

Economic Performance

- Financial Performance
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Economic sustainability is at the core of the Hong Kong Housing Authority (HA)'s day-to-day business operation. We continue to provide quality and affordable housing in response to social needs through striving for operational efficiency and excellence, investing in building and construction innovations, and optimising our management and procurement practices.

Financial Performance

The HA is a financially autonomous entity. We generate our own funding to support the public housing development. Our major sources of income include rental of public housing and commercial properties, sales of surplus Home Ownership Scheme (HOS) flats, and income from funds investment.

The Finance Committee (FC) oversees all aspects of the management of funds of the HA including investment strategies and position. The FC, with the assistance of its Funds Management Sub-committee (FMSC), reviews the HA's investment strategy and position from time to time. The FMSC conducts regular reviews of the HA's investment strategy, and advises on the selection of funds managers and monitors their performance. Ongoing monitoring of day-to-day operations is conducted by the Housing Department (HD).

To manage our finance in a prudent manner, we conduct monthly review of the financial position and performance of the HA, and the financial management practice is reviewed as and when necessary. We also review regularly our financial planning and budgeting process.

Details of the 2013/14 financial statements are provided in the HA's Annual Report 2013/14. Summary of our financial performance is highlighted below:

Consolidated Income Statement in 2013/14

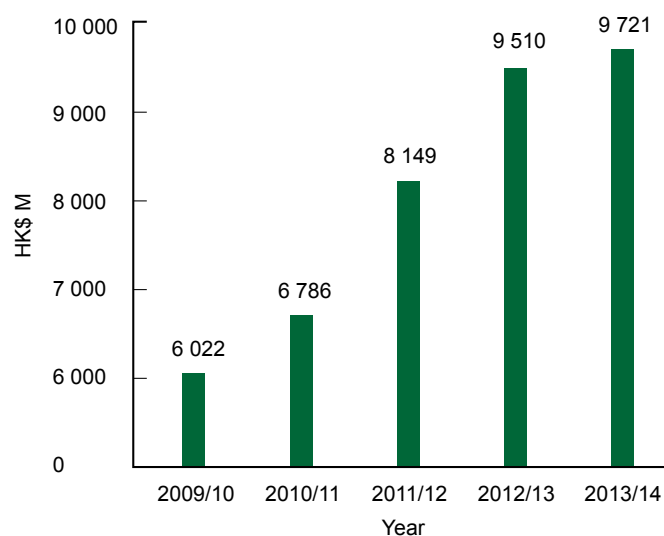
| Item Description | HK\$M |
|--|--------------|
| Consolidated Operating Account Surplus | 2 807 |
| Funds Management Account Surplus | 3 547 |
| Agency Account Surplus | 19 |
| Surplus for the Year | 6 373 |

Consolidated Operating Account in 2013/14

| Item Description | HK\$M |
|--|--------------|
| Rental Housing Operations Deficit | (179) |
| Commercial Operations Surplus | 914 |
| Home Ownership Assistance Operations Surplus | 2 152 |
| Consolidated Operating Surplus before Non-operating Items | 2 887 |
| Net Expenditure on Non-operating Items | (80) |
| Surplus Including Non-operating Items for This Year | 2 807 |

Capital Expenditure for the Fiscal Years 2009/10 – 2013/14

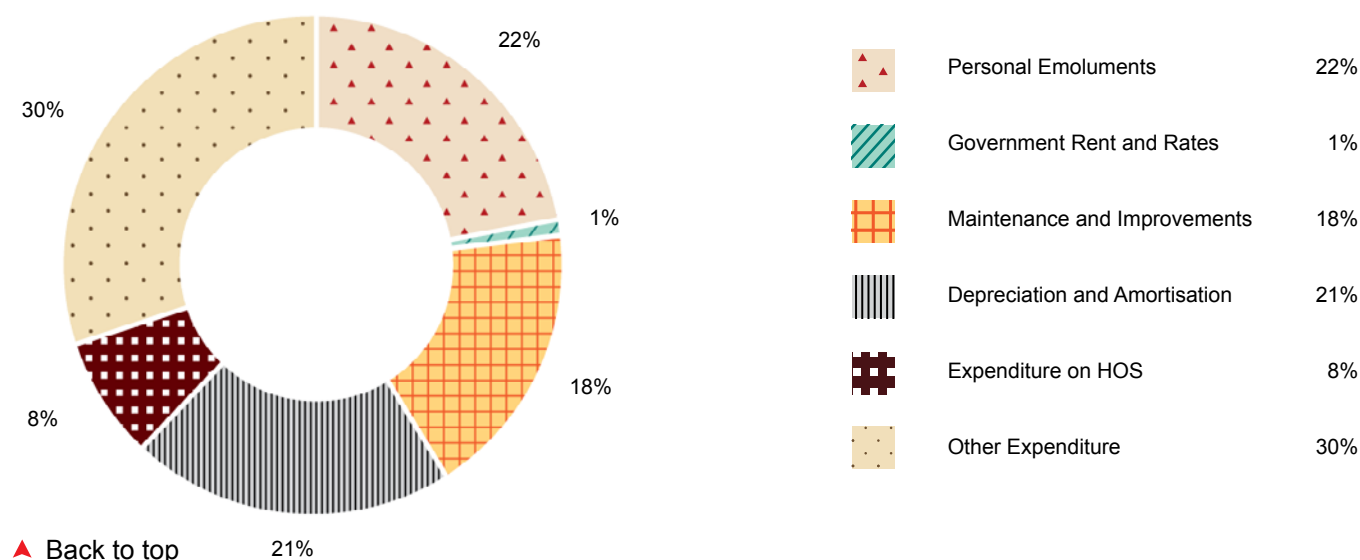
| Items | 2009/10 | 2010/11 | HK\$ M 2011/12 | 2012/13 | 2013/14 |
|----------------------------------|--------------|--------------|-------------------|--------------|--------------|
| Construction | 5 511 | 6 138 | 7 291 | 8 639 | 8 911 |
| Improvement Works | 384 | 471 | 666 | 682 | 657 |
| Computer Systems | 127 | 177 | 192 | 189 | 153 |
| Total Capital Expenditure | 6 022 | 6 786 | 8 149 | 9 510 | 9 721 |

Total Capital Expenditure

As at 31 March 2014, the HA's available investment funds stood at HK\$69 794 million, which was increased by HK\$805 million as compared to 31 March 2013.

During the year, the recurrent expenditure of the HA was HK\$14 922 million, which was HK\$1 495 million higher than 2012/13.

Analysis of Recurrent Expenditure 2013/14



Initiatives in Planning and Construction of New Housing Estates

Provision of Public Rental Housing

In 2013/14, HA continued to fulfil its mission of providing low-cost public rental housing (PRH) for those who cannot afford private rental accommodation. In terms of developing new housing, we met our target and completed construction of around 14 100 new PRH flats in seven projects, namely Tak Long Estate Phases 1 to 3, Wing Cheong Estate, Yee Ming Estate, Kwai Yat House and Kwai Yuet House in Kwai Luen Estate, as well as Shek Foon House in Shek Lei (II) Estate.

The Chief Executive has announced in his 2014 Policy Address that the Government targets to supply 470 000 new housing units for Hong Kong within the next 10 years (i.e. 2013/14 to 2022/23), of which 60% would be public housing, both PRH and subsidised sale flats (primarily HOS flats). To meet the target, the aim is to provide an average of 20 000 PRH units and 8 000 HOS flats per year.

To achieve this target, HA has established a rolling five-year Public Housing Construction Programme with the objective to produce about 81 100 PRH flats from 2013/14 to 2017/18 inclusively. The Government has successfully identified sufficient land to produce 179 000 PRH flats for the 10-year period from 2012/13 to 2021/22. Liaison work with various bureaux and departments concerned will continue to identify additional land that will help meeting the new housing supply target.

Meanwhile, we continued to adopt comprehensive planning and site-specific design for all domestic blocks in new projects in order to best respond to site conditions, utilise plot ratio and maximise flat production, with an aim to providing the essential facilities while optimising the development potential.



Shek Foon House in Shek Lei (II) Estate



Yee Ming Estate

Managing the Home Ownership Scheme

Provision of HOS flats is one of the major initiatives of the HA's housing programme to help the low- and middle-income families acquire home ownership.

According to the 2014 Policy Address announced by the Chief Executive, the target supply of HOS flats would be increased to an annual average of about 8 000. The first batch of about 2 200 new HOS flats are expected to be completed in 2016/17, and the pre-sale is scheduled in end 2014.

In late March 2013, the HA invited applications for the Sale of Surplus HOS Flats Phase 7 and a total of 14 198 applications were received. A ballot and flat selection were completed, and the agreements for sale and purchase for all 832 flats has been signed by early September 2013.

The HA has also run an interim scheme to extend the HOS Secondary Market, with an annual quota of 5 000, to eligible White Form applicants, who are allowed to purchase the HOS flats with premium not yet paid on the HOS Secondary Market. By end March 2014, among the first batch of 2 500 successful applicants, 2 109 applied for the Certificate of Eligibility to Purchase (CEP) with a validity period of 6 months; and 1 044 applications for Letter of Nomination (LN) were approved. In respect of the second batch of 2 500 successful applicants, 1 874 applied for CEP and among them, 438 applications for LN were approved.

Optimising Use of Resources

Management and Procurement System

The HA endeavours to maintain open, transparent and cost-effective procurement practices. According to the latest market trend and tender price movements, the construction cost of our superstructure of PRH was on average about 48% lower than that of the average standard of private sector residential buildings. In addition, we have developed a suite of standard general conditions and special conditions of contract which targeted to be incorporated in capital works contracts to be put out to tender in the second quarter of 2014.

We have enhanced tender assessment by conducting pre-qualification of tenderers and employing a two-envelope tendering system to the building and piling contracts which have been classified as "complex".

To seek continuous improvement for our housing development projects, we in particular encourage design and construction innovation in our procurement practices through the use of the Integrated Procurement Approach (IPA), which is based on a three-envelope tendering system comprising separate price, technical and innovation submissions. During the year, we successfully completed Tak Long Estate, our first project developed using IPA. Besides, IPA has other advantages, including:

- enabling design and construction expertise to be integrated in earlier stage of projects;
- improving productivity and quality; and
- promoting holistic and environment-friendly designs.

Our second IPA project, Anderson Road Site A and Site B Phases 1 & 2, is currently in progress.

We have also reviewed the price-to-technical ratio in the scoring system for property services agents to ensure value-for-money and to fine-tune various score-weighting mechanisms for tender assessment.



Tak Long Estate

Enhance Efficiency of Building Design and Construction with Information Technology

The HA has adopted various information technologies (IT) to optimise our management of design and construction works. These IT tools include Building Information Modelling (BIM), the Geographic Information System (GIS), the Housing Construction Management Enterprise System (HOMES), and Radio Frequency Identification (RFID).

Building Information Modelling

The BIM is an effective tool to enable better visualisation and planning through the generation of 3-dimensional (3-D) data with high levels of accuracy. Since 2012, we have developed the latest 5-D BIM model, and it has been applied to the Sha Tin Area 52 Phase 1 Project, which allows us to conduct more accurate and effective cost estimates and assessments.

To enhance the consistency of BIM modelling and facilitate information exchange among different disciplines, we have compiled a Standard Approach of Modelling for structural concrete works for trial in a selected project.

We have also developed a comprehensive BIM Project Execution Guide and delivered BIM training courses to 1 300 staff of different ranks and disciplines to promote wider application of BIM.

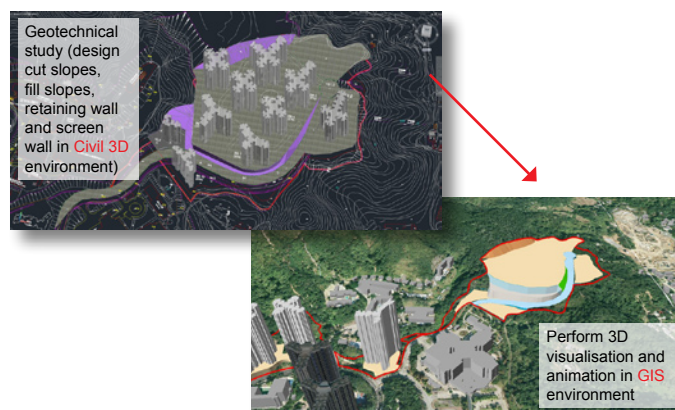


Sha Tin Area 52 Phase 1 project

Geographic Information System

The use of GIS facilitates search and enquiry for a range of spatial and textual data needed for conducting feasibility studies and identifying potential building sites. Since January 2013, we have launched the use of GIS, which consists of three main parts: Web-based GIS, Tree Management and 3D Analysis functions. Two batches of enhancements in functionality have been made in 2013.

We have integrated the use of GIS together with BIM for civil works studies. It has been implemented in several projects, including Tai Po Area 9, Shek Kip Mei Phase 6, Lai Chi Kok Road – Tonkin Street and Queen's Hill. Furthermore, we continued to use GIS in the management of centralised drawing records and for identifying location in maintenance works orders.



The use of BIM and GIS in geotechnical study

Housing Construction Management Enterprise System

We have operated and enhanced HOMES - an online collaboration and knowledge management platform for enhancing the efficiency in managing construction projects. During the reporting year, HOMES was further upgraded with the addition of new features including the HOMES Mobile Site Inspection System and Construction Mobile Inspection System, which uses the latest mobile technology to streamline the existing piling works inspection process.



The use of HOMES

Radio Frequency Identification

RFID uses a chip and a sensor to record and embed manufacture information to enable us tracking the workflow and logistics of four core building components, namely timber doors, metal gate sets, aluminium windows, and precast concrete facades. We have also carried out successful pilot projects in which RFID has been applied to monitor the disposal of inert construction and demolition material to avoid illegal dumping. We also conducted trial application of RFID on major building services equipment, including water pump, switchboard, generator and lift.

To facilitate better adoption of RFID, we have enhanced the HOMES to receive the RFID data from individual projects.

Enhancing Building Standards, Quality and Productivity

In 2013/14, we have successfully maintained all completed projects within 10% slippage.

The Independent Checking Unit (ICU), which is directly under the Office of the Permanent Secretary for Transport and Housing (Housing), continues to provide third-party checking of the building and structural plans submitted for the HA's new development projects. The ICU is also committed to improving its services provided for both the HA and the public; as well as enhancing its environmental performance through ISO 9001 and ISO 14001 certifications in mid-2014.

To further improve our overall operational efficiency, we have successfully implemented e-transfer of structural, building and geotechnical documents as well as supervision plans submissions to ICU in the financial year. We are also developing an Electronic Submission and Processing System in the ICU.

In 2013/14, we have processed 721 building submissions and 1 360 structural submissions. We have also processed 2 383 submissions for Alteration and Addition Works, 27 253 submissions under Minor Works Control System within the statutory or pledge period. To facilitate risk management of new developments, as well as alteration and addition works, we have continued to issue Quarterly Site Monitoring Reports for new construction projects, alteration, and addition works.

To improve building quality and enhance productivity in construction, we always look for opportunities to improve the building standards. We have:

- monitored the progress of construction-related research & development activities; and
- collected feedback from stakeholders through regular meetings, forums and seminars to improve building standards and productivity in construction.

Since March 2012, we have been implementing the product certification to mandate certification of building products for upstream quality control. Initially covering seven types of building products, it has been expanded to cover three other types of materials, with one more item targeted for product certification in 2014/15 as follows:

- fire resistant timber doors
- panel wall partitions
- packed cement for architectural use
- tile adhesives
- ceramic tiles
- repair mortar
- aluminium windows
- uPVC drainage pipes and fittings
- close-coupled water closet suites
- mesh reinforcement
- multi-layer acrylic paint (target for certification in 2014/15)

Initiatives in Existing Housing Estates

Facilitate Swift Access to Affordable Housing

The HA's target is to maintain the average waiting time (AWT)¹ for general applicants (i.e. family and elderly one-person applicants) at around 3 years. Despite the possibility of occasional departure from the target due to the growing PRH demand, we will strive to maintain the target. As at the end of March 2014, the AWT for general applicants was 3.0 years. Among them, the AWT for elderly one-person applicants was 1.6 years.

In 2013/14, a total of 23 307 flats were allocated to general applicants (i.e. family and elderly one-person applicants) and non-elderly one-person applicants under the Quota and Points System.

Rent Adjustment and Assistance Policies

Under the existing PRH rent adjustment mechanisms, PRH rent is adjusted either upwards or downwards in accordance with the changes in PRH tenants' overall household income. The HA shall review the PRH rent every two years. The last review was completed in mid-2012 and the next rent review will be completed in mid-2014.

As at the end of March 2014, PRH rents per flat ranged from HK\$287 to HK\$3 877 per month. The average monthly rent was about \$1 540. PRH rents include rates, management fees and maintenance costs.

To help tenants undergoing temporary financial hardship, our Rent Assistance Scheme (RAS) offers a rent reduction of 25% or 50% for eligible tenants, depending on tenants' individual circumstances. As at the end of March 2014, around 12 100 families benefited from RAS.

To keep PRH tenants well aware of RAS, we have adopted various promotional channels including broadcast on the Housing Channel, the HA / Housing Department Website, radio, posters, newsletters and leaflets. Publicity on RAS was also stepped up in the estate newsletters issued in May and November 2013.

¹ Waiting time refers to the time taken between registration for PRH and 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). The 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.

Optimising Use of Resources

We adopted various measures to optimise occupancy of PRH flats on a timely basis in order to address the changing social and residential circumstances.

Curbing Tenancy Abuse

To strengthen tenancy management and to ensure the precious housing resources are allocated only to those with the genuine needs, the HA has established stringent policies to prevent tenancy abuse.

In 2013/14 we have carefully vetted income and asset declarations of some 201 100 tenancies submitted under the Housing Subsidy Policy, the Policy on Safeguarding Rational Allocation of Public Housing Resources and other tenancy management policies, to ascertain the amount of subsidy that each tenant should receive. To further step up the measures, we set up a special team with 30 experienced staff under the Public Housing Resources Management Sub-section (PHRM). This Special Team conducted intensive checking on additional 5 000 income/assets declarations and 3 000 occupancy-related cases.

Besides, frontline staff also visited some 536 000 flats in the current biennial inspection cycle. It was 2.7% ahead of the pro-rata target of 70.83% for March 2014. PHRM also proactively carried out rigorous investigation into some 8 900 occupancy-related cases drawn from the suspected abuse cases referred by frontline management staff and the public, as well as from random selections.

The core education message of cherishing public housing resources was promoted through a wide diversity of publicity channels and outreach activities. In 2013/14, a series of publicity programmes on cherishing public housing resources was launched through estate newsletters, posters, promotion video, and banners; mini-programmes on television and bus television; advertisements on the press, train, bus; internet, HA/HD Website, Housing Channel, broadcast on radio, Estate Management Advisory Committee (EMAC) partnering functions and roving exhibitions in selected estates.

Furthermore, we proactively reached out to EMACs to promote public awareness on cherishing public housing resources. We also distributed “Tenancy Abuse Report Aerogrammes” to every PRH household, making it easier for tenants to report the malpractice.

Territory-wide Overcrowding Relief Transfer Scheme and Living Space Improvement Scheme

“Overcrowded” households refer to those whose PRH households occupying below 5.5 square metres of internal floor area per person.

An exercise of the Territory-wide Overcrowding Relief Transfer Scheme was carried out in September 2013. A total of 942 families benefited from the opportunity of moving into more spacious flats and had their living environment improved in the year. As a result, the number of “overcrowded” households dropped to 3 121 by the end of March 2014, representing merely 0.43% of all PRH households.

Moreover, an exercise under the Living Space Improvement Transfer Scheme was conducted. A total of 1 055 families were relocated to larger flats during the year. This Scheme aims to offer relief to those households that occupy an internal floor area per person of less than 7 square metres.

Operation with Cost-effectiveness

Good maintenance of the PRH estates is the prime consideration in providing quality services to our residents. The Total Maintenance Scheme (TMS) provided comprehensive maintenance services. During the year, TMS was applied to 39 estates, with special focus on building safety built into the scheme following new building control initiatives introduced by the Government.

Our Responsive In-flat Maintenance Service offers resources to front-line staff to respond promptly to maintenance requests. It has been expanded to cover 210 estates and courts by end of the reporting period, including all PRH flats, Tenants Purchase Scheme estates and five new estates.

We conducted the Comprehensive Structural Investigation Programme (CSIP) and Estate Improvement Programme (EIP) during the year. CSI checks older estates to ascertain the structural safety of the buildings and assess the cost-effectiveness for repair, whereas EIP is applied to the older estates to improve their conditions and facilities. In 2013/14, CSI for four aged PRH estates was successfully completed. Repair and improvement works were carried out under EIP as scheduled, including adding lifts as well as improvement of leisure facilities.

We accomplished the Stage 1 Lift Addition Programme, which have added 70 lifts since 2008. In early 2013, we initiated Stage 2 of the Programme, which involved adding lifts to connect elevated platforms in external areas, as well as alongside existing footbridges in PRH estates. In addition, our Lift Modernisation Programme has continued to check all existing lifts over 25 years of service for maintenance.

To offer barrier-free access across all PRH estates in Hong Kong, we have accomplished most of the improvement works under our comprehensive barrier-free access improvement programme by the end of 2013/14, including upgrading lifts, improving walkways, adding handrails and tactile warning strips for better accessibility.



Barrier-free access improvement works in Siu Sai Wan Estate

In 2013/14, we continued with the final phase of upgrading our estate-wide Closed Circuit Television (CCTV) Security System with colour cameras, digital video recorders and broadband network transmission. We have also installed additional numbers of CCTV cameras at strategic locations for security as well as surveillance of site testing and building works.

Redevelopment and Adaptive Re-Use

Apart from liaising closely with government departments concerned to identify suitable new housing sites, the HA has been examining the redevelopment potential of existing aged PRH estates with a view to optimising plot ratio for better utilisation of our valuable land resources and additional public housing production.

According to the HA's "Refined Policy on Redevelopment of Aged Public Rental Housing Estates" (the "Refined Policy") currently in force, and in considering redevelopment of existing aged estates, the HA will take into account the structural safety of existing blocks, cost effectiveness in repair works, build-back potential, as well as availability of suitable and adequate rehousing resources. Pak Tin Estate is the only estate announced for redevelopment since launching of the "Refined Policy" in 2011.

In late 2013, we have completed a review of the redevelopment potential of 22 aged PRH estates, which will provide a starting point for detailed studies of selected aged estates in future. Based on the findings, there is no particular need for redevelopment at this time from the structural safety or economic repair perspective. However, as they continue to age and maintenance costs are anticipated to rise, HA will plan for the redevelopment of these estates progressively, taking into account demand from waiting list applicants, as well as manpower and other constraints, in a prudent manner.

In early 2014, following the Government's decision to partially lift the development moratorium at Pok Fu Lam South, the use of five new government sites to facilitate the redevelopment of Wah Fu Estate is under detailed assessments.

Preparation works for converting Chai Wan Flatted Factory to PRH through adaptive re-use were underway. Commencement of building contract is scheduled in mid-2014.



Chai Wan Flatted Factory - Before Conversion



Chai Wan Flatted Factory - After Conversion (Computer Rendering)

Optimising Resources of Commercial Properties

The HA maintains a wide network of retail premises and community facilities to support the day-to-day needs of our PRH residents. When developing retail facilities, our priority remains to cater for the daily needs of local residents. When we plan the designated trade mix for our new shopping centres, we have adopted flexible and market-oriented letting strategies to achieve greater diversity for shoppers.

For example, when we arranged leasing for the Ching Long Shopping Centre, we tracked current market trends and attracted a number of popular brands and product types to meet the daily necessities of our residents. The market-oriented letting strategies also enabled us to achieve satisfactory rental revenue and to lease out long-vacant retail premises in some estates. This was found to be a successful strategy to help us optimise the use of our retail facilities in a more competitive manner.



Ching Long Shopping Centre offers a wide variety of shops to meet the daily needs of local residents

Throughout the year, we have implemented a number of measures to provide an easy and enjoyable shopping experience at the HA shopping centres. For instance, we have made the atriums of our shopping centre available to a wide range of product promoters. Also, strategic installation of Automated Teller Machine was arranged in shopping centres to offer greater convenience to visitors.



Product promoters in Kwai Chung Shopping Centre



Installation of ATM in Domain

To facilitate evaluation of our commercial operations, we have set various key performance indicators (KPIs) to monitor performance of our commercial portfolio. As at the end of March 2014, the vacancy rate, rent arrears rate, and operating expenditure to income ratio (as listed below), were well within the KPI targets set for 2013/14.

| Achievements as related to KPIs as at 31.3.2014 | Percentage |
|---|------------|
| Vacancy Rate for Retail Premises (Shops) | 1.6% |
| Rent Arrears Rate | 1.5% |
| Operating Expenditure to Income Ratio | 54.7% |

Under the HA's five-year rolling programme, we have prioritised the major asset improvement works undertaken to enhance the attractiveness and business potential of our commercial properties.

In 2013/14, we completed upgrading works on retail facilities in Wah Fu (I) and (II) Estates, and introduced two additional eateries to provide more dining options to the local residents. Improvement works on retail and car park facilities in On Kay and Lung Poon Courts, as well as Ping Shek and Kwai Shing West Estates also made good progress.

Noting the popularity of cooked food stalls at Nam Shan, Shek Kip Mei and Fu Shan Estates, we have allowed additional outdoor sitting areas for these stalls in 2013/14. This greatly increased seating capacity and alleviated congestion inside the stalls.

We have completed the market reordering process in Kwai Shing West Estate and Lai Yiu Estate, which involved grouping together some vacant shop stalls in these two estates, for leasing to restaurants. Moreover, we carried out renovation work for the cooked food stall in Fu Shan Estate to improve the business environment.



Upgrading works in Wah Fu (I) Estate



Cooked food stalls in Shek Kip Mei



Market reordering in Kwai Shing West Estate



In our mega-mall Domain, a consultant has been appointed to provide strategic management services and advice for sustaining its business growth and to work out plans for enhancing its leasing profile. We have revamped the Small Retail Zone by relocating the kiosks and grouping some of the vacant kiosks to create a larger retail space. The revamped area has helped expand the shopping mix and enhance the ambience.



Before



After

Revamping work in Domain

To support the new green transport development in Hong Kong, we installed new electric vehicle charging facilities in the Yue Wan Estate Carpark. Similar charging facilities were also provided in new public housing developments completed in the year.

Through enhanced leasing strategies, we have successfully sourced takers for long vacant retail premises in less popular locations, e.g. Cheung Shan Estate.

Over the year, we have launched a full range of festive and seasonal marketing programmes of different scales in our shopping centres. Altogether, we have organised some 90 promotional events including mini-performances, carnivals, stage and variety shows, game and snacks booths, and gift redemption, etc, which are both entertaining and business stimulating.



New electric vehicle charging facility in Yue Wan Estate Carpark



Promotional event in Tin Yan Shopping Centre



Festive and seasonal marketing programme in Domain

In the Domain, we held about 70 promotional events and publicity activities. They were well received by shoppers, tenants and residents, which together contributed to a steady growth in footfall and business turnover. We have also tailor-made seasonal decorations, publicity and festive promotional activities to sustain the popularity and attractiveness of Domain.

To enhance community building, a total of 1 430 hours of community events/activities were held in collaboration with some 60 non-government organisations / Government departments in all our shopping centres.

Initiatives in Office at Work

Management and Procurement System

To uphold the HA's management best practices, we continued to implement various ISO management systems in 2013/14 and have acquired certifications or verifications including ISO 9001 certification on quality management (since 1993), ISO 14001 certification on environmental management (since 2010), ISO 50001 certification on energy management (since 2012), ISO 31000 on risk management (since 2010), ISO 26000 on corporate social responsibility (since 2010) and ISO 19011 auditing management (since 2013). We require our contractors to be ISO 9001, ISO 14001 and OHSAS 18001 certified. Starting from January 2014, we have also required our building and piling contractors to be certified to the ISO 50001 Energy Management System.

We have continued to maintain and review the adequacy of HA lists of contractors, sub-contractors and services providers. Starting from the second quarter of 2013, the HA has required every works contractor applying for admission to, or retention on, the HA Lists of Works Contractors to submit a statutory declaration that, among others, the company was not insolvent or had not been wound up or dissolved. We conducted writ search for the lowest three tenderers or the top three scorers of works contracts during shortlisting and tender assessment to ensure financial capability of tenderers. We have also reviewed the performance reporting and the review mechanism for non-HA list contractors and service providers.

To strengthen our procurement practice, we have been reviewing and updating the "Guide to Registration of Works Contractors and Property Management Services Management Services Providers" regularly. From time to time, we have conducted briefing sessions and experience sharing sessions to promote awareness of HA's procurement principles and systems.

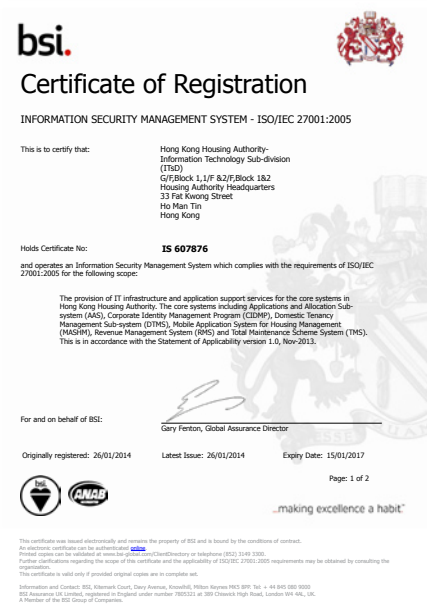
We have required our contractors to prohibit their employees, agents and sub-contractors from offering, soliciting or accepting any advantage when conducting business in connection with our contracts. In addition, we have arranged anti-corruption briefings for HA's contractors and service providers to enhance awareness and ensure their integrity. We also include the ethical requirements about the related regulations in our contracts that our contractors should observe. During the reporting period, there was no incident of corruption reported.

Enhance Efficiency with Information Technology

It is important to ensure information security in our operation. In early 2014, we have established an information security management system and certified to ISO 27001 standard. The certification is an important recognition of the HA's efforts to use IT within a safe and secure environment. We are the first government body in Hong Kong to achieve full-scale certification relating to the protection of our valuable information assets.

The HA has also utilised various advanced IT solutions to help improve operational efficiency, service quality and customer experience in the public housing estates:

- We have completed the design of the new HOS system to support the sale of new HOS flats, and system development will be completed in 2014.
- A new system of the Mandatory Inspection Management System was put into use in 2013/14. This system uses a document scanning and e-workflow engine that enables the ICU to manage the mandatory inspection of buildings more efficiently, which is estimated to reach 250 000 cases per year.
- We have adopted GIS across different divisions in development planning and in the management of centralised drawing records and for identifying location in maintenance works orders.
- In August 2013, we successfully rolled out a new Customer Services Management System to all the HA's PRH estate offices in order to improve the quality of service, consistency of information and transparency of our customer service operations at PRH estate offices.
- Our "Green IT" campaign has also made good progress in reducing energy and paper consumption throughout our offices and data centre, including replacing new energy efficient computer equipment and powering off all unused IT equipment in offices.
- We were in the process of developing an electronic form with automatic workflow in the Enterprise Resource Planning system in order to enhance the user-interface for computer acquisition.
- A consultancy study has been commissioned to review the latest technology and market to identify the most appropriate enterprise-wide mobile architecture for HA.
- An "electronic tender booklet" system was used in 12 building contracts and seven foundation contracts on a trial basis.
- The Local Area Network in remote offices was upgraded to enhance network communication of these offices.



ISO 27001 certificate