



ECONOMIC PERFORMANCE

- ❖ Financial Performance
- ❖ Initiatives in Planning and Construction of New Housing Estates
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- ❖ Initiatives in Office at Work

The Hong Kong Housing Authority (HA) strives to achieve its mission of providing quality and affordable homes in an economically-sustainable manner, while upholding values of environmental protection and social development. This is achieved mainly through synergizing effective management with innovative measures in planning, building and management of both existing and new housing estates.



Financial Performance

The HA is a financially autonomous entity. To support public housing development, it generates income from rental of public housing and commercial properties, sale of subsidised sale flats, and fund investment.

The Finance Committee (FC) advises on financial policies and issues, and monitors the financial performance of the HA. The FC, with the assistance of its Funds Management Sub-Committee, also reviews the HA's investment strategy and position from time to time.

To manage our finance in a prudent manner, we have carried out monthly reviews of the financial positions of the HA and reported the results to FC regularly. In addition, we have reviewed the financial management practice when necessary, and monitored and evaluated our financial planning and budgeting process.

Details of the 2017/18 financial statements are provided in the [HA's Annual Report 2017/18](#). A summary of our financial performance is highlighted below:

Consolidated Results in 2017/18

Item Description	HK\$ million
Consolidated Operating Account Surplus	6,501
Funds Management Account Surplus	2,128
Agency Account Surplus	74
Surplus for the Year	8,703

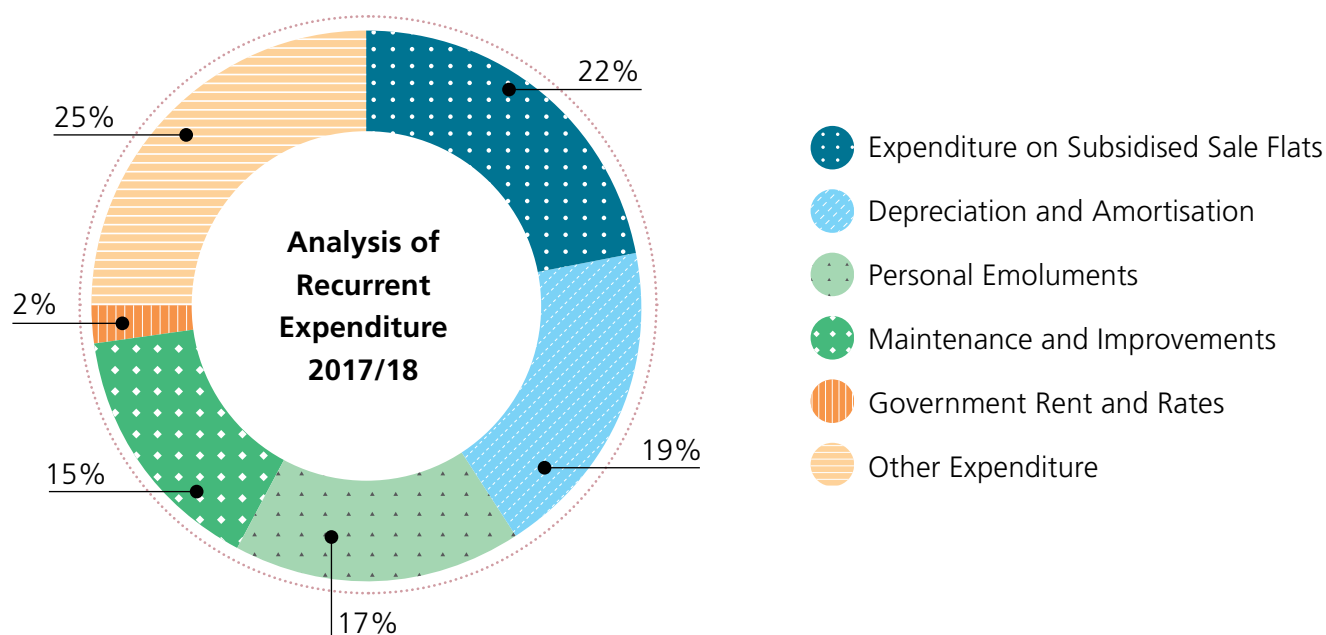
Consolidated Operating Account in 2017/18

Item Description	HK\$ million
Rental Housing Operating Surplus	383
Commercial Operating Surplus	1,371
Home Ownership Assistance Operating Surplus	4,740
Sub-total	6,494
Net Non-operating Income	7
Consolidated Operating Account Surplus	6,501

Capital Expenditure for Financial Years 2013/14 to 2017/18

Items	2013/14 (HK\$ million)	2014/15 (HK\$ million)	2015/16 (HK\$ million)	2016/17 (HK\$ million)	2017/18 (HK\$ million)
Construction	8,911	11,945	17,411	16,766	19,585
Improvement works	657	646	812	659	674
Computer equipment/ motor vehicles	153	134	129	105	121
Total Capital Expenditure	9,721	12,725	18,352	17,530	20,380

As at 31 March 2018, HA's funds available for investment stood at HK\$45.2 billion, which was decreased by HK\$3.7 billion as compared to 31 March 2017. During the reporting year, the recurrent expenditure of HA was HK\$21,924 million, which was HK\$4,974 million higher than that of 2016/17.





Initiatives in Planning and Construction of New Housing Estates

The HA has been developing and implementing public housing programmes for addressing the housing needs of low to middle-income families. The HA has been playing a major role in delivering the public housing targets under the Long Term Housing Strategy (LTHS) promulgated by the Government in December 2014. LTHS adopts a “supply-led” and “flexible” strategy, and adopts three major strategic directions to gradually avert the supply-demand imbalance:

- provide more public rental housing (PRH) units and ensure the rational use of existing resources;
- provide more subsidised sale flats (SSFs), expand the forms of subsidised home ownership and facilitate market circulation of existing stock; and
- stabilise the residential property market through steady land supply and appropriate demand-side management measures, and promote good sales and tenancy practices for private residential properties.

According to the projection results as at December 2017, the total housing supply target is set at 460,000 units for the ten-year period from 2018-19 to 2027-28, including a margin for vacancy of private flats. With the public/private split of 60:40 for the supply of new housing units, the public and private housing supply targets for the above ten-year period are 280,000 units and 180,000 units respectively. Within the public housing supply target, the targets for PRH and SSFs are 200,000 units and 80,000 units respectively. As for the HA, we rolled out a five-year Public Housing Construction Programme which is estimated to produce about 73,400 PRH units and 23,400 SSFs from 2017/18 to 2021/22 inclusively.

To ensure the future housing supply can meet the Government’s target under LTHS, the HA has been closely liaising with all concerned Government bureaux and departments to provide suitable and “spade ready” sites for public housing development. With the assistance of these Governmental bureaux and departments, the HA carries out comprehensive site selection studies and optimises the development potential of the land and facilities to maximise public housing supply under appropriate planning and design. The HA will continue to closely communicate with the concerned Government bureaux and departments and adopt extensive planning and site-specific design for housing supply optimisation.

Provision of Public Rental Housing

In 2017/18, the HA completed around 13,400 new PRH units in a total of seven projects, including Anderson Road Site B (Blocks 3-5) and Anderson Road Site C1 of On Tai Estate, Tuen Mun Area 54 Site 2 Phase 1 and Phase 2 of Yan Tin Estate, Ying Tung Estate, Kwai Tsui Estate and Lin Tsui Estate. Around 7,900 square metres of retail facilities and around 540 private car and lorry parking spaces were also completed.



Ying Tung Estate



Yan Tin Estate



Kwai Tsui Estate

■ Managing the Home Ownership Scheme

The HA is also a major provider of subsidised sale flats through the Home Ownership Scheme (HOS) and Green Form Subsidised Home Ownership Scheme (GSH) flats. HOS is a subsidised home ownership arrangement administered by the HA that helps low to middle-income families achieve home ownership. Apart from providing an avenue for PRH tenants who are more financially-ready to purchase a home, it also helps release PRH units for those with more pressing housing needs.

In 2017/18, the HA completed the construction of one SSF development project, involving about 250 new flats. The project is Ka Shun Court located in Hin Tin Street of Sha Tin Area 31.

Following the sale of the first and second batches of new HOS flats in August 2015 and October 2016 respectively, the third batch of 2,057 new HOS flats was sold out in October 2017. The pre-sale of the fourth batch of 4,431 new HOS flats, scheduled for completion between 2018-19 and 2020-21, was launched at the end of March 2018.



Ballot-drawing of the third batch of new HOS flats

To encourage tenants' mobility from PRH to SSF, the HA endorsed the introduction of the Green Form Subsidised Home Ownership Pilot Scheme in 2015. The scheme aimed to identify suitable PRH development under construction for sale to Green Form applicants, including PRH tenants and PRH applicants who have completed detailed eligibility vetting process, at selling prices based on the discount rate of 10% more than that adopted in the previous HOS sale. Pre-sale of the pilot project, King Tai Court, was launched in October 2016, and a total of 857 flats were sold by February 2017. After reviewing the pilot project, the HA endorsed the regularisation of GSH in January 2018. Pre-sale of the first regularised GSH project was scheduled to be launched at around the end of 2018.

Two rounds of interim schemes to allow White Form buyers to purchase SSFs in the HOS Secondary Market without payment of premium were completed in January 2013 and August 2015 respectively. Following a review of the interim schemes, the HA endorsed regularising the schemes as the White Form Secondary Market Scheme (WSM) in November 2017. The WSM 2018 was launched in March 2018 with a quota of 2,500.

■ Optimising Use of Resources

Management and Procurement Practices

The HA continued to improve our management and procurement system by enhancing operational efficiency and maintaining business partners' service quality. During the year, the HA maintained HA Lists of works contractors and property management services providers; and enhanced tender assessment by conducting pre-qualification and/or employing two-envelope tendering system where applicable. For contractors who are not on the HA-list, we had formulated and implemented a set of management procedures for reviewing and monitoring their service. We continued to implement the following measures to strengthen the procurement practice:

- ♦ Apply a tender scoring system with price-to-technical ratio and fine-tune various score-weighting mechanism for tender assessment;
- ♦ Implement "Quarantine" system under tender evaluation mechanism to ensure the selected contractors operate at HA's site in a safe and fair manner;
- ♦ Apply different procurement strategies to meet the housing production target, including but not restricted to bundling of contracts for small sites, using the Integrated Procurement Approach for large complex projects, e.g. the Integrated Contract for Anderson Road Site A and Site B;
- ♦ Implement and monitor the use of General Conditions of Contract (GCC) for HA's new works contracts and sub-contracts;
- ♦ Apply and monitor the on-demand bond requirements to new work contract and nominated sub-contractors;
- ♦ Review the adequacy of HA's List of Contractors to enhance competitiveness of HA's pool of contractors;
- ♦ Review and strengthen procurement practices under the "Guide to Registration of Works Contractors and Property Management Services Providers"; and
- ♦ Outsource Architectural, Engineering, Building Services Engineering and Quantity Surveying Services for selected new works projects to Professional Service Providers to alleviate the additional workload resulting from increased flat production targets.

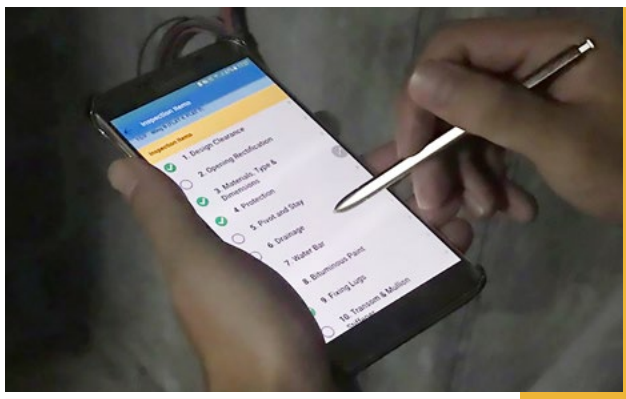
We actively review our procurement practices to ensure they are up to industry standards and expectations. To address the common industry problem of labour shortage, we have continued to monitor and review the requirements for Trade Tested Workers in maintenance contracts and the application of the streamlined Supplementary Labour Scheme (SLS). During the year, we observed no application to the scheme. We will keep in view for any new applications to the scheme, and further enhancement of the scheme made by the Development Bureau.

Enhance Efficiency of Building Design and Construction with Information Technology

To leverage on technological intelligence for process enhancements, the HA always adopts advanced information technologies in design and contraction processes of new housing developments.

◆ Development and Construction Site Mobile System (DCSMS)

The HA has introduced the DCSMS, a mobile application system to assist HA staff in managing site tasks, communicating with contractors, and monitoring site safety since 2015. In 2017/18, we continued with the development of the safety alert module of DCSMS Phase 2 to enhance the HA Occupational Injury and Disease Surveillance System, and also several new applications such as Reference Document App, Site Alert App, Site Direction Module and Structural Inspection App, etc. Enhancement of the existing DCSMS modules is constantly reviewed and carried out when necessary and this has continuously extended system functionality and improved users' experience.



- ◆ DCSMS mobile app facilitated safety and quality management at building sites

◆ Building Information Modelling (BIM)

BIM is a modelling system for visualising the planned building and enable planning at a higher level of accuracy. During the year, we continue to apply BIM in various disciplines and aspects of planning, design and construction of new projects.

◆ Radio Frequency Identification (RFID)

RFID is one of the most cost-effective technologies designed for tracking purposes. HA continues to apply RFID in the tracking delivery of selected building components and tracking disposal of construction waste from construction sites, and has extended its application to selected Building Services installations.

◆ Geographic Information System (GIS)

GIS is utilised by the HA for site potential studies, where a range of spatial and textual data required for the identification of potential building sites can be better searched and enquired. During the year, we performed 16 site potential and feasibility studies with GIS.

◆ Housing Construction Management Enterprise System (HOMES)

The HA operates HOMES, an online collaboration and knowledge management platform for enhancing the efficiency in managing construction projects. During the year, we have completed the replacement of HOMES workflow engine and some enhancement items to improve the functions of different modules of HOMES.

■ Enhancing Building Standards, Quality and Productivity

The HA strives to align its management and operations with international practices. This is achieved through regular internal audits and document reviews according to relevant standards, including those published by the International Organisation of Standardisation (ISO) and the European Foundation for Quality Management (EFQM) Excellence Model in development and construction works. In particular, we have completed transition to 2015 editions of the ISO 9001 and ISO 14001 standards for “Building Control for Public Housing” in 2017/18.

The Independent Checking Unit (ICU), reporting directly to the Office of the Permanent Secretary for Transport and Housing (Housing), provides third-party checking of the building and structural plans for the HA’s new development projects, as well as processing submissions for alterations and additions in the existing buildings under HA’s purview. In 2017/18, it processed 1,219 building submissions, 1,866 structural submissions, 1,084 consents for New Construction projects, 2,352 submissions and 1,021 consents for Alteration and Addition Works, as well as 35,040 submissions under the Minor Works Control System. The ICU also issued 29 occupation permits and 177 structural certificates of completion for new projects. To facilitate risk management for new developments and alteration works, we have issued Quarterly Site Monitoring Reports for the active projects. The ICU also conducted several experience sharing sessions on alternation and addition works for professional services providers in June 2017 to explain building control feedback.

To further enhance structural safety, our Lift Inspection Focus Team (LIFT) inspected 207 new lift installations and 4 new escalator installations during the year. LIFT also examined 31 lifts with major alteration completed and conducted sampling inspections of 544 exiting lift installations and 53 escalator installations. Accident investigations for 6 lifts escalators and sampling audits for 28 lifts and 1 escalator were conducted by LIFT to reassure lift and escalator safety under the HA’s management.

In improving building standards, quality and productivity, the HA conducts research and development (R&D) activities on an on-going basis. Regular R&D Steering Committee meetings were held to steer new explorations and initiatives. During the year, a new R&D study on unmanned aerial system was carried out, accumulating the total number of research studies recorded in our database to 250.

With the aim of improving the choice of construction materials in the HA’s construction projects, the General Specification for Maintenance Works is regularly updated and enhanced to meet the contemporary requirements and standards for building materials. In 2017/18, we also enhanced measures to safeguard the quality of fresh water supply in replumbing works, responding to the public’s increased concern over water safety.

On top of reviewing the procurement specifications, the Product Certification for selected building material and building services has been developed and implemented since 2010. In 2017/18, a new product certification for multi-layer acrylic paint was implemented. Currently, the 11 building products specified for product certifications in our construction projects are:

- ◆ Fire resistant timber doors
- ◆ Panel wall partitions
- ◆ Packed cement for architectural use
- ◆ Tile adhesives
- ◆ Ceramic tiles
- ◆ Repair mortars

- ◆ Aluminium windows
- ◆ uPVC drainage pipes and fittings
- ◆ Closed-coupled water closet suites
- ◆ Mesh reinforcement
- ◆ Multi-layer acrylic paints

To achieve higher cost-effectiveness in construction, we actively apply the concept of “Lean Design and Construction” to explore applications of innovative construction methods that can save labour, time and resources. One example is the standard modular design that facilitates the use of precast in construction. According to figures of the tender price movements, the construction cost of the superstructure of PRH was on average about 44% lower than that of private sector residential buildings of average standard, demonstrating HA’s effort in upkeeping construction cost-effectiveness. We will continue to monitor the construction cost per flat at feasibility study stage in order to achieve even further.

During the year, other on-going measures implemented to expedite construction of our new projects included the followings:

- ◆ Adopt separate advance hoarding contracts;
- ◆ Prepare major Excavation and Lateral Support Work plans;
- ◆ Submit a piling record plan and consent for pile cap construction concurrently;
- ◆ Liaise closely with Direct Testing Contractors;
- ◆ Use draft or preliminary pile test reports for a more efficient processing and reporting process;
- ◆ Establish a streamlined joint survey for foundation contract and building contract interface;
- ◆ Streamline the checking and approval of material sample submission;
- ◆ Implement streamlined inspection procedures;
- ◆ Implement streamlined site audits for 19 construction projects consisting of buildings of 30 storeys or less;
- ◆ Apply standardised falsework details for precast facades and semi-precast slabs;
- ◆ Explore the use of standardised precast elements in suitable projects; and
- ◆ Use labour saving installation methods.

Regarding the excess lead in water incident in some estates, we continued to explore and implement quality assurance measures. Plumbing rectification works in the 11 affected estates were commenced in March 2016. As at end March 2018, all of the plumbing rectification works in common areas of all estates and more than 70% of the inside flats rectification works were completed.



Initiatives in Existing Housing Estates

Rent Adjustment and Assistance Policies

Loyal to our mission, we strive to maintain PRH rents at an affordable level that caters for the financial status of PRH tenants. As at March 2018, the average monthly rent for a PRH unit was about \$1,880, with the actual rents charged in different estates across Hong Kong ranging from \$346 to \$4,690 per month, inclusive of rates, management fees, and maintenance costs. Rent levels are reviewed on a biennial basis, and the next review will be conducted in mid-2018.

To help PRH tenants with temporary financial hardship pay their rent, we operate the Rent Assistance Scheme (RAS). Eligible tenants can receive a 25% or 50% rent reduction depending on their income level. The RAS was widely publicised through the Housing channel, radio broadcast, posters, leaflets, estate newsletters, etc. To further strengthen publicity of RAS, a video for RAS was broadcasted on YouTube and e-News of RAS was uploaded on the newly-launched “iHousing” mobile app. We also encouraged NGOs, local District Council members and EMAC members to refer tenants in need to estate offices for rent assistance.

Optimising the Allocation of Housing Resources

In 2017/18, we allocated approximately 15,500 PRH units to general applicants (i.e. family and elderly one-person applicants) and non-elderly one-person applicants under the Quota and Points System (QPS), while around 5,900 were allocated to PRH households who requested transfer, households affected by clearance, and those in special need as recommended by the Social Welfare Department, etc.

Curbing Tenancy Abuse

To ensure only those with genuine needs have access to our precious PRH resources, the HA has established stringent policies and tenancy management to prevent tenancy abuse. In 2017/18, we checked some 218,000 biennial declarations of income/assets under the Housing Subsidy Policy, Policy on Safeguarding Rational Allocation of Public Housing Resource and other tenancy management policies. The Public Housing Resources Management Sub-section (PHRM) carried out intensive checking on some 5,600 income/assets declaration cases randomly selected and suspected cases referred by the frontline management staff. In addition, the frontline staff visited around 482,000 PRH flats in the current biennial inspection cycle which commenced in November 2016. PHRM also conducted rigorous investigation on around 6,000 occupancy-related cases.



Poster for “Fight Tenancy Abuse”

With a view to promoting rational use of public housing, the HA implemented the revised Housing Subsidy Policy and the Policy on Safeguarding Rational Allocation of Public Housing Resources (commonly referred to as the “Well-off Tenants Policies”) starting from the declaration cycle in October 2017, and launched various publicity programmes and outreaching activities to raise public awareness of providing PRH flats to those with more pressing needs. During the year, we promoted through display of posters/banners in estates, radio promotion, advertisements at public transport and video broadcast on HA/HD website and Housing Channel. With our extensive promotional effort, about 80% of the PRH households engaged through the Public Housing Recurrent Survey were aware that the HA encourages tenants to report any case of suspected abuses.



Roving exhibitions in
7 PRH estates

Enlisted support from Estate Management Advisory Committee of **12** estates



Advertisement on the body of public bus for promoting “Fight Tenancy Abuse”



Advertisement on the body of green public light bus for promoting “Fight Tenancy Abuse”

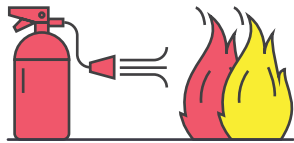
Territory-wide Overcrowding Relief Exercise and Living Space Improvement Transfer Scheme

Overcrowding in living space is a phenomenon that the HA aims to avoid. PRH tenants living in units with less than 5.5 and 7 square metres of IFA per person may apply for relocation to larger accommodation under the Territory-wide Overcrowding Relief Exercise (TWOR) and the Living Space Improvement Transfer Scheme respectively. In 2017/18, one transfer exercise under the two schemes was completed, alleviated overcrowding situation for a total of 745 households.

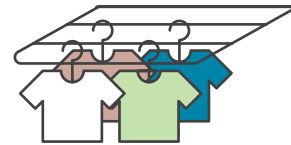
■ Maintenance and Enhancement of Buildings

Significant resources is devoted to maintaining and enhancing existing housing estates, with the aim to improve building safety and quality, as well as lower operation cost. As one of HA's major maintenance programmes, the Total Maintenance Scheme (TMS) was implemented in 17 estates during the year, including the Mandatory Window Inspection Scheme (MWIS) in three estates. The Responsive In-flat Maintenance Service (RIMS) was also implemented across all PRH estates. As our continuous practice to lengthen the usable life of aged estates, the Comprehensive Structural Investigation Programme (CSIP) and Estate Improvement Programme (EIP) for older estate were implemented as scheduled.

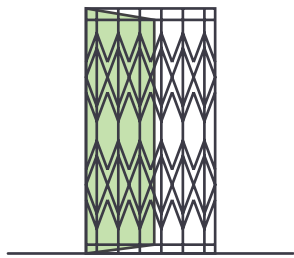
Other maintenance programmes carried out during the year include the following:



Completed surveys for improvement works to satisfy the Fire Safety (Buildings) Ordinance requirements in **60** PRH estates and Fire Safety Improvement Reports for **13** PRH estates



Completed the replacement of laundry pole holders in **250,000** units under the Laundry Rack Enhancement Programme



Replaced collapsible gates in **40,000** units under the Collapsible Gate Enhancement Programme



Replaced **55** old lifts under the Lift Modernisation Programme

The HA has also deployed information technology to assist in maintenance work. Some examples are as follows:

- Used electronic template for preparation of Annual Geotechnical Inspection Report and further development of similar templates on other reporting formats in progress (e.g. Slope Maintenance Manual, Emergency Inspection Report) to improve data accuracy and reduce report checking time;
- Used geodatabase as the universal media for slope information communication between Geotechnical Engineering Services Providers (GESPs), other government departments (e.g. slope registration submission to GEO) and to facilitate DCD slope records handover as to avoid double handling and to reduce data incompatible problems between units / departments;
- Used GIS for location identification of slopes, display of slope basic information (including utilities and anchors details) and generation of real-time slope record plans to replace existing hardcopies in e-Housing so that single data source and accurate slope information is achieved;

- Used GIS to provide users with a centralised hub for slope maintenance information (e.g. emergency roster / contact list, slope maintenance guides, referral forms);
- Used GIS to perform geospatial analysis: a) utilised rainfall distribution for site selection for emergency drill, b) tree fall and damage assessment after typhoon, etc. to provide overall picture visually as to enhance decision-making and to increase efficiency for resources allocation;
- Used Slope Maintenance Management System (HA in-house integrated GIS database) to collate, monitor and perform spatial analysis on slope maintenance data (e.g. slope inventory, slope maintenance works progress, budgetary matters, emergency incidents);
- Used 360 degrees camera to capture photospheres on a day-to-day basis during site inspection to enhance communication and discussion within the project team; and
- Applied RFID to the maintenance of buildings. The use of RFID in selected critical building components enables central monitoring on the progress of regular inspection and servicing works by the maintenance contractors so as to minimise any safety risks or nuisances caused by failure of the facilities. It also enables maintenance contractors to update maintenance records and conditions of the components on-site which thus saves time and enhances data accuracy.

Redevelopment and Adaptive Re-Use

The HA redevelops aged estates with suitable structural conditions and build-back potential, thereby sustaining development of the thriving local communities. Given that redeveloping lands will inevitably decrease PRH stock available for allocation in the short run, it is not advisable to carry out massive PRH redevelopment programmes, which will lead to freezing of a large number of PRH units that are ready for allocation. We will, in alignment with the Government's policies and directions, gradually study the feasibility of redeveloping aged PRH estates on an estate-by-estate basis.

During the year, the intake of the first phase of So Uk Estate redevelopment has commenced in several phases, aiming at providing around 3,200 PRH units in seven domestic blocks. Under the main design themes of "Care for the community" and "Revitalisation for a sustainable and healthy living environment", distinctive architectural features of the So Uk Estate have been retained to preserve its old looks in the contemporary living environment, keeping tenants' sense of belonging to the old estate.



Old feature 1 - Entrance portico of So Uk Estate



Old feature 2 - The little white house of So Uk Estate



Old feature 3 - The pavilion with painted mural of So Uk Estate

■ Optimising Utilisation of Commercial Properties

A wide range of retail premises and community facilities are owned and maintained by the HA, including car parking spaces, factory premises, retail shops, community, education and welfare facilities. It is the HA's prime concern to better support the daily needs of the PRH residents when considering the planning and management of these premises and facilities.

Measures to Better Suit the Community Needs

Through close monitoring of local demand and market trend, the HA has catered to the community's needs by diversifying trade and tenants mix, providing mobile facilities, arranging trade fairs and converting less popular retail facilities into other beneficial uses.

The leasing and trade mix of retail facilities were meticulously planned by adopting a market-oriented letting strategy, so as to provide our shoppers with avenues of more shopping choices and varieties of services.

As we observe a rising need of logistics service and popularity of online shopping, we continued to let some retail premises and suitable areas in estates/shopping centres providing express and pick-up services. Also, collaboration with major banks to enhance accessibility to banking services by setting up mobile banking facilities in selected estates was continued during the year, bringing great convenience to our tenants and the local community.

Measures to Enhance Shoppers' Experience

Over the years, the HA has actively launched various initiatives for customers to enjoy:

◆ Organising promotional activities during festivals

During the year, the HA organised a total of 34 seasonal decorations and promotional activities including stage shows, game booths, handicraft workshops and redemption activities during festive seasons and special days. Feedback on the programmes was collected for monitoring and reviewing their effectiveness.



◆ Chinese Lunar New Year decorations and celebration event in Domain

◆ Sponsoring venues for community building programmes

Collaborating with various NGOs, institutions and government departments, a total of 47 community events and activities, such as Promotion of Elderly Services, Food Safety and Environmental Hygiene Exhibition, Water Conservation Exhibitions, etc. were held in the HA's shopping centres.

◆ Enriching the shopping ambience of shopping centres

To enhance the potential of HA's commercial properties and to identify new enhancement opportunities, the HA has formulated a five-year rolling programme for prioritising asset enhancement works in accordance with the Strengths-Weaknesses-Opportunities-Threats (SWOT) analysis of the HA's commercial portfolio. Post-implementation review would also be conducted to assess the effectiveness of major enhancement works upon completion.

During the year, we have completed the improvement works for Pok Hong and Kwai Chung Shopping Centres while the work for Hoi Lai and Shek Pai Wan Shopping Centres were in good progress. The HA will continue to monitor the progress of the improvement works of the earmarked facilities according to the priority set.

Domain as an East Kowloon Regional Shopping Mall and Entertainment Hub

Positioned as the HA's flagship shopping centre, Domain serves as a regional mega shopping mall and entertainment hub in the East Kowloon, offering remarkable shopping experience to local and cross district shoppers. This year marks the fifth anniversary of Domain, a Celebration Ceremony cum Launch of Christmas Dancing Music was held at the end of 2017 for this special occasion.



◆ Domain's 5th Anniversary Celebration Ceremony

With the aim of maintaining Domain's competitiveness, we have strategically diversified the tenants' profile and trade mix during its tenancy renewal exercise this year. New businesses, including a specialty restaurant and a furniture shop were successfully introduced to give a fresh look to the shopping centre. Besides, existing facilities have been enhanced and upgraded to provide a better leisure environment for shoppers, including improvement to the overall illumination of the roof garden.

To promote wider popularity and attract patronage, we have launched tailored promotional activities and other events in collaboration with shop tenants, the mass media, and renowned brands. Besides, short-term lettings of kiosks, roadshows and festive trade fairs were regularly arranged to enrich shoppers' visit to the Domain.

During the year, we have also partnered with NGOs and institutions, including Greeners Action, WWF Hong Kong and Hong Kong Council on Smoking and Health to educate visitors on topics of environmental protection and healthcare protection, etc. A total of 22 meaningful events were supported.



- Community Event of The Hong Kong Jockey Club Charities Trust "FAMILY: A Jockey Club Initiative for a Harmonious Society"



- "Water Conservation - Past • Present • Future" Roving Exhibition of the Water Supplies Department



- 3.20 World Oral Health Day together with Love Teeth Campaign and Healthy Ageing in Public Rental Housing Estates Activity Day of the Department of Health

The Domain Club had successfully promoted customer loyalty by offering redemption plan and arranging educational activities. The number of members reached some 20,900, representing an increase of about 7% over the year.

Performance of Our Commercial Operations

We have defined a set of key performance indicators (KPIs) for monitoring the performance of our commercial portfolio. These parameters, including the vacancy rate, rent arrest rate and operating expenditure to income ratio, help gauge the effectiveness of managing our commercial portfolio.

Achievements as related to KPIs as at 31 March 2018

	Targets	Actual
Vacancy rate for Retail Premises (Shops)	Below 2.5%	1.8%
Rent Arrears Rate	Below 2.5%	1.8%
Operating Expenditure to Income Ratio	Below 60%	50.9%



Initiatives in Office at Work

Apart from incorporating green elements into our construction projects, PRH estates and commercial premises, the HA endeavours to achieve better management at the organisational level and in its offices to improve its overall sustainability performance. Through actively establishing various international management systems over the years, we uphold management best practices and align with international trends.

The achievement of greater impact on the sustainable development in Hong Kong largely relies on the cooperation with our supply chain. We therefore introduce relevant certifications including ISO 9001, ISO 14001, OHSAS 18001 and ISO 50001 as pre-requisites for registering into our contractor list. As ISO 45001 was officially rolled out in March 2018, replacing the current OHSAS 18001 standard, we have alerted and encouraged our contractors and service providers to plan for the transition accordingly. Apart from technical competence, the financial capability of tenderers is also assessed by conducting writ searches during shortlisting and tender assessment for new works projects.

Close partnership and collaborations with key stakeholders is maintained to facilitate project delivery and enhance operational performance. During the year, we have conducted regular briefings, seminars and experience sharing sessions with industry peers. Feedback for improving procurement practices have also been collected from our business partners through continuous communication. Besides, we conducted briefing and debriefing sessions, and site visits for contractors in order to disseminate our latest requirements.

Enhance Efficiency with Information Technology

With the aim of providing state-of-art IT services and software products in all our business operations and enhancing operational efficiency, the HA has continuously invested in IT for the past few years. With the latest IT services and software products, we have achieved accreditations in three main areas: application software development maintenance, IT services management, and information security management. The accreditations are presented below:

Years attained	Accreditations
2008 and 2015	Capability Maturity Model Integration (CMMI) Development and Maturity Level 3 (CMMI-DEV ML3)
2012 and 2015	ISO/IEC 20000-1:2011 for IT Services Management
2014 and 2017	ISO/IEC 27001:2013 for Information Security Management

We have also utilised different advanced IT solutions to help improve operational efficiency, maintain service quality and enhance customer experience. This year, the HA:

- Continued to implement ERP in procurement procedures;
- Implemented the 'L10 Pro' electronic tender booklet system in all tenders for new works foundation and building contracts;
- Reviewed and enhanced the Housing Electronic Plan Submission System (HePlan) for e-submissions by professionals and the Housing Electronic Building Records Online System (HeBROS) for public viewing and inspection of HA building records;
- Continued the implementation of e-transfer of structural, building, geotechnical documents and supervision plans submissions to ICU via the HePlan;
- Deployed the Mobile Application System for Housing Management (MASHM) in conducting flat inspections and verification of tenancy information;
- Implemented Confidential Messaging Application in the email system to strengthen security control on email communication;
- Commenced the development of the Housing Authority Cloud Computing Infrastructure (HA-Cloud) to pave way for development of more IT-enabled business applications in the future;
- Completed market study on endpoint security solutions to better protect HA's IT devices against security attacks; and
- Explored feasibility for implementation of the Site Mobile System with Mobile Apps for more efficient site inspection reporting by ICU staff.