

6

MAIN OPERATIONS



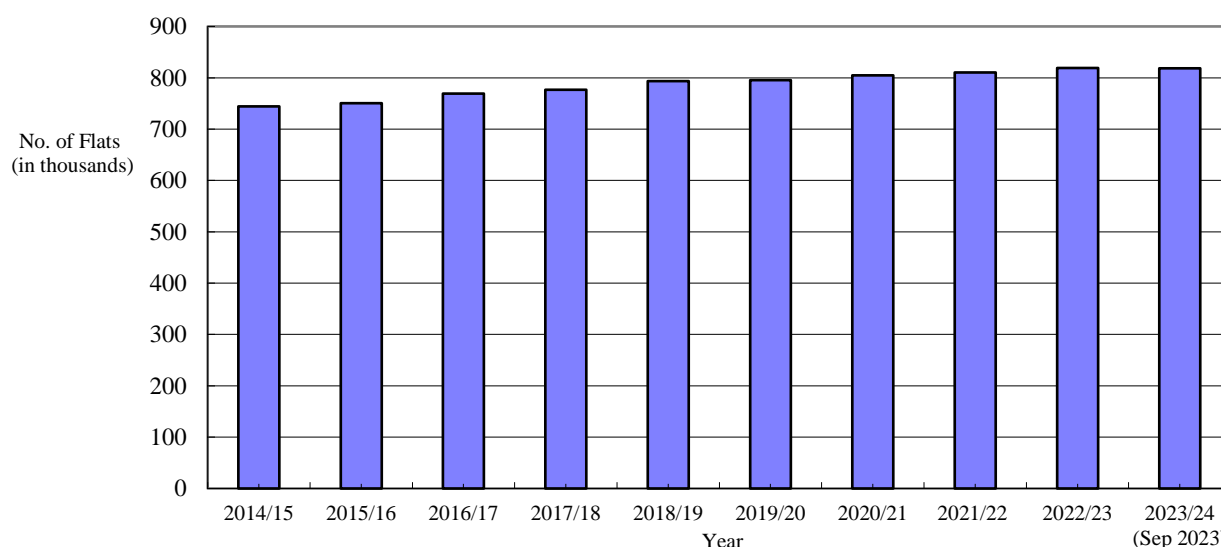
6. MAIN OPERATIONS

- 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 2024/25.

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 2014/15 to 2023/24 –

Stock of PRH Flats ^[15]



Note [15] The chart shows the PRH flat stocks from 2014/15 to 2023/24. The position from 2014/15 to 2022/23 is as at end-March of the respective years, while that for 2023/24 is as at end-September 2023.

Budget

- 6.4 The construction expenditure for 2024/25 is projected at \$31,625M, which is higher than the 2023/24 Revised Budget of \$21,904M by \$9,721M. The higher construction expenditure is mainly due to construction programme adjustments from 2023/24 to 2024/25 for some works contract arising from shortage of labour in the construction industry and slow recovery of the supply chain blockage in the aftermath of COVID-19 pandemic as well as the increase in construction expenditure for HA's public housing development.

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 2024/25 are projected at \$23,131M and \$24,298M respectively. The operating result for 2024/25 is estimated to incur a loss of \$1,167M. This has taken into account increase in various expenditure items as well as assumed price level adjustments. As for income, we assume no adjustment on rent level solely for budgetary purpose.

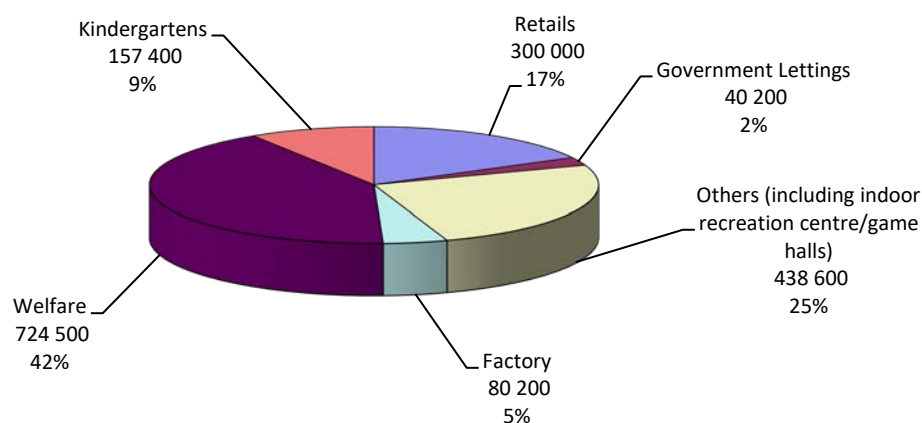
Home Ownership Assistance Operating Account

- 6.7 The income and expenditure of the Home Ownership Assistance Operating Account in 2024/25 are projected at \$5,966M and \$3,735M respectively. The SSF net income for 2024/25 is estimated to be \$2,231M, which is lower than that of 2023/24, mainly due to fewer number of SSF assignment completed.

COMMERCIAL PROPERTIES

- 6.8 The main function of the commercial properties operation is to manage HA's commercial and non-domestic properties (including retail shops, Government lettings, welfare facilities, kindergartens and flatted factories, etc.) as well as car parks.
- 6.9 As at end-September 2023, HA ran approximately 1 740 900 m² internal floor area of commercial and other non-domestic properties (excluding schools) and 34 000 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 2023
(Total Space 1 740 900 m²)



Budget

- 6.10 The income and expenditure of the Commercial Operating Account in 2024/25 are projected at \$4,027M and \$2,488M respectively. The net income in 2024/25 is estimated to be \$1,539M, which is higher than the 2023/24 Revised Budget by \$674M, mainly due to the budget assumption of no rent concession to be offered to the non-domestic tenants / licensees in 2024/25.

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 BO under the delegated authority from the Building Authority (i.e. Director of Buildings), as well as the administrative building control^[16] 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 is funded by HA.

Budget

- 6.12 The expenditure for building control in 2024/25 is projected at \$276M, which is higher than the 2023/24 Revised Budget of \$261M by \$15M, mainly due to increase in personal emoluments and capital expenditure on computer systems and equipment.

PROCUREMENT

- 6.13 The main operations of procurement are to secure competent and reliable business partners through equitable procurement principles^[17], achieving efficiency, effectiveness and value for money at all times.

Budget

- 6.14 The expenditure for procurement for 2024/25 is projected at \$138M, which is the same as the 2023/24 Revised Budget.

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 [16] Administrative building control mainly includes processing of submissions for HA's new public housing development and alteration and addition works in existing HA's buildings.

Note [17] 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 2024/25 is projected at \$1,204M, which is higher than the 2023/24 Revised Budget of \$1,100M by \$104M, mainly due to higher personal emoluments and capital expenditure on computer systems.