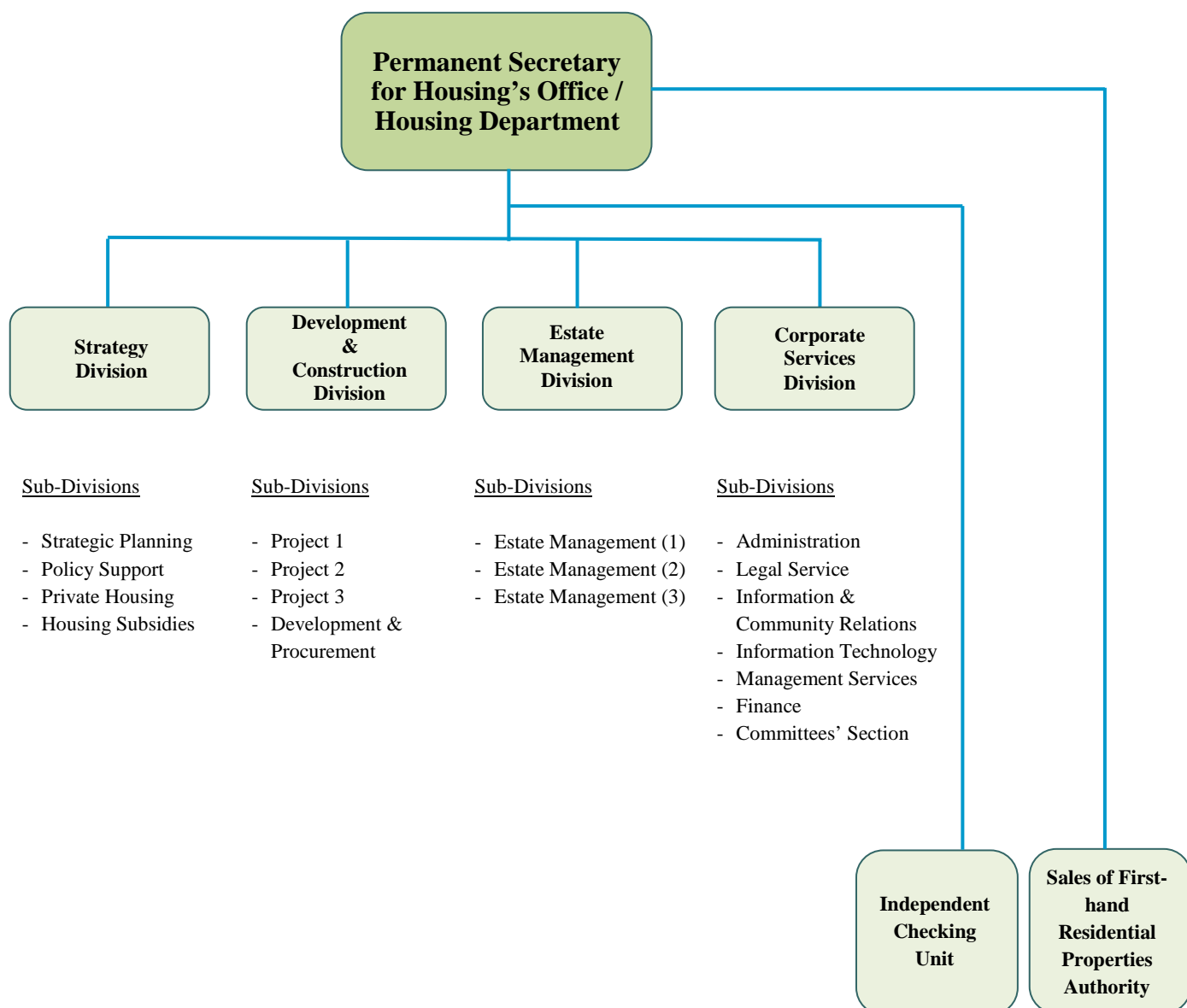
Organisation of the Hong Kong Housing Authority



Housing Department

- 1.4 The Housing Department (HD) acts as the executive arm of HA to implement its policies. HD is headed by the Permanent Secretary for Housing, who also assumes the office of the Director of Housing.

Organisation of the Housing Department



2

CORPORATE VISION, MISSION, CORE VALUES AND STRATEGIC OBJECTIVES



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^[1].
- (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 [1] "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

Year-end Review of the HA's 2021/22 Corporate Plan



3. YEAR-END REVIEW OF THE 2021/22 CORPORATE PLAN

- 3.1 The year-end performance of the 2021/22 CP was reviewed and members were informed of the details vide Paper No. HA 9/2022. There were 50 KAs in 2021/22 CP. As at 31 March 2022, four KAs were completed and 46 KAs were on schedule, on-going, or partially completed.

Theme 1: Providing Quality Homes

- 3.2 Under this theme, HA had continued its work on improving people's living conditions by providing quality public housing. To low-income families which cannot afford private rental accommodation, we provide PRH. In 2021/22, about 22 600 PRH/Green Form Subsidised Home Ownership Scheme (GSH) flats were completed. Around 26 000 PRH flats (comprising both newly completed flats and refurbished flats) were allocated in 2021/22. Of the around 26 000 flats, around 19 000 units were allocated to PRH applicants, while the rest were allocated to PRH tenants requesting transfer, households recommended by the Social Welfare Department for compassionate rehousing, junior civil servants, eligible clearerees, etc. ^[2] As at end-March 2022, the average waiting time (AWT) ^[3] for general applicants (i.e. family and elderly one-person applicants) who were housed to PRH in the past 12 months was 6.1 years. Among them, the AWT for elderly one-person applicants was 4.1 years. We would continue the efforts to increase PRH supply with a view to shortening the waiting time for PRH.

Note [2] Around 13 500 refurbished flats were allocated in 2021/22, among which around 8 000 and 1 300 were allocated to PRH general applicants and non-elderly one-person applicants under the Quota and Points System respectively. There were two major reasons that the total number of PRH flats allocated (i.e. 26 000) was less than the sum of newly completed flats (i.e. 22 600) and refurbished PRH flats allocated (i.e. 13 500). First, the newly completed flats included both PRH and GSH flats and not all newly completed flats were available for allocation; and second, as issuance of occupation permits and the allocation process take time, not all newly completed flats could be allocated within the same financial year.

Note [3] 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.). 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.

- 3.3 In 2021/22, about 3 200 Home Ownership Scheme (HOS) flats were completed. The Sale of HOS Flats 2020 was launched in September 2020 and flat selection was completed in September 2021. The Sale of HOS Flats 2022 (HOS 2022), involving a total of 8 926 new flats, was launched in February 2022 and ballot exercise would be held in June 2022. Flat selection was targeted to commence from the fourth quarter of 2022. White Form Secondary Market Scheme (WSM) 2022, with a quota of 4 500, was launched in February 2022 together with HOS 2022. Approval letters would be issued to successful applicants of WSM 2022 in the fourth quarter of 2022 tentatively. A total of 2 112 new GSH flats were put up for sale in May 2021 under the Sale of GSH Flats 2020/21. The ballot exercise was held in August 2021. Flat selection commenced in October 2021. Due to the COVID 19 situation, flat selection was suspended from late January 2022 and gradually resumed in late April 2022. As endorsed by Subsidised Housing Committee (SHC) at the meeting in January 2022, the unsold flats from Ching Fu Court upon completion of GSH 2020/21, together with any rescinded flats from Ching Fu Court and Dip Tsui Court, would be put up for sale to eligible PRH applicants in tandem with Express Flat Allocation Scheme 2022, which was expected to be open for application in the third quarter of 2022. In order to accelerate the sale of unsold flats in the 39 estates under the Tenants Purchase Scheme (TPS), the first batch of about 800 recovered TPS flats were put up for sale under the Sale of GSH Flats 2020/21. The second batch of recovered TPS flats (about 500 flats) would be put up for sale under HOS 2022 in the fourth quarter of 2022. We had also made use of online communication tools to promote HOS 2022. Videos of the virtual show flats, building models and doll houses of the HOS courts were provided on HA's dedicated website.
- 3.4 In terms of the development and construction of public housing projects, in the process of planning and designing PRH estates, we continued to adopt comprehensive planning and site-specific design that responds to site conditions, utilises plot ratio best, and maximises flat production of all domestic blocks in new projects. We also continued to consult relevant Government departments and organise community engagement activities to present development proposals and obtain feedback. In order to speed up the building process, we developed a new Design-and-Build (D&B) procurement model in leveraging on the contractors' expertise and resources to undertake design and construction in a bundle, thereby releasing resources to expedite the pre-construction planning of new projects and to further enhance the entire construction workflow. In March 2022, we sought approval of the governance model for public housing developments using D&B approach and the tendering arrangement and evaluation mechanism for D&B contracts.

- 3.5 In order to maintain the structural safety of PRH estates, we continued with 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. We also continued to implement the Total Maintenance Scheme for PRH units aged ten years or above including the Mandatory Window Inspection Scheme in selected estates and Responsive In-flat Maintenance Services in all PRH estates. Under the Lift Modernisation Programme, we completed the replacement of 61 old lifts as scheduled.
- 3.6 With a view to achieving the highest site safety standards, striving for continuous improvements and committing to promote a safety culture, we continued to implement ISO 45001:2018 Occupational Health and Safety Management System for planned maintenance and improvement works.
- 3.7 We continued to conduct micro-climate studies, Air Ventilation Assessment, and Carbon Emission Estimation for new public housing projects, and adopt noise mitigation measures, including the acoustic window and balcony, with reference to the site specific characteristics where appropriate. In order to promote a green and healthy environment, we had registered nine new works projects for assessment and rating under the Building Environment Assessment Method Plus (BEAM Plus) Scheme ^[4] in 2021/22. To safeguard drinking water safety, 136 PRH estates participated in the “Quality Water Supply Scheme for Buildings – Fresh Water (Management System)” launched by the Water Supplies Department and maintained the certifications.

Theme 2: Promoting Sustainable Living

- 3.8 Besides providing homes, we hope to promote a sustainable living environment for those who live in HA’s developments. 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. External Surveillance Audit for PRH estates was carried out in May 2021 and no non-conformity was observed. Moreover, we continued carbon emission monitoring and review of efficiency through the Carbon Audit exercise in the 14 typical domestic block types.

Note [4] BEAM Plus is a comprehensive environmental assessment scheme for buildings recognised by the Hong Kong Green Building Council. A rating would be issued to the project according to the scoring after the assessment.

- 3.9 With a view to raising the awareness of PRH tenants on waste reduction and separation at source and to better prepare them for the implementation of municipal solid waste (MSW) charging, we collaborated with the Environmental Protection Department (EPD) to conduct various trial projects in PRH estates. The Phase 2 MSW charging trial in nine PRH estates covering 50 domestic blocks was launched from May to December 2021. Drawing on the experience of the trial, we continued to collaborate with EPD to conduct the Phase 3 MSW charging trial in early January 2022. Moreover, we joined EPD's other on-going trials, such as collection of plastic recyclable materials in three districts covering 63 PRH estates, collection of food waste in 18 shopping centres/ wet markets in phases, placing of reverse vending machine in three PRH estates and collection of domestic food waste in one domestic block by using smart bin in the year of 2021/22. As at 31 March 2022, we completed greening activities, tree planting day activities and landscape improvement works in selected estates. We had also completed an annual tree assessment exercise and maintained the tree database records for effective tree management through the computerised Enterprise Tree Management System.
- 3.10 We strived to enhance family cohesion and attend to tenants' needs. A cumulative total of 70 000 households benefited under the Harmonious Families Policies. We 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. We also successively extended the temporary relief measure four times to withhold the issuance of departmental Notice-to quit (NTQ) to tenants who could not settle their rent payments on time due to financial hardship until September 2022. Eligible tenants might submit one-off applications to the HA and NTQ against them would be withheld upon approval of their applications. As at end March 2022, a cumulative total of 1 665 applications were approved.
- 3.11 We continued to conduct community engagement activities (such as engagement workshops, forums and meetings) to present development proposals and obtain feedback on the planning and design of projects, and conduct surveys to gauge residents' views in every newly completed estate. We also conducted post-completion review workshop for seven projects. Survey for residents was conducted via telephone interviews for two newly completed estates.

Theme 3: Optimising and Rationalising the Use of Public Resources

- 3.12 HA has always strived to optimise and rationalise the use of public resources, so as to address society's housing needs as best as we can. To optimise the use of rental housing resources, we would clear Shek Lei Interim Housing by end-2022 for public housing development of about 1 600 units. As at 31 March 2022, among the 329 affected households, 173 households accepted the offers of PRH flats and six households had accepted flats in Po Tin Interim Housing. One household opted the singleton/doubleton allowance while one household opted to purchase GSH flat. In addition, nine households voluntarily surrendered their interim housing units.
- 3.13 After taking into account the Hong Kong Housing Society's (HKHS) review results and the effectiveness of the HA's participation in the 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 31 March 2022, HKHS received around 1 000 and 1 500 applications from owners and tenants respectively, among which around 800 and 500 applications from owners and tenants respectively were approved and 119 tenancy agreements were signed.
- 3.14 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 31 March 2022, HKHS received 23 applications, among which 19 eligible applications were approved with "Trade Down Permit" issued while four were ineligible. Among the 19 approved applications, six sales of the original SSF were recorded and one purchase of a smaller SSF under the secondary market of HA was recorded.
- 3.15 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 received and approved around 500 applications as at 31 March 2022. Among the around 600 housing offers made, around 150 offers were accepted by the applicants.
- 3.16 To safeguard the rational and effective use of public housing resource, we completed the vetting of some 250 000 income and assets declarations under the Well-off Tenants Policies; 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. 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.

- 3.17 In order to optimise the development potential of public housing sites, we had implemented the Government policy which allows the domestic plot ratio at the selected zones to increase by up to 30% where technically feasible. We also continued to facilitate the rezoning process of the four HA factory sites to implement the proposed public housing developments. We continued to implement and expand the use of Development and Construction Site Mobile System (DCSMS) to improve the workflow, communication and record management of site inspection process. The first mobile app was rolled out in early 2016. A total of eleven mobile apps/web applications were successfully launched and adopted in HA projects ^[5]. We were exploring further development of DCSMS to cover more areas of site applications. We also commissioned to develop a new web-based Housing Smart Intake (HOST) System ^[6] to streamline the defects reporting process during mass intake of completed housing estates. The reported defects items, via the HOST System, would be interfaced to DCSMS for follow-up by our Contractors. There would also be data exchange between the new system and other IT systems operated by our Estate Management Division. Besides, the Independent Checking Unit (ICU) continued to operate and enhance its electronic submission and processing system, namely the “Housing Electronic Plan Submission System” (HePlan), in handling building and structural plans and exercising building control in HA’s new development projects and existing buildings. To facilitate electronic submission and processing of plans, ICU also developed the technology for the production of 2-dimensional plans from 3-dimensional Building Information Modelling models in meeting the statutory submission requirements. Moreover, ICU developed a “Housing Electronic Checking System for Test Reports” (HeCheck) to enhance the efficiency and accuracy of checking any non-compliance in test reports of concrete and reinforcement. The trial use of HeCheck was completed in March 2022 and the project was completed in April 2022.

Note [5] In 2021/2022, the Final Flats Inspection App and Reference Document App were both launched in April 2021. Another App, namely Materials Testing Request App is in the pipeline and targeted to be rolled out, as the Phase 4 development, by the fourth Quarter of 2022.

Note [6] Development of the HOST System was commenced in September 2021. The system will be used in the defects reporting process by tenants and owners during mass intake for follow-up actions by Intake Ambassadors, Main Contractors and Site Inspection Team. Upon completion of defects rectification works, tenants and owners will be notified via the HOST System on the completion of works. The first phase of the HOST System for Public Rental Housing Projects will be rolled out in early July 2022.

- 3.18 In respect of human resources, we will continue to monitor the manpower situation and make the most effective use of human resources through re-engineering of work processes, redeployment of staff and re-prioritisation of tasks, and to bid for additional civil service posts where necessary. Moreover, supplementary workforce (viz. body-shopped personnel, term staff and staff employed under the Government's Post-retirement Service Contract (PRSC) Scheme) were also used to meet special and/or temporary job needs. As at 31 March 2022, we engaged 1 450 body-shopped personnel, 148 term staff and 16 PRSC staff. We will continue to make greater use of supplementary workforce to cope with periodic peaks of workload. For staff development, we had been using the Development Scheme for Senior Professionals to provide HD colleagues with opportunities to take up responsibilities beyond their professional boundary. Besides, management development programmes for different levels of staff and internal attachment programmes had been arranged to broaden their perspectives. Having regard to the local epidemic situation in Q1 2022, face-to-face local training activities scheduled between January and March 2022 were postponed or converted to webinars. We had also been using more webinars, video-on-demand and other e-learning resources on HA's e-Learning Portal.
- 3.19 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, the recommendations were submitted to the Finance Committee for approval in August 2021.

Theme 4: Enhancing the Attractiveness of Commercial Properties

- 3.20 Apart from residential developments, HA has continuously strived to optimise the use of resources and enhance the potential of HA's commercial facilities. On this front, we continued to review and roll forward the asset enhancement programme for HA's commercial properties portfolio.
- 3.21 Over the year, we continued to adopt strategic planning and a market-oriented approach in the leasing of our new retail facilities and arrange early marketing and leasing of commercial facilities in new public housing developments well in advance before completion to address residents' basic needs upon intake. We also continued to adopt proactive leasing and promotion strategies with a view to widening the choice of goods and services for residents and the local community in line with market trends.
- 3.22 To sustain the popularity and attractiveness of Domain, HA's flagship shopping centre, as a regional mall, we continued to adopt proactive and

flexible leasing strategies with a view to enhancing its tenants' profile and trade mix. In enhancing the shopping facilities, we also commenced improvement works for the toilet facilities in Domain in order to improve operational efficiency and upgrade the facilities in line with market trend. The mock-up toilet was completed in April 2021 and opened for public use. The improvement works for other toilets were in good progress. In the second half of 2021 when the epidemic situation stabilised, we made use of the window to launch a series of promotion activities in Domain such as "Fall Autumn Lucky Draw" and "Jingle Bell Christmas Market".

- 3.23 In support of Government's further helping measures, the rent concession for eligible non-domestic tenants was extended several times up to 31 March 2022, and increased to 75%. The coverage of the 75% rent concession was also extended to include tenants/licenseses of bus kiosks and most advertising signboards, as well as carpark users for the monthly parking of commercial vehicles. Furthermore, eligible tenants/licenseses of HA's non-domestic premises such as beauty parlours, children game centres, etc. could apply for 100% rent concession for the period during which their operation at the premises concerned was required to be closed under anti-epidemic regulations or directions of the Government.
- 3.24 In response to the severe outbreak of the fifth wave of COVID-19 in early 2022, we continued to step up the daily cleansing and disinfection of common areas in our shopping centres and markets and the employment of anti-epidemic ambassadors to monitor various anti-epidemic measures.
- 3.25 We completed the feasibility study and announced the study results as well as the arrangements for clearance of four factory estates (i.e. Yip On, Sui Fai, Wang Cheong and Kwai On Factory Estates) on 24 May 2021 upon endorsement of the Strategic Planning Committee (SPC) and the Commercial Properties Committee. As at the end of March 2022, a total of around 1 560 affected tenants (involving around 79% of the tenancies) had either vacated or committed to vacate their premises. We would continue to liaise closely with the tenants with a view to facilitating a smooth clearance process.
- 3.26 In support of the Government's efforts to increase car parking spaces, we continued to seek opportunities to increase the provision of car parking facilities to meet local demand subject to technical feasibility and necessary approvals.
- 3.27 On environmental protection in our commercial properties, we continued to implement green measures in the operation of HA's retail facilities, for examples, supporting energy saving and food waste reduction and encouraging Tenants of restaurants, supermarkets and market stalls to

participate in food donation schemes organised by various NGOs. In support of Government's policy to promote wider use of electric vehicles (EVs), we had also been installing EV chargers at PC parking spaces in existing car parks on a need basis and subject to technical feasibility. As at the end of March 2022, we had provided EV chargers at about 480 hourly and about 1 280 monthly PC parking spaces in about 70 car parks.

4

THEMES, OBJECTIVES, AND KEY ACTIVITIES IN 2023/24



4. THEMES, OBJECTIVES, AND KEY ACTIVITIES IN 2023/24

- 4.1 To formulate the themes, objectives, and KAs of HA in 2023/24, SPC endorsed the 2023/24 Strategic Plan on 28 October 2022, which served as a first draft of the Corporate Plan. Subsequently, each Committee discussed and endorsed their relevant Programmes of Activities prepared based on the Strategic Plan in November 2022 and December 2022 respectively. Taking into account views expressed by Members, the themes, objectives, and KAs of HA in 2023/24 are set out in this chapter of the 2023/24 CP.

Themes

- 4.2 HA shall continue to focus its efforts in 2023/24 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 35 KAs for 2023/24. 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 average waiting time (AWT) 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, with the immediate target to cap the average waiting time for PRH at the existing level of six years.
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

5. To seek Government's provision of spade-ready sites to HA to expedite the construction of public housing units, optimise the development potential of the sites and maximise the supply of domestic flats, and complete the projects in phases where appropriate.
6. To monitor the site availability for public housing development.
7. To accelerate housing production by the adoption of "Design-and-Build" procurement model.
8. To accelerate housing production by the adoption of the Design for Manufacture and Assembly (DfMA) approach, the Modular Integrated Construction (MiC) approach and other advanced construction technologies, and review and update as necessary the corresponding building design.

Objective 3: Reviewing and Enhancing the Quality Management System

9. To review and enhance the quality management system and specifications to assure quality for all critical site works and installations for capital works new works projects.

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

10. To set the minimum size of newly-built subsidised sale flats completed from 2026-27 onwards to no less than 26 square metres saleable area in general. The internal floor area of newly-built PRH flats (except for 1-person and 2-person units) will be no less than the equivalent level in general, i.e. 21 square metres.
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.

Theme 2: Promoting Sustainable Living

Objective 6: Enhancing community engagement throughout the delivery of development projects and promoting partnering with business partners

13. 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 public housing projects.

Objective 7: Maintaining estate cleanliness and environmental hygiene

14. To implement the Marking Scheme for Estate Management Enforcement and strengthen the prevention and control of pest and rodents in PRH estates.
15. To raise the awareness of PRH tenants on the Government's upcoming implementation of Municipal Solid Waste Charging.

Objective 8: Enhancing the sense of well-being among residents

16. To enhance the well-being of PRH residents through improving environmental protection, greening, and conservation in different aspects of HA's work; develop "Well-Being" design guidelines for new public housing projects and apply the same concept to existing estates.
17. To implement maintenance and improvement programmes.
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.

Objective 9: Planning and designing new development for a green and healthy environment, conserving resources, and promoting green procurement

19. To adopt environmentally responsive planning and design, optimise greening in housing estates to promote a green and healthy environment, and promote "green procurement."

Objective 10: Enhancing community bonding and attending to tenants' needs

20. To foster community building and caring for the tenants in need.

Objective 11: Promoting HA's work

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

Objective 12: Enhancing awareness on health, safety, and promoting relevant practices in HA's workplace

22. 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.

Theme 3: Optimising and Rationalising the Use of Public Resources

Objective 13: Optimising the use of PRH resources

23. To provide transfer opportunities for sitting tenants through various transfer exercises.
24. To strengthen tenancy management and to prevent abuse of public housing resources.

Objective 14: To review the feasibility of redeveloping individual aged estates and enhancing the sustainability of older estates

25. To review the feasibility of redeveloping individual aged PRH estates and to review the opportunities for additional developments within or near existing PRH estates, including selecting one more public housing estate to commence redevelopment study on top of the existing 10 redevelopment projects which are currently in progress or under planning.

Objective 15: Monitoring the construction cost of new housing development

26. To monitor construction cost and improve the cost-effectiveness of construction.

Objective 16: Making the best use of human resources

27. To achieve a lean, flexible and dynamic organisation with the capacity to respond to changes in service requirements.
28. To enhance staff engagement and staff competencies.

Objective 17: Making effective and wider application of IT

29. To implement or enhance IT systems to support the evolving business requirements, and to improve the overall operational efficiency and IT security.
30. To implement e-services for submission of applications for PRH and SSFs (including HOS, GSH and WSM) and explore possible enhancements.

Objective 18: Maintaining sound financial and funds management

31. To manage HA's finance and implement HA's investment strategy in a prudent manner.

Theme 4: Enhancing the Attractiveness of Commercial Properties

Objective 19: Enhancing the potential of HA's commercial properties through exploring asset enhancement opportunities and optimising usage

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

Objective 20 Enhancing HA's commercial properties

33. To enhance the leasing, promotion and management strategies for HA's new and existing commercial facilities.

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

35. To enhance the implementation of green measures in HA's commercial facilities.

5

KEY PERFORMANCE INDICATORS



5. KEY PERFORMANCE INDICATORS

5.1 In order to help evaluate and monitor our performance in implementing the KAs, having taken into account Members' views in the course of the Corporate Planning exercise and the 2022 Policy Address, we have adopted 18 Key Performance Indicators (KPIs) ^[7] for 2023/24. The target for 2022/23 and 2023/24 of the KPIs are set out below –

	Target for 2022/23	Target for 2023/24
(1) No. of new flats to be provided		
- PRH/GSH flats	11 300 ^[8]	12 800 ^[8]
- Other SSFs	3 600 ^[8]	200 ^[8]
(2) AWT for PRH applications (years) ^[9]		
- General applicants	3	3
- <i>Among which, elderly one-person applicants</i>	2	2
(3) Number of housing projects to be tendered out to adopt “Design for Manufacture and Assembly” (DfMA) (Modular Integrated Construction (MiC) approach included) and other advanced construction technologies as the main construction method	-	DfMA- All projects ^[10] MiC approach-4 projects ^[10]

Note [7] Applicable to both in-house services and services provided by property services agents/contractors.

Note [8] Figures rounded to the nearest hundred.

Note [9] Our immediate goal is to cap the AWT for PRH at the level of six years in order to stop the AWT from rising further. The Government will also introduce the index of Composite Waiting Time for Subsidised Rental Housing (CWT) to reflect general applicants' composite waiting time for traditional PRH or Light Public Housing (LPH). Considering the new LPH supply and the increased supply of traditional PRH, and assuming that the number of newly registered general applicants and the quantity of recovered PRH units will remain unchanged at the current level, CWT may reduce to around 4.5 years in 2026/27.

Note [10] As suggested in the 2022 Policy Address, all public housing projects under HA which are scheduled for completion in the first five-year period (2023-24 to 2027-28) will adopt DfMA, including MiC approach in suitable projects. No less than half of the public housing projects scheduled for completion in the second five-year period (2028-29 to 2032-33) will adopt MiC approach, and DfMA for the remaining projects. Based on the latest tender programme, all projects to be tendered out in 2023/24 will adopt DfMA and four of them will adopt MiC. HD will further identify more MiC projects in 2024/25 onwards to achieve the target set in the Policy Address.

	Target for 2022/23	Target for 2023/24
(4) Number of public housing units to be tendered out adopting Design and Build (D&B) procurement model	-	11 000 ^[11]
(5) No. of public housing units with completion to be advanced under phased completion arrangement	-	2 100 ^[12]
(6) Percentage of overcrowded families ^[13] against total PRH families (%)	Below 0.55	Below 0.55
(7) Vacancy rate (%)		
- PRH	Below 1.3	Below 1.3
- Commercial Properties (shops)	Below 2.5	Below 2.5
(8) Average turnaround time for vacant flat refurbishment (days)	Not exceeding 44	Not exceeding 44
(9) Average construction time for foundation and superstructure of public housing projects with 40 domestic storeys (months)	60	56 ^[14]
(10) Processing applications for fast-track occupation permit of new construction projects (with pre-OP inspection completed) within 10 days	-	100%

Note [11] As suggested in the 2022 Policy Address, HA will adopt the D&B contract model in at least half of the flats scheduled for completion in the second five-year period (i.e. from 2028/29 to 2032/33). Based on the latest tender programme, about 11 000 flats will be tendered out under the D&B model in 2023/24. HD will further identify more D&B projects from 2024/25 onwards to achieve the target set in the Policy Address.

Note [12] As stated in the 2022 Policy Address, HA will adopt a phased approach to expedite the completion of about 12 000 PRH units in the next five years for advance allocation of about 3 to 18 months.

Note [13] Overcrowded families are families with living density below 5.5 m² internal floor area per person.

Note [14] KPI 02 of BC49/2021(KPI 8 of HA1/2022) in previous years was derived from the Development Lead Time from SPC approval to completion of a standard public housing block of 40 domestic storeys which is assumed to be built directly on ground, with simple piled foundation and on a straightforward site. The revised KPI is the average construction time for foundation and superstructure of all public housing projects, including those which are complex in nature (e.g. with substantial welfare, car parking and other public facilities in podium or basement, complicated ground and geological conditions, deep piled foundation, etc.) but excluding those projects which entail demolition, site formation or decontamination; or where the domestic block exceeds 40 storeys.

	Target for 2022/23	Target for 2023/24
(11) Processing applications for fast-track temporary occupation permit of new construction projects within 10 days	-	100%
(12) Processing plans for new construction projects wholly adopting pre-accepted typical design/details:	-	
- first submission within 15 days	-	90%
- amendment within 10 days	-	90%
(13) No. of joint environmental hygiene operations with stakeholders in PRH estates under HA	-	Not less than 500
(14) Accident rate in HA construction sites ^[15]		
(Average No. of accidents per 1 000 workers)		
-for new works contract	Not more than 9	Not more than 8
-for maintenance and improvement works contract	Not more than 9	Not more than 8
(15) Rationalise PRH resources		
- Vetting of Income and Assets Declaration Forms under the Well-off Tenants Policies within a two-year cycle (nos.)	-	No less than 450 000
- In-depth investigation per year (households)	-	10 000

Note [15] 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.

	Target for 2022/23	Target for 2023/24
(16) Training investment per staff member (\$)	2,100	2,100
(17) Paper consumption (reams) ^[16]	Maintain consumption per staff comparable to 2021/22 level	Maintain consumption per staff comparable to 2022/23 level ^[17]
(18) Water consumption in the HA Headquarters (m ³)	Maintain consumption per staff comparable to 2021/22 level	Maintain consumption per staff comparable to 2022/23 level ^[18]

Note [16] There are 500 pieces of paper in one ream.

Note [17] At present, there is no service-wide saving target for paper consumption in office. In 2023/24, we target to maintain paper consumption per staff comparable to 2022/23 level, which is the actual consumption per staff.

Note [18] At present, there is no service-wide saving target for water consumption in office. In 2023/24, we target to maintain water consumption per staff comparable to 2022/23 level, which is the actual consumption per staff.

6

MAIN OPERATIONS

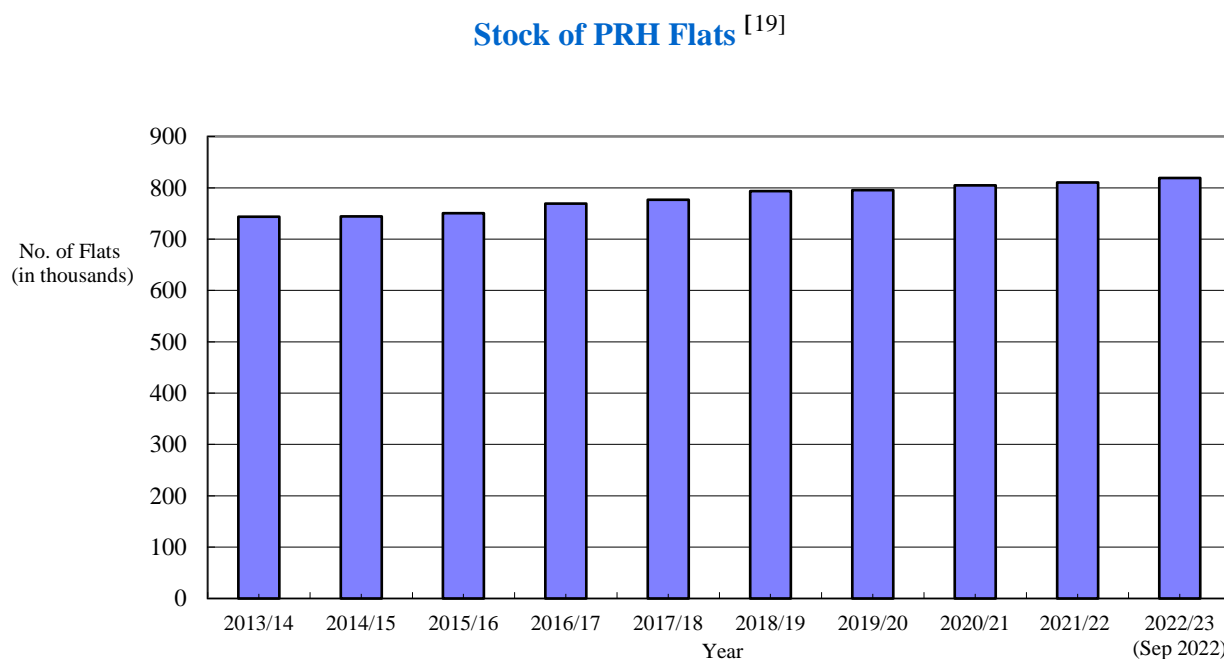


6. MAIN OPERATIONS

- 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 2023/24.

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 2013/14 to 2022/23 –



Note [19] The chart shows the PRH flat stocks from 2013/14 to 2022/23. The position from 2013/14 to 2021/22 is as at end-March of the respective years, while that for 2022/23 is as at end-September 2022.

Budget

- 6.4 The construction expenditure in the 2023/24 Proposed Budget is projected at \$28,443M, which is higher than the 2022/23 Revised Budget of \$17,643M by \$10,800M, mainly due to significant increase in construction works 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 2023/24 Proposed Budget are projected at \$22,618 M and \$22,664 M respectively. An operating deficit of \$46 M is projected in 2023/24, as compared to a surplus of \$639 M in the 2022/23 Revised Budget, mainly due to projected increase in various expenditure items as a result of the addition of new rental flats and the assumed price level adjustments.

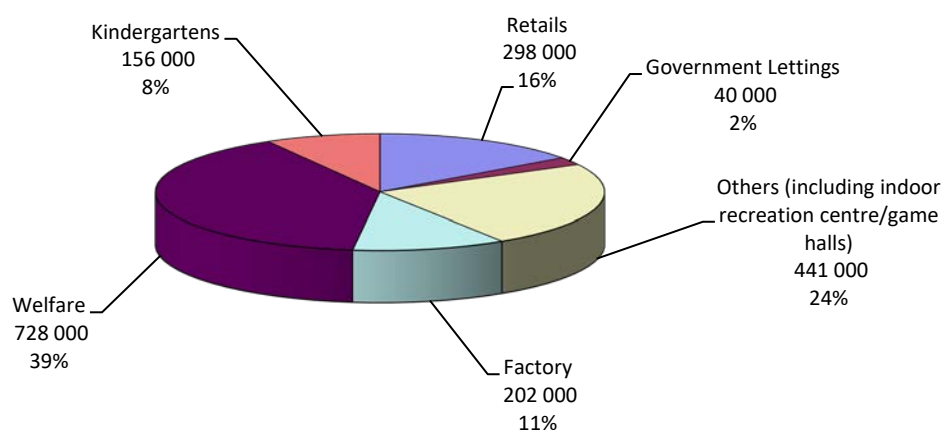
Home Ownership Assistance Operating Account

- 6.7 The income and expenditure of the Home Ownership Assistance Operating Account in the 2023/24 Proposed Budget are projected at \$28,334 M and \$13,366 M respectively. An operating surplus of \$14,968 M is projected in 2023/24, which is higher than the 2022/23 Revised Budget of \$4,213 M by \$10,755 M, mainly due to more estimated number of SSFs completed assignment.

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 2022, HA ran approximately 1 865 000 m² internal floor area of commercial and other non-domestic properties (excluding schools) and 33 500 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 2022
(Total Space 1 865 000 m²)**



Budget

- 6.10 The income and expenditure of the Commercial Operating Account in the 2023/24 Proposed Budget are projected at \$3,646 M and \$2,360 M respectively. An operating surplus of \$1,286 M is projected in 2023/24, which is higher than the 2022/23 Revised Budget of \$585 M by \$701 M, assuming HA will not offer any rent concession to its non-domestic tenants/licensees starting from 1 July 2023. The opening of new non-domestic premises will also generate additional income.

BUILDING CONTROL

6.11 The Independent Checking Unit (ICU) established directly under the Office of the Permanent Secretary for 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.

Budget

6.12 The expenditure for building control in the 2023/24 Proposed Budget is projected at \$250M, which is higher than the 2022/23 Revised Budget of \$240M by \$10M, mainly due to increase in personal emoluments.

PROCUREMENT

6.13 The main operations of procurement are to secure competent and reliable business partners through equitable procurement principles^[20], achieving efficiency, effectiveness and value for money at all times.

Budget

6.14 The expenditure for procurement in the 2023/24 Proposed Budget is projected at \$141M, which is higher than the 2022/23 Revised Budget of \$128M by \$13M, mainly due to higher capital expenditure.

CORPORATE SERVICES

6.15 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.

Note [20] 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.

Budget

- 6.16 The expenditure for corporate services in the 2023/24 Proposed Budget is projected at \$1,108 M, which is higher than the 2022/23 Revised Budget of \$1,039 M by \$69 M, mainly due to higher other recurrent expenditure, personal emoluments and higher capital expenditure on improvement works.

7

CONSOLIDATED BUDGETS



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 2022/23 Revised Budget and 2023/24 Proposed Budget is set out below –

	2022/23 Revised Budget \$M	2023/24 Proposed Budget \$M
Operating income	30,327	54,598
Operating expenditure	(24,890)	(38,390)
Consolidated Operating Surplus	<u>5,437</u>	<u>16,208</u>
Capital expenditure	<u>18,465</u>	<u>29,503</u>

CONSOLIDATED OPERATING ACCOUNT

- 7.2 The Consolidated Operating Account in the 2023/24 Proposed Budget is projected at a surplus of \$16,208 million, which is higher than the 2022/23 Revised Budget of \$5,437 million by \$10,771 million. The higher surplus is attributable to –

- (a) the higher surplus in the Home Ownership Assistance Operating Account, mainly due to more estimated number of SSFs completed assignment; and
- (b) the higher surplus in the Commercial Operating Account, assuming HA will not offer any rent concession to its non-domestic tenants / licensees starting from 1 July 2023. The opening of new non-domestic premises will also generate additional income;

partly offset by

- (c) deficit projected for 2023/24 as compared to surplus projected for 2022/23 in the Rental Housing Operating Account, mainly due to projected increase in various expenditure items as a result of the addition of new rental units and the assumed price level adjustments.

7.3 A summary by business operation is set out below –

	2022/23 Revised Budget \$M	2023/24 Proposed Budget \$M
Rental Housing	639	(46)
Commercial	585	1,286
Home Ownership Assistance	4,213	14,968
Consolidated Operating Surplus	<u>5,437</u>	<u>16,208</u>

CASH AND INVESTMENT BALANCE

7.4 The projected cash and investment balance at the end of March 2023 and 2024 are summarised below –

	2022/23 Revised Budget \$M	2023/24 Proposed Budget \$M
Cash and Investment Balance at year-end	<u>54,813</u>	<u>63,047</u>

7.5 The year-end balance for the 2023/24 Proposed Budget is estimated to rise to \$63,047M, mainly due to the higher receipts from SSFs assignments and an assumed investment return of 4.6% for HA's Funds Management Account. No doubt the latter is subject to global financial market changes.

CAPITAL EXPENDITURE

7.6 The capital expenditure in the 2023/24 Proposed Budget is \$29,503 million. Details are summarised below –

	2022/23 Revised Budget \$M	2023/24 Proposed Budget \$M
Construction expenditure	17,643	28,443
Improvement works	629	856
Computer systems and equipment, other equipment and motor vehicles	193	204
Total	18,465	29,503

7.7 The capital expenditure in 2023/24 Proposed Budget is estimated to be \$29,503M, an increase over 2022/23 Revised Budget by \$11,038M. This reflects primarily the sharp increase in construction expenditure for HA's public housing development.

LIST OF ABBREVIATIONS

AWT	average waiting time
BEAM Plus	Building Environment Assessment Method Plus
BO	Buildings Ordinance
DfMA	Design for Manufacture and Assembly
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